

COVER SHEET

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S.E.C. Registration Number

S P C P O W E R C O R P O R A T I O N

(f o r m e r l y S A L C O N P O W E R C O R P .)

(Company's Full Name)

7 t h F l o o r C e b u H o l d i n g s C e n t e r

A r c h b i s h o p R e y e s A v e n u e ,

C e b u B u s i n e s s P a r k , C e b u C i t y

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

Mr. Reynante C. Del Rosario

Contact Person

810 44 74 to 77

Company Telephone Number

DEFINITIVE INFORMATION STATEMENT

SEC FORM

1 2

Month

3 1

Day

Calendar Year

2 0 - I S

FORM TYPE

0 5

Month

3 1

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENTS PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box
☐ Preliminary Information Statement
☒ Definitive Information Statement
2. Name of Registrant as specified in its charter : SPC Power Corporation
3. Philippines
 Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number : AS094-002365
5. BIR Identification Code : 003-868-048
6. 7th Floor, Cebu Holdings Center, Cebu Business Park, Cebu City 6000
 Address of principal office Postal Code
7. Registrant's telephone number, including area code : (63 32) 232 0377 (63 2) 810-4474 to 77
8. May 30 2017- 10:00 A.M. at the Sinulog Ballroom 1 of the City Sports Club Cebu, Inc. in Cebu City
 Date, time and place of the meeting of security holders
9. Appropriate date on which the Information Statement is first to be sent or given to security holders:
May 10, 2017
10. In case of Proxy Solicitations:
 Name of Person Filing the Statement/Solicitor: N/A
 Address and Telephone No. : N/A
11. Securities registered pursuant to Sections 8 and 12 of the code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Shares (as of December 31, 2016)	1,496,551,803 shares
Total Debt (as of December 31, 2016)	P1,509,198,926

12. Are any or all of registrant's security listed in a Stock Exchange?

Yes ☒ No ☐

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

Philippine Stock Exchange, Inc. / Common Share

**SPC POWER CORPORATION
NOTICE OF ANNUAL STOCKHOLDERS MEETING**

Name

Address

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED
NOT TO SEND US A PROXY**

Sir/Madam:

Notice is hereby given that the annual stockholders meeting of SPC Power Corporation (the Company) shall be held on May 30, 2017 (starting at 10:00 A.M.) at the Sinulog Ballroom 1 of the City Sports Club Cebu, Inc., Cebu City.

The Agenda for the meeting is attached hereto/enclosed herewith as Attachment "1".

Likewise attached hereto/enclosed herewith are copies of the Management Report/Audited Consolidated Financial Statements of the Parent Company and Subsidiaries as of and for the year ended December 31 2016.

Proxies (which must be duly accompanied by supporting documents, e.g. notarized Secretary's Certificate or Minutes of Meeting, evidencing appointment and authority of the designated proxy) must be presented to the Corporate Secretary for inspection/validation at the following address:

7th Floor, Citibank Center
8741 Paseo de Roxas, Makati City 1209
Tel. Nos.: 810 44 74 to 77, 810 44 50, 810 44 65
Fax. No. : 893 48 44
E-Mail Address: lot.caminero@gmail.com

at least five (5) business days prior to the date of the meeting. Unvalidated proxies shall not be honored.


For the purpose of the meeting, stockholders of record as of May 10, 2017 are entitled to notice of and to vote in the said meeting. Registration for the meeting begins at 8:00 a.m. on the meeting date. For convenience in registering your attendance, please bring an identification document (e.g. driver's license, voter's ID, TIN card, SSS card, passport).

In connection with the subject meeting, please be informed of the following "Dissenter's Right of Appraisal":

"With respect to any matter to be acted upon at the annual meeting which may give rise to the right of appraisal, in order that a dissenting stockholder may exercise his appraisal right, such dissenting stockholder, within thirty (30) days after the date of the annual meeting at which meeting such stockholder voted against the corporate action, shall make a written demand on the Corporation for the value of his shares.

The procedures to be followed in exercising the appraisal right shall be in accordance with Sections 81 to 86 of the Corporation Code.”

For your information/guidance.



MARIA LUZ L. CAMINERO
Corporate Secretary

Copy Furnished:

Securities and Exchange Commission
SEC Building, EDSA, San Juan, Metro Manila

Philippine Stock Exchange, Inc.
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City, Metro Manila

Metropolitan Bank & Trust Company
17th Floor, GT Tower International
6813 Ayala Avenue cor. H.V. dela Costa Street
Makati City

ATR-KIM ENG Capital Partners, Inc.
17th Floor, Tower One and Exchange Plaza
Ayala Avenue, Makati City

BELSON Securities, Inc.
Philippine Stock Exchange
Ayala Triangle, Ayala Avenue, Makati City

**AGENDA FOR THE ANNUAL STOCKHOLDERS' MEETING
OF
SPC POWER CORPORATION**

- I Call To Order.
- II Certification Of Due Notice And Presence Of A Quorum.
- III Approval Of Minutes Of Previous Meeting.
- IV Report Of The Chairman/Presentation Of Audited Financial Statements As Of And For The Year Ended December 31, 2016.
- V Approval Of Directors' Fees/Bonus For CY 2016.
- VI Ratification Of All Previous Actions (Of The Board Of Directors And Officers Of The Corporation) Since The Last Annual/Regular Meeting.
- VII Election Of Directors (2017-2018)
- VII Appointment/Reappointment Of External Auditors.
- IX Other Matters.
- X Adjournment


MARIA LUZ L. CAMINERO
Corporate Secretary

* Organizational meeting of the newly elected Board to follow immediately after adjournment of stockholders' meeting.

INFORMATION REQUIRED IN INFORMATION STATEMENT

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

General Information

Date, Time and Place of Meeting of Security Holders

The annual stockholders' meeting will be held on May 30, 2017– 10:00 A.M. at the Sinulog Ballroom 1 of the City Sports Club Cebu, Inc., Cebu City.

The complete mailing address of the registrant's principal office is at the 7th Floor, Cebu Holdings Center, Archbishop Reyes Avenue, Cebu Business Park, Cebu City.

The approximate date when the information statement will be first sent to security holders will be on May 10, 2017.

Dissenters' Right of Appraisal

As provided in Title X of the Corporation Code, a stockholder may exercise his appraisal right in the following instances:

1. when there is a change or restriction in the rights of any stockholder or class of shares;
2. when the corporation authorizes preferences in any respect superior to those of outstanding shares of any class;
3. when there is an extension or shortening of the corporate existence;
4. in case of a sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property or assets;
5. in case of a merger or consolidation.

In the exercise of the appraisal right, Title X provides the procedure on how it may be exercised:

- 1) A dissenting stockholder files a written demand within 30 days after the date on which the vote was taken. Failure to file the demand within the 30-day period constitutes a waiver of the right. Within 10 days from demand, the dissenting stockholder shall submit the stock certificates to the corporation for notation that such shares are dissenting shares. From the time of demand for payment until either abandonment of the corporate action or purchase of the shares by the corporation, all rights accruing to the shares shall be suspended, except the stockholders' right to receive payment of the fair value of his shares.
- 2) If corporate action is implemented, the corporation pays the stockholder the fair value of his shares upon surrender of the certificate/s of stock. Fair value is determined by the value of shares on the day prior to the date of which the vote was taken, excluding appreciation/depreciation in anticipation of such corporate action.
- 3) If the fair value is not determined within 60 days from date of action, it will be determined by 3 disinterested persons (one chosen by the corporation, another chosen by the dissenting stockholder, and the last one chosen by both). The findings of the said appraisers will be final, and their award will be paid by the corporation within 30 days after such award is made. Upon such payment, the stockholder shall forthwith transfer his shares to the corporation. No payment shall be made to the dissenting stockholder unless the corporation has unrestricted retained earnings.

- 4) If the stockholder is not paid within 30 days from such award, his voting and dividend rights shall be immediately restored.

There are no corporate actions that will be taken up at the Annual Stockholders' Meeting for which a stockholder may exercise the right of appraisal under Title X of the Corporation Code of the Philippines.

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

Except for the approval of Directors'/Officers' fees and bonuses for CY 2016, the directors, officers, nominees for directors and their associates do not have a substantial interest, direct or indirect, in any matter to be acted upon, other than election to office.

The registrant has not been informed in writing by any person that he intends to oppose any action to be taken by the Registrant at the meeting.

Control and Compensation Information

Voting Securities and Principal Stockholders

As of March 31, 2017, there are 1,496,551,803 outstanding common shares (at ₱1.00 per share) entitled to notice and to vote during the meeting. Each common share is entitled to one vote, except with respect to the election of directors where the stockholders are entitled to cumulative voting. There is no classification of voting securities.

Of the total issued and outstanding common and voting shares of 1,496,551,803 as of March 31, 2017, 13.13% or 196,452,726 shares are held by the public. Equity ownership of foreigners amounts to 571,852,275 shares out of the total and outstanding shares of the Corporation.

The record date to determine the stockholders entitled to notice and to vote at the meeting is on May 10, 2017.

The election of the board of directors for the current year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 24 of the Corporation Code. Section 24 provides that a stockholder may vote such number of shares registered in his name as of the record date for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see it. The total number of votes cast by such stockholder should not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

As of March 31, 2017, the following stockholders beneficially own more than 5% of the Parent Company's common shares:

Title of Class	Name and Address of Record Owner and Relationship with the Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number Of Shares	Percent of Class
Common	KEPCO Philippines Holdings, Inc. ¹ 18 th Floor, Citibank Center 8741 Paseo de Roxas, Makati City (Stockholder) ³	KEPCO Philippines Corp. Mr. Go, Jae-Han President & CEO	Korean	568,098,822	37.96%
Common	Intrepid Holdings, Inc. ² 7 th Floor, Citibank Center 8741 Paseo de Roxas, Makati City (Stockholder) ³	Intrepid Holdings, Inc. Mr. Dennis T. Villareal President	Filipino	321,905,611	21.52%
Common	JAD Holdings, Inc. ² 7 th Floor, Citibank Center 8741 Paseo de Roxas, Makati City (Stockholder) ³	JAD Holdings, Inc. Mr. Dennis T. Villareal President	Filipino	293,201,397	19.59%

¹ Mr. Go, Jae-Han shall exercise the voting power of KEPCO Philippines Holdings, Inc.

² Mr. Dennis T. Villareal shall exercise the voting power for JAD Holdings, Inc. and Intrepid Holdings, Inc.

³ The above record owners are purely stockholders.

The following Directors/Management personnel own shares in the Company as of March 31, 2017

Title of Class	Name of Beneficial Owner	Citizenship	Number of Shares and Nature of Ownership	Percent of Ownership
Common	Dennis T. Villareal	Filipino	6,425,501(d)	0.43
Common	Alfredo L. Henares	Filipino	1 (d)	n.m.
Common	Alberto P. Fenix, Jr.	Filipino	855,933 (d)	0.05
Common	Ramon Y. Sy.	Filipino	2 (d)	n.m.
Common	Roberto F. de Ocampo	Filipino	1 (d)	n.m.
Common	Enrique L. Benedicto	Filipino	1 (d)	n.m.
Common	Guillermo P. Dabbay, Jr.	Filipino	1 (d)	n.m.
Common	Go, Jae-Han	Korean	1 (d)	n.m.
Common	Choi, Bong-Joo	Korean	1 (d)	n.m.
Common	Ahn, Soonchan	Korean	1 (d)	n.m.
Common	Alfredo S. Ballesteros	Filipino	793, 492 (d)	0.05
Common	Reynante C. del Rosario	Filipino	137, 098	0.01
Common	Jaime M. Balisacan	Filipino	51,000 (d)	n.m.
Common	Maria Luz L. Caminero	Filipino	137, 098	0.01
Common	Cesar O. Villegas	Filipino	685, 492	0.04
Directors and Management personnel as a Group			9, 085, 623	0.61

d-direct

n.m.- not material

The above company directors and officers shall hold office for one (1) year until their successors are duly elected and qualified. Such other officers may, from time to time, be appointed by the Board of Directors and shall hold office for such period as the Board of Directors may determine.

Voting Trust Holder/s

The Company is not aware of any existing voting trust as of the date of this report.

Change in Control

As of December 31, 2004, the Parent Company is 39.3% owned by Salcon Holdings Philippines, Inc. (SHPI).

On December 14, 2005, SHPI, ATC Engineering SDN BHD (ATC) and Bousted Singapore Limited entered in a Share Purchase Agreement with KEPSCO Philippines Corporation (KEPHILCO), JAD Holdings, Inc. (JAD) and Intrepid Holdings, Inc. (INTREPID) whereby 654,995,108 shares of the Parent Company will be sold at ₱1.80 per share. KEPHILCO will purchase 588,102,367 shares owned by SHPI and ATC while JAD and INTREPID will purchase the remaining offered shares including other shares offered by other shareholders. As a result of the tender offer which expired on February 2, 2006, the Parent Company became 53.77% owned by the existing shareholders represented by JAD and INTREPID while 40% of the shares of stocks were owned by KEPHILCO.

On September 20, 2011, the two major shareholders of the Parent Company, namely, the Dennis T. Villareal Group ("DTV Group") and KEPSCO Philippines Holdings, Inc. ("KPHI") decided to consolidate a portion of their respective stockholdings in the Parent Company in a joint venture company known as KV Holdings, Inc. ("KVHI"), 60% of the capital of which is owned by the DTV Group and 40% by KPHI. For this purpose, KPHI and Rayfield Holdings, Inc. ("RHI") (one of the companies in the DTV Group) entered into a Sale and Purchase Agreement with KVHI for the sale by RHI and KPHI of 3% and 2%, respectively, of the outstanding Parent Company shares they own to KVHI. The sale was done on September 28, 2011 via a special block sale on the Philippine Stock Exchange ("PSE") at the agreed price of ₱2.57 per share as approved by the PSE. At the same time, JAD Holdings, Inc. ("JHI") and Intrepid Holdings, Inc. ("IHI") (the two other companies in the DTV Group) signed a Sale and Purchase Agreement with RHI for the sale by RHI to JHI and IHI of the balance of its shares representing 2.12% of the Parent Company's outstanding capital stock. This was done so that all of the Parent Company shares held by the DTV Group (aside from those held by Mr. Villareal and his family) will be consolidated in the two DTV Group of companies, JHI and IHI. This sale was done via a special block sale on the Philippines Stock Exchange ("PSE") at the agreed price of ₱2.57 per share as approved by the PSE.

On December 7, 2012, JAD Holdings, Inc., one of the principal stockholders of the Parent Company, with stockholdings equivalent to 24.83% of total issued and outstanding shares of 1,495,521,903 shares at the time of such sale, sold 82,000,000 shares to Boxboard Containers Corporation and Cancorp, Inc. at ₱4.75 per share through a cross sale on the PSE, bringing JAD Holdings, Inc.'s share down to 289,336,647 equivalent to 19.33% of the issued and outstanding shares of the Parent Company.

On June 27, 2014, JAD Holdings, Inc. (represented by Dennis T. Villareal), along with some officers of SPC and certain individuals, bought the Parent Company's shares being offered by Shanghai Shangnan Thermal Power Co., Ltd. totaling 13,709,845 shares. The share of JAD Holdings, Inc. in this transaction was 3,864,750 shares, bringing up its total stockholdings in the Parent Company to 293,201,397 equivalent to 19.59% of the issued and outstanding shares of the Parent Company.

As of March 31, 2017, the percentage of the Parent Company's outstanding shares owned directly by the DTV Group (JHI, IHI, and the Villareal family) is 42.20%, while KPHI directly owns 37.96%, and KVHI, 4.99%.

Directors and Executive Officers

Hereunder is the list of directors and executive officers of the Parent Company for 2016-2017 and their respective positions.

<u>Name</u>	<u>Nationality</u>	<u>Position with the Company</u>
Alfredo L. Henares ^{1,2}	Filipino	Chairman & Treasurer
Dennis T. Villareal ¹	Filipino	Director, President & CEO
Alberto P. Fenix, Jr. ¹	Filipino	Executive Director
Roberto F. de Ocampo ³	Filipino	Director (Independent)
Enrique L. Benedicto ⁴	Filipino	Director (Independent)
Ramon Y. Sy ⁵	Filipino	Director
Guillermo P. Dabbay, Jr. ⁶	Filipino	Director
Go, Jae-Han ⁷	Korean	Director
Choi, Bong-Joo ⁸	Korean	Director
Ahn, Soon-Chan ⁹	Korean	Director
Alfredo S. Ballesteros ¹⁰	Filipino	SVP & Director
Maria Luz L. Caminero ¹¹	Filipino	SVP, Corporate Secretary, Compliance Officer
Reynante C. del Rosario	Filipino	CFO
Cesar O. Villegas	Filipino	VP-Business Development & Commercial Operations
Jaime M. Balisacan	Filipino	VP – Finance

¹ Directors and officers since incorporation on August 17, 1994.

² Mr. Alfredo L. Henares elected as Chairman on May 30, 2014 up to the present.

³ Director from November 25, 2002 up to the present.

⁴ Director from September 16, 2008 up to the present.

⁵ Director from November 12, 1998 to November 25, 2002 and from February 15, 2006 up to the present.

⁶ Director from May 30, 2012 up to the present.

⁷ Director from March 30, 2016 up to the present.

⁸ Director from October 8, 2015 up to April 2, 2017.

⁹ Director from March 30, 2016 up to the present.

¹⁰ SVP, Compliance Officer since 1996 and Corporate Secretary up to December 3, 2014; elected and

served as Director from March 30, 2015 up to untimely demise on February 12, 2017.

¹¹ SVP since November 18, 2013; appointed as Corporate Secretary and Compliance Officer on December 3, 2014.

Unless otherwise provided by law, the powers, business and allocation of resources of the Parent Company are exercised, conducted and controlled by an eleven-member Board of Directors.

The Nomination Committee, created by the Board under its Manual of Corporate Governance, nominated the incumbent directors. The Nomination Committee further endorsed to the Board the Final List of Candidates for Independent Directors in the persons of Mr. Roberto F. de Ocampo and Mr. Enrique L. Benedicto. Mr. Dennis T. Villareal was the one who nominated Messrs. Roberto F. de Ocampo and Enrique L. Benedicto. Mr. Dennis T. Villareal is not related to Messrs. De Ocampo and Benedicto by consanguinity nor affinity. Neither is there a professional relationship between Mr. Dennis T. Villareal and Messrs. De Ocampo and Benedicto.

In compliance with the provisions of SRC Rule 38, the Board of Directors amended its By-laws on December 8, 2004 and March 11, 2005 to include a provision on the procedure and selection of Independent Directors.

Each Director has a term of office of one year and is eligible for re-election every year. Each Director beneficially owns at least one share of the capital stock of the Parent Company. The members receive such compensation as determined by the Board of Directors.

By resolution passed by the Board, the Directors may designate one or more committees which, to the extent provided by said resolution, shall have and may exercise any of the powers of the Board which may lawfully be delegated in the management of the business and affairs of the Parent Company.

The officers of the Company are elected or appointed by the Board of Directors. The Chairman of the Board and the President/Chief Executive Officer are elected from the members of the Board.

Profile of the Incumbent Board of Directors and Executive Officers

Alfredo L. Henares, Filipino, 63 years old, has been the Treasurer and Director of the Parent Company since 1994. On May 30, 2014, he was elected as Chairman and continues to serve as Chairman and Treasurer up to the present. He is also currently a member of the Board Executive Committee, Audit Committee and Nomination Committee. He is likewise the Treasurer and Director of the following corporations: Salcon Philippines, Inc.; Salcon International Inc.; SPC Property and Development Corp.; SPEC Properties Inc.; Western Panay Hydropower Corp.; SPC Electric Co., Inc.; and SPC Light Co., Inc. He was a Director of Bohol Light Company, Inc. and Bohol Water Utilities, Inc. for about seven years prior to his appointment as Chairman of both companies effective May 2007. In the year 2015, he relinquished his Chairman position to Mr. Lim Chan Lok and went back to being a Director in Bohol Water Utilities, Inc. He is also the Chairman of SPC Island Power Corporation, SPC Malaya Power Corporation and KV Holdings, Inc. He is also the President of Progressive Broadcasting Corp.; a Director of Isarog Pulp and Paper Co., Inc.; the Finance Director of Vegoil Phil., Inc. and the Executive Vice President and Chief Financial Officer of KEPCO SPC Power Corporation. He graduated from Harvard Graduate School with an MBA degree and from the Ateneo de Manila University with a Bachelor's Degree in Business Management.

Dennis T. Villareal, Filipino, 75 years old, is the Founding President, Chief Executive Officer and a Director of the Parent Company. Currently, he is also the Chairman of the Board Executive Committee, Nomination Committee and Compensation Committee. He is likewise the President and a Director of the following corporations: Salcon Philippines, Inc.; Salcon International, Inc.; SPC Island Power Corp.; SPC Property and Development Corp.; SPEC Properties, Inc.; Mactan Electric Company, Inc.; Bohol Light Co., Inc.; Bohol Water Utilities, Inc.; Western Panay Hydropower Corp.; SPC Electric Co., Inc.; Rayfield Holdings, Inc.; SPC Light Co., Inc.; SPC Malaya Power Corporation; KV Holdings, Inc.; Filipinas Palmoil Processing Inc.; Filipinas Palmoil Plantations, Inc.; Filipinas Palmoil Properties, Inc.; Isarog Pulp and Paper Co., Inc.; Dentrade, Inc.; JAD Holdings, Inc.; and Intrepid Holdings, Inc. He is also the Vice Chairman and a Director of KEPCO SPC Power Corporation. In addition, he is the Vice-President and a Director of Dowell Packaging Corp.; Rowell Industrial Corp.; and Rowell Plastic Corp. He graduated from the University of Missouri with a Bachelor of Science Degree in Business Administration.

Alberto P. Fenix, Jr., Filipino, 72 years old, has been a Director of the Company since 1994. He has also been an Executive Director of the Parent Company since September 28, 2001 and a member of the Board Executive Committee since March 7, 2006. He is likewise a Director of SPC Electric Company, Inc. starting 2001; SPC Light Company, Inc. effective 2002; Bohol Light Company, Inc. effective May 2007; SPC Island Power Corporation effective November 2007; Western Panay Hydropower Corp. since 1997; SPC Malaya Power Corporation in September 2011 and KV Holdings, Inc. on December 13, 2010. In March 2009, he was appointed as Managing Director of SPC Island Power Corporation until August 31, 2010 but remained as a Director up to the present. He is the Chairman of Fenix Management and Capital, Inc. and President of Ivoclar Vivadent, Inc. And Alpina Realty, Inc. He serves as Trustee of the Angeles University Foundation, Inc. His prior positions include directorships at National Steel Corp.; Refractories Corporation of the Philippines, Inc.; Pryce Corp.; Pryce Gases, Inc.; Philippine National Oil Corp.; Newtech Pulp, Inc. And Victorias Milling Company, Inc. Dr. Fenix is a business leader, having been President in 1998 and 1999, and currently the Honorary President of the Philippine Chamber of Commerce and Industry (PCCI) and President of the PCCI Human Resources Development Foundation, Inc. He graduated with a Bachelor's Degree in Mathematics (cum laude) from the Ateneo de Manila University and Master's and Doctorate degrees in Industrial Management from the Sloan School of Management of the Massachusetts Institute of Technology.

Roberto F. de Ocampo, Filipino, 70 years old, has been an Independent Director of the Parent Company and Chairman of the Board Audit Committee since November 25, 2002. He was the secretary of Finance (1994-1998) during the presidency of Fidel V. Ramos. As Secretary of

Finance, he was concurrently a member of the Board of Governors of the World Bank Monetary Fund. He also served as Chairman and CEO of the Development Bank of the Philippines (1989 – 1994) and Chairman of the APEC Finance Ministers (1997). He was named “Asian Finance Minister of the Year” by the Euromoney and Asianmoney magazines in 1996 and 1997, respectively. He was conferred the Legion of Honor, the highest honor conferred on Filipino civilians, by the Republic of the Philippines in 1998 for his outstanding contributions to the country. He is currently the President of PAMI Global Bond Fund, Inc.; Philam Bond Fund, Inc.; Philam Dollar Bond Fund, Inc.; Philam Fund, Inc.; Philam Managed Income Fund, Inc.; and Philam Strategic Growth Fund, Inc. He is also the Chairman and/or Board Member of several companies in the Philippines and abroad including, among others, DFNN International; Bankard, Inc.; EEI Corporation; Rizal Commercial and Banking Corporation; Globe Telecom; Corporate Governance Institute of the Philippines; Philippine Cancer Society; Asian Institute of Management; Makati Business Club; Foundation for Economic Freedom; Philippine Quality & Productivity Movement, Inc.; Investment & Capital Corporation of the Philippines; Asian Aerospace, Inc.; and Pacific Gaming Investments Pte. Limited. Dr. de Ocampo received his MBA from the University of Michigan, a post-graduate diploma from the London School of Economics and has been conferred three Doctorates (Honoris Causa).

Enrique L. Benedicto. Filipino, 75 years old, was appointed as Independent Director of the Parent Company on September 16, 2008 and continue to serve as such up to the present. He is a recipient of the Entrepreneur of the Year award (Grand Chamber Award) given by the Cebu Chamber of Commerce on June 28, 2013. He is also the Honorary Consul of the Royal Consulate of Belgium from 1996 up to the present. He is Chairman of the following companies: Enrison Holdings, Inc.; Enrison land, Inc.; Mabuhay Filcment, Inc.; Benedict Ventures, Inc.; and Berben Wood Industries, Inc. He is likewise the Vice Chairman of Bernardo Benedicto Foundation, Inc. Previously, he was either the Chairman or President of the following: Consular Corps of the Philippines, Cebu Chapter; Philippine Foundation, Inc.; Cebu Jaycee Foundation; and Cebu Jaycee Senate. He was also a Vice Chairman of the Cebu Investment Promotion Center and Trustee of the Cebu Chamber of Commerce & Industry, Inc. Mr. Benedicto is a recipient of the following prestigious awards: “Officer in the Order of Leopold II” award conferred by His Majesty Baudowin King of the Belgians; Most Outstanding Cebuano Citizen presented during the 54th Cebu City’s Charter day celebration; Great Cebuano Award conferred by the Province of Cebu, Mandaue Chamber of Commerce and Industry, Inc., Kapisanan Ng Mga Broadcaster ng Pilipinas (KBP), and Sugbuanong Kumintaristang Nagpakabana (SUKNA); Most Outstanding Alumnus conferred by the University of San Jose-Recoletos; Recognition Award for Outstanding Achievements by the Cebu City Government; and Recognition Award as a Member of the Board of Trustees for Ten Consecutive Years of the Cebu Investment Promotions Center. Mr. Benedicto has a Bachelor of Science in Commerce degree from the University of San Jose Recoletos.

Ramon Y. Sy, Filipino, 85 years old, was a Director of the Parent Company from November 12, 1998 to November 25, 2002 and reelected from February 15, 2006 up to the present. He used to be the President of the Bankers Association of the Philippines and President and Chief Executive Officer of the United Coconut Planters Bank from October 2007 to November 15, 2011. He is presently the Vice Chairman and Director of Asia United Bank. He is also the Chairman of Ramsy Corporation, Travelman, Inc., Xcell Property Ventures, Inc. And Apex Mining Co., Inc. and a Trustee of the St. Luke’s Medical Center and St. Luke’s Medical School. He is presently a director of Philippine Equity, Maxicare Health Care Corporation, Asian Alliance Holding and Development Corp., Asian Alliance Investment Corporation and Monte Oro Resources and Energy, Inc. He was previously the President and Chief Executive Officer of International Exchange Bank; Chairman and Chief Executive Officer of United Coconut Planters Bank and various companies associated with the coconut industry including CHIF Management Company, Inc.; Chairman of Asean Fund Limited; President of Megalink, Inc; Director of ANSCOR Insurance Brokerage Corporation and San Miguel Corporation; Country Manager of Bank of America; and President of BA-Finance Corporation. He earned his MBA degree at the University of the Philippines and his Bachelor of

Science in Commerce degree at the Far Eastern University. He was also an independent Director of the Company.

Guillermo P. Dabbay, Jr., Filipino, 57 years old, has been a Director of the Parent Company since May 30, 2012. He is also the Corporate Secretary, Director and General Counsel for KEPCO Philippines Corporation and KEPCO SPC Power Corporation. He is also the Corporate Secretary and General Counsel for KEPCO Ilijan Corporation. He was elected to the parent Company's Board on May 30, 2012. He is also a director of Mactan Electric Corporation. He is also the Corporate Secretary of KEPCO Philippine Holdings, Inc. and KEPCO International Philippines, Inc. He was a Senior Associate with Angara Abello Concepcion Regala & Cruz Law Offices. He earned his Bachelor of Arts in Political Science Degree (with distinction) at the University of the Philippines and Bachelor of Laws, also at the University of the Philippines.

Go, Jae-Han, Korean, 57 years old, was elected to the Parent Company's Board on March 30, 2016 to replace Mr. Lyu, Hyang-Reol who was recalled to the KEPCO Headquarters in Korea for new assignments. He joined Korea Electric Power Corporation in 1986 and was General Manager of KEPCO Branch Office in New York. He was then the General Manager and Director General for Overseas Project Management Department of KEPCO Korea. He was also the Vice President, Head of Overseas Project Strategy Department, Vice President, Head of Nuclear Project Export Promotion Department and Vice President, Head of Overseas Project Management Department. He is now the President and CEO of KEPCO Philippines Corporation. He graduated with a degree in Business Administration from Soongsil University in Seoul, South Korea and completed his MBA at Korea University also in Seoul, South Korea.

Choi, Bong-Joo, Korean, 56 years old, was elected to the Parent Company's Board on October 8, 2015 and served as such until his recall to the KEPCO Headquarters in Korea for new assignments effective April 3, 2017. He joined Korea Electric Power Corporation in 1979 as Assistant Manager. He was then the Manager of Overseas Division tasked in the development of overseas IPP projects and management of Malaya TPP projects. He was also the General Manager of KEPCO Overseas Division handling the billing and calculation of electricity tariff bills and management of the Philippine projects and operation companies. He graduated at Chung-Ang University in Seoul, Korea with a degree in Accounting. He completed his masteral degree in international business also at Chung-Ang University in Seoul, South Korea.

Kim, Jin-Seong, Korean, 48 years old, was elected to the Parent Company's Board on April 3, 2017 to replace Mr. Choi, Bong-Joo who was recalled to the KEPCO Headquarters in Korea for new assignments. Mr. Kim is presently the Director General, Southeast Asia Project Management Team of Korea Electric Power Corporation (KEPCO) in Korea. He joined Electric Power Corporation in 1993. He was also the Senior Manager of KEPCO New York Office in 2006 and Senior Manager, UAE Nuclear Project Department in 2009. He was also a Director General, International Cooperation's Department of KEPCO and its Euro-America Project Management Team in 2014. He graduated in 1994 with a degree in Bachelor of Science in Business Administration at the Korea University, Korea and took his IB-MBA at Helsinki School of Economics in Finland.

Ahn, Soon-Chan, Korean, 47 years old, was elected to the Parent Company's Board on March 30, 2016. He joined Korea Electric Power Corporation in 1997. He was the Manager of KEPCO Overseas Project Department and Project Development in KEPCO Philippines. He was also a Senior Manager of the Overseas Project Development Department and General Manager of KEPCO's Gyeongnam District Division. He is currently the General Manager of Planning Department of KEPCO Ilijan Power Corporation. He graduated with a degree in Business Administration at Konkuk University in Korea.

Alfredo S. Ballesteros, Filipino, 78 years old, was the Senior Vice President and Compliance Officer of the Parent Company from 1996 up to his demise on February 12, 2017. He was likewise the Corporate Secretary up to December 3, 2014. He was elected as Director on March 30, 2015.

He was also the Senior Vice President of Salcon Philippines, Inc. and a Director of Bohol Water Utilities, Inc; and SPC Light Company, Inc. He was the Corporate Secretary of the following corporations: Salcon Philippines, Inc.; Salcon International, Inc.; SPC Island Power Corp.; SPC Property and Development Corp.; SPEC Properties, Inc.; Bohol Light Company, Inc.; Bohol Water Utilities, Inc.; Western Panay Hydropower Corp.; SPC Electric Co., Inc.; SPC Light Co., Inc.; KV Holdings, Inc. and SPC Malaya Power Corporation. He was formerly a Senior Vice President of National Steel Corporation and served in National Steel Corporation under various capacities: Vice President for Treasury, Raw Material Procurement and Expansion Projects; Division Manager for Finance; Manager for Personnel Administration; Manager for Systems and Audit; Superintendent for Works Accounting; and Plant Accountant. Previously, he held the positions of Manager for Works Accounting and Supervisor – Systems and Procedures with Iligan Integrated Steel Mills, Inc.; and was a Junior Auditor of SyCip Gorres Velayo & Co. He obtained his Bachelor of Science in Commerce degree (Salutatorian) from La Salle College, Bacolod City.

Maria Luz L. Caminero, Filipino, 54 years old, was appointed Sr. Vice President for Legal Affairs/Business Planning and Development of the Parent Company on November 18, 2013. Atty. Caminero was also appointed as Corporate Secretary and Compliance Officer of the Parent Company effective December 3, 2014. She has practiced law for twenty-five (25) years. Her present practice focuses on energy law, particularly in the power industry in the Philippines. From 2003-October 2013, she was the Vice-President and General Counsel of the Power Sector Assets and Liabilities Management Corporation (PSALM). During her ten-year stint in PSALM, she was designated as Acting President from April-June 2010 and thereafter appointed as OIC from June-September 15 of the same year. Prior to her work at PSALM, she was the Chief Corporate Attorney for National Power Corporation (NPC) in the Tax Counseling Corporate Affairs and Government Relations Department and Litigation Department, Office of the General Counsel. She also served as legal adviser to the Office of the NPC President during the terms of two NPC presidents. In the transition period in anticipation of the implementation of the EPIRA, she was capbadged and assigned to TRANSCO to work on transmission business transactions. Atty Caminero worked for NPC from 1995 -2003, although eventually detailed to work for PSALM in 2001-2003. Atty. Caminero also worked with the Judiciary for a period of six years. She was the Head Lawyer (Court Attorney V) of the Office of Associate Justice Flerida Ruth P. Romero, Supreme Court from 1991-1995. Earlier, she worked in the Office of Associate Justice Fidel P. Purisima, Court of Appeals, as Court Attorney V from 1989 -1991. As an underbar, she worked with the Office of Senator Santanina T. Rasul in the latter part of 1988 -1989.

Cesar O. Villegas, Filipino, 55 years old, was appointed Vice President for Business Development and Commercial Operation on December 3, 2014. Prior to this, he was the Senior Manager for Business Development and the Technical Assistant to the President. Before joining SPC Power Corporation on February 2, 2010, he was a Technical Manager of Ultrawaters, Inc. (a water treatment company); Electrical Engineer at Rudell & Associates; Project Manager at Pangea Green Energy Phils. Inc.; Operations Manager and Operations Shift Manager at Enron Power Philippines; Planning & Scheduling Chief, Instrumentations Engineer and Control Switchboard Engineer with National Power Corporation; and Plant Electrical Engineer at Coco-Chemicals Philippines. He obtained his Bachelor of Science in Electrical Engineering degree from the Mapua Institute of Technology. He is a Registered Electrical Engineer.

Reynante C. del Rosario, Filipino, 60 years old, was appointed Chief Financial Officer of the Parent Company on August 6, 2013. Before joining the SPC Group, Mr. Del Rosario worked with Good Year Philippines, Inc. starting as Accounts Payable Clerk in May 2, 1978 and thereafter rose from the ranks occupying various positions in Finance including as Finance Director and Treasurer, a position he held for nine years up to June 30, 2013. He graduated from University of the East with a degree in Bachelor of Science in Business Administration.

Jaime M. Balisacan, Filipino, 62 years old, has been Vice President for Finance of the Parent Company since August 16, 1997. He also renders financial services to certain subsidiaries in the

SPC Group. Before joining the SPC Group, he was the Controller of Toledo Power Company from July 1994 to August 1997. He also worked as Financial Services Director/Specialist with Atlas Consolidated Mining and Development Corporation (ACMDC) from March 1989 to June 1994. He also served ACMDC in other capacities as Inventory Control Superintendent – Materials Management Division, Group Head/Inventory Accountant, Accounting Supervisor and Audit Clerk – Comptrollers Division. Mr. Balisacan is a Certified Public Accountant. He graduated from the Divine Word College of Laoag, Laoag City with a degree in Bachelor of Science in Commerce, Major in Accounting.

The disclosed business experience of the above Directors and Officers is for at least the last five years, unless otherwise indicated in their profiles.

Identity of Significant Employees

No significant employee or personnel who is not an executive officer of the Parent Company is expected to make a significant contribution to its business.

Family Relationships

None of the foregoing directors and officers are related to each other by consanguinity or affinity.

Involvement in Certain Legal Proceedings

For the past five years and up to date of this Information Statement, none of the directors and officers were involved in any insolvency or bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law.

Nomination of Incumbent Directors for Re-election

The following directors will be nominated for election at the annual stockholders' meeting on May 30, 2017:

Dennis T. Villareal; Alfredo L. Henares; Alberto P. Fenix, Jr.; Ramon Y. Sy;
Roberto F. de Ocampo; Enrique L. Benedicto; Go, Jae-Han; Ahn, Soon-Chan;
Kim, Jin-Seong ; Guillermo P. Dabbay, Jr.; Antonio T. Corpuz

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of a disagreement with the registrant on any matter relating to the registrant's operations, policies or practices. Furthermore, no director has furnished the registrant with a letter describing a disagreement with the registrant.

Independent Directors

Management intends to nominate Messrs. Roberto F. de Ocampo and Enrique L. Benedicto and Ramon Y. Sy as independent directors for the current year, pursuant to and in accordance with the guidelines on the nomination and election of independent directors contained in SRC Rule 38 and the Registrant's amended By-laws. Management is aware of SEC Circular No. 4, Series of 2017 prescribing term limits for Independent Directors. The terms of Messrs. Roberto F. de Ocampo and Enrique L. Benedicto and Ramon Y. Sy as Independent Directors of the Parent Company are within said limits. The procedures for the nomination and election of Independent Directors in accordance with the provisions of SRC Rule 38, as amended is cited in the Corporation's Revised Manual on Corporate Governance filed with the Commission on July 24, 2015. The Corporation's By-Laws is

yet to be amended to incorporate the procedures for the nomination and election of Independent Directors in accordance with the provision of SRC Rule 38.

Certain Relationships and Related Party Transactions

In the normal course of business, the Parent Company and its subsidiaries have significant transactions with related parties the details of which are contained in Note 5 of the Audited Financial Statements of the Registrant as of and for the year ended December 31, 2016 (attached).

Compensation of Directors and Executive Officers

1. Terms and Conditions of Employment Contract, Compensation Plan:

Except for the Chairman/Treasurer, the President and the Executive Director, the Parent Company's other Senior Officers are also regular employees and are similarly remunerated with a compensation package equivalent to thirteen (13) months salary per annum. They also receive whatever year-end gratuity pay the Board extends to the managerial, supervisory, and technical employees of the Parent Company. These terms and conditions are included in the employment contract between the Parent Company and its Senior Officers.

The members of the Board of Directors are elected for a term of one year. They receive annual remuneration in Director's Fees, in addition to compensation on a per meeting participation. Moreover, members of the Board of Directors who perform executive functions are paid additional remuneration.

The aggregate compensation paid or incurred during the last two years and estimated to be paid in the ensuing year to the Parent Company's Chairman/Treasurer, President and CEO, Executive Director and most highly compensated Senior Officers are as follows:

<u>Name & Principal Position</u>	<u>Year</u>	<u>Salary (Pesos)</u>	<u>Bonus (Pesos)</u>	<u>Total</u>
Chairman/Treasurer, President/CEO, Executive Director and five (5) most highly compensated Senior Officers	Projected 2017	29,978,186	3,186,796	33,164,982
	Actual 2016	28,854,729	3,035,044	31,889,773
	Actual 2015	29,872,432	3,003,670	32,876,102

All Directors and Senior Officers As a Group Unnamed	Projected 2017	35,413,480	3,186,796	38,600,276
	Actual 2016	34,290,023	3,035,044	37,325,067
	Actual 2015	35,910,667	3,003,670	38,914,337

The highest ranked Senior Officers included in the foregoing compensation table are the following:

Mr. Alfredo L. Henares, Chairman and Treasurer
Mr. Dennis T. Villareal, President and CEO.
Dr. Alberto P. Fenix, Executive Director.
Mr. Alfredo S. Ballesteros, SVP and Director.
Atty. Maria Luz L. Caminero, SVP, Corporate Secretary and Compliance Officer
Mr. Reynante C. del Rosario, Chief Financial Officer
Mr. Cesar O. Villegas, VP – Business Dev. and Commercial Operations
Mr. Jaime M. Balisacan, VP - Finance.

2. Other than what is provided under applicable labor laws, there are no compensatory plans or arrangements with executive officers entitling them to receive any sum of money as a result of their

resignation, retirement or any other termination of employment, or from a change in control of the Parent Company, or a change in the executive officers' responsibilities following a change in control of the Parent Company. There are no warrants or options outstanding in favor of directors and officers of the Parent Company.

Independent Public Accountant

The stockholders appointed SyCip Gorres Velayo & Co. (SGV) as the Independent Public Accountant for the year 2016. Ms. Jhoanna Feliza C. Go was appointed by SGV as the engagement partner to lead the audit of the Parent Company's financial statements effective for the year 2016. Ms. Go replaced Mr. John T. Villa of the same auditing firm. Mr. Villa was the engagement partner who lead the audit of the Parent Company's financial statements from 2012 to 2015. The appointment of a new SGV engagement partner in 2016, therefore, was an early compliance with SRC Rule No. 68, Paragraph 3(b)(iv) requiring the change of external auditor or engagement partner for corporations covered under the Code of Corporate Governance who had engaged external auditors for a consecutive period of five years or more.

The reappointment of SGV as Independent Public Accountant for the year 2017 will be submitted to the stockholders for their confirmation and approval.

Authorized representatives of SGV, who shall be present at the meeting, will have the opportunity to make a statement if they choose to do so, and will be available to respond to appropriate questions.

The composition of the Audit Committee are as follows:

Mr. Roberto F. de Ocampo – Chairman
Mr. Alfredo L. Henares – Member
Mr. Ah, Soon-Chan - Member

Other Matters

Action with Respect to Reports

During the May 31, 2016 Annual Stockholders' meeting, the Parent Company's performance in 2015 was reported to the stockholders. As contained in the 2016 Minutes of Stockholders' meeting and after a quorum was determined, the following matters were presented to and approved by the stockholders:

- a. Minutes of the 2015 Annual Stockholders' Meeting;
- b. CY 2015 Management Report and Audited Financial Statements;
- c. Directors' fees/bonuses for CY2015;
- d. Appointment/reappointment of external auditors;
- e. Ratification of all previous actions of the Board of Directors and Officers done in the ordinary course of business since the last annual stockholders' meeting; and
- f. Election of Directors for 2015 - 2016.

For the May 30, 2017 annual stockholders, meeting, the Chairman of the Board and the Chief Financial Officer will report to the stockholders the operating and financial performance of the Parent Company and its Subsidiaries for the year ended December 31, 2016. Management will submit to the stockholders for their approval the following: (i) minutes of the 2016 Annual Stockholders' Meeting; (ii) CY2016 audited financial statements; (iii) directors' fees/bonuses for CY2016; and (iv) the appointment/reappointment of external auditors. It will also submit for ratification by the stockholders all previous actions of the Board of Directors and Officers of the

Parent Company which were made in the ordinary course of business. The election of Board of Directors for 2016 - 2017 will also take place.

The significant actions undertaken in 2016 by the Board of Directors and Officers of the Parent Company are shown in the attached Exhibit "A" (Ratification of Past Acts for CY 2016) of this Information Statement.

Approval and ratification of the minutes, reports, and acts of the Board of Directors and Officers constitutes approval of the matters therein.

No action on any matter, other than those stated in the Agenda for the Meeting is proposed to be taken, except matters of incidence that may properly come at the meeting.

Matters Not Required to be Submitted

Proofs of transmittal to stockholders of the required Notice for the Meeting and of the presence of a quorum at the Meeting form part of the Agenda for the Meeting but will not be submitted for approval by the stockholders.

Voting Procedure

For the selection of directors, the eleven (11) nominees receiving the most number of votes will be elected to the Board of Directors. Cumulative voting will apply.

Unless otherwise required by law, on all matters to be taken up, majority vote of the outstanding capital stock present and represented at the meeting where a quorum is existing shall be sufficient.

Voting shall be done viva voce or by raising of hands and the votes for or against the matter submitted shall be tallied by the Corporate Secretary in case of a division of the house, in the presence of the external auditor.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on April 22, 2017.

SPC POWER CORPORATION
Issuer


MARIA LUZ L. CAMINERO
Corporate Secretary

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND OTHER INFORMATION

Hereunder is management's discussion and analysis of the significant factors affecting the financial performance, financial position and cash flows of the Parent Company and Subsidiaries (collectively referred to as the "Group"). The discussion and analysis should be read in conjunction with the accompanying audited consolidated financial statements and the notes thereto as well as the schedules and disclosures set forth elsewhere in this report (SEC Form 17-A).

Financial Conditions and Results of Operations

Results of Operations

Year Ended Dec. 31, 2016 vs. Year Ended Dec. 31, 2015

The Group achieved the highest consolidated net income in 2016 at ₱1,788.1 million, 18.4% more than the ₱1,510.0 million earned in the previous year. The net income attributable to equity holders of the Parent Company translated to ₱1.16 in earnings per share in 2016 compared to ₱0.99 in 2015. The performance likewise translated to a double-digit return on average equity of 21.09% in 2016 versus 20.49% the year before.

All business segments contributed positively to the improved bottom line despite low electricity spot market prices in 2016.

Share in the earnings of investees continued to account for a lion's share of the Group's consolidated net income in 2016, accounting for 65.8% of the total. Power generation and power distribution contributed 30.8% and 3.4%, respectively.

The investee companies contributed ₱1,175.5 million to the consolidated net income in 2016, up by 2.7% from ₱1,144.8 million in 2015. The speed of growth was considerably slowed by low electricity spot market prices in 2016 compared to the previous year.

The net income contributed by power generation in the portfolio grew by a robust 69.8% to ₱551.2 million in 2016 from ₱324.6 million in 2015. The business unit benefited from higher utilization of available capacity and gains made from cost containment measures that partly offset lower electricity spot market prices.

Income contribution from the power distribution business likewise expanded to ₱60.1 million in 2016, up by 41.1% from the previous year. Tariff adjustments under the Performance Base Regulation (PBR) approved by the ERC in the second semester of 2016 as well as new connections and some existing customers added to the load of the distribution business contributed significantly in shoring up bottom line. The volume of electricity sold increased by 9.2% to 113,696 MWH in 2016 from 104,106 MWH in the preceding year.

Consolidated revenues increased by 6.1% to ₱2,920.7 million in 2016 from ₱2,751.9 million the year before. The power distribution and power generation business segments boosted top-line growth on the back of higher volume of electricity sold and higher utilization of available generation capacity that more than negated the impact of low electricity prices in the spot market and lower pass-through fuel cost.

Consolidated cost of services decreased by 2.8% to ₱1,976.9 million in 2016 from ₱2,034.8 million in 2015 due mainly to lower pass-through fuel price and lower depreciation and amortizations.

Since revenues grew faster than the cost of services, consolidated gross margin (the difference between revenues and cost of services) jumped by 31.5% to P943.8 million in 2016 from P717.1 million in 2015.

Consolidated general and administrative expenses went down by 15.6% to P228.0 million in 2016 from P270.1 million in the previous year. The increases in the expenses for business development and provisions for doubtful accounts and probable losses were more than offset by lower taxes and other expenses.

Year Ended Dec. 31, 2015 vs. Year Ended Dec. 31, 2014

The Group's total comprehensive income amounted to P1,510.0 million in 2015, almost the same as the total comprehensive income registered in 2014, even as equity share in the earnings of associates was slightly weakened due mainly to unrealized foreign exchange losses and absence of non-recurring other income in 2015 as compared to the previous year.

Equity share in the earnings of associates slid by 2.7% to P1,144.8 million in 2015 from P1,176.9 million in 2014. Without the unrealized foreign exchange losses resulting from the revaluation of U.S. dollar-denominated loans, the overall equity share from the earnings of associates would have improved by 4.8% to P1,233.3 million in 2015.

The decline in the overall equity share from the earnings of associates was offset by modest growth posted by both the power generation and distribution business segments.

Total equity share in the earnings of associates accounted for 75.7% of the Group's total comprehensive income in 2015, followed by power generation and power distribution at 21.5% and 2.8%, respectively.

Group-wide revenues slightly went up to P2,751.9 million in 2015 from P2,720.9 million in 2014. Revenues lost from the idle SPC Malaya Power Corporation were more than offset by the combined revenues generated from the provision of ancillary services, selling of generated electricity to the WESM and contracted distribution utilities, and distribution of purchased power.

The Group was able to rein on overall cost of services which decreased by 1.9% to P2,034.8 million in 2015 from P2,074.7 million in 2014.

Since revenues grew faster than the cost of services, consolidated gross margin (the difference between revenues and cost of services) improved by 11.0% to P717.1 million in 2015 from P646.1 million in 2014.

However, consolidated administrative and general expenses rose by 8.5% to P270.1 million in 2015 from P248.9 million in 2014. The increase was due mainly to higher expenses for taxes, licenses and regulatory charges; insurance; and personnel, all of which were partly offset by lower provisions for doubtful accounts and probable losses.

Interest expense went up by 52.3% to P42.8 million from P28.1 million due mainly to new bank loans obtained in 2014 to augment the resources of the Parent Company in the exercise of its "right-to-top" the highest bidder for the sale of the 153.1 MW Naga Power Plant. It is also due to accretion of asset retirement obligations of SIPC and the Parent Company.

Income from changes in asset retirement obligation increased to P36.2 million in 2015 due to reduction in the amount of obligation as a result of the reassessment conducted in coordination with an independent appraiser. As discussed in the notes to the consolidated financial statements, the Parent Company and SIPC have a contractual obligation under the LLA with PSALM to dismantle installed assets and restore the leased premises to their original condition at the end of the lease

term. In this regard, the Parent Company and SIPC established an obligation to recognize the estimated liability for asset retirement.

Other Income (Charges) – Others increased to P56.1 million in 2015 from P20.8 million in 2014. The increase was due mainly to the net effect of the following: (i) the reversal of depreciation/amortization charges related to assets previously acquired under the APA with PSALM in which the total amount paid to PSALM in 2014 (P1.143 billion) was recognized as other noncurrent receivable as of December 31, 2015; and (ii) the write-off of necessary expenses that were also related to the assets acquired under the APA with PSALM. Please see further Notes 29 and 30 of the Consolidated Financial Statements.

Total comprehensive income attributable to Non-controlling interests decreased to P36.3 million in 2015 from P178.6 million in 2014. This was due mainly to lower income of SECI, SLCI and SMPC which are 60.0%, 36.0% and 21.6%, owned by minority stockholders, respectively.

Financial Condition

Dec. 31, 2016 vs. Dec. 31, 2015

Total consolidated assets increased by P910.0 million to P10,425.2 million as at end-December 2016 from P9,515.2 million as at end-December 2015. The 9.6% growth was largely attributed to the following: (i) increase in the investment account represented by fresh equity share in the earnings of associates, (ii) additional investments in associates, and (iii) rehabilitation costs of Power Barge (PB) 104 acquired on June 30, 2016 (see Note 10 of the audited consolidated financial statements).

Total liabilities likewise increased but at a much slower pace to P1,509.2 million as at end-December 2016, only 2.4% higher from P1,474.3 million as at end-December 2015.

Total stockholders' equity grew by 10.9% to P8,916.0 as of December 31, 2016 from P8,040.9 million as of December 31, 2015. Book value per share rose to P5.96 as of December 31, 2016 from P5.37 as of December 31, 2015.

The details of other items that contributed to the significant changes in assets, liabilities and stockholders' equity are discussed below.

Cash and cash equivalents decreased by 9.8% to P1,749.5 million from the end-December 2015 level of P1,940.5 million. Please see the section below for Cash Flows showing the major sources and applications of cash and cash equivalents.

Trade and other receivables decreased by 37.4% to P334.7 million as at end-December 2016 from P534.6 million as at end-December 2015. This was traced mainly to the collection of some long outstanding accounts in 2016 and lower pass-through fuel price of electricity sold in December 2016 compared to the same month last year.

Prepayments and other current assets increased by 130.0% to P75.2 million as at end-December 2016 from P32.7 million as at end-December 2015. The increase was attributed mainly to unused input taxes paid on the acquisition of PB 104, fuel and other purchases for offsetting against future output tax.

Investments in associates grew by 20.7% to P6,073.0 million in 2016 from P5,030.1 million in 2015. The growth is reflective of the following: (i) additional investments in MECO amounting to P80.0 MM ; and (ii) fresh equity share in the earnings of KSPC and MECO amounting to P1,027.2 million and P149.1 million, respectively. The increase in investments is net of cash dividends

declared in 2016 by KSPC and MECO amounting to P133.4 million and P80.0 million, respectively.

Property, plant and equipment also grew by 50.8% to P675.0 million in 2016 from P447.5 million in 2015. The growth was attributed to the following: (i) acquisition and rehabilitation costs of PB 104 as at end-December 2016 amounting to P236.4 million; and (ii) additions to other property, plant and equipment amounting to P69.9 million. The growth is net of depreciation expense amounting to P78.8 million.

Other noncurrent assets amounting to P1,175.3 million as at end-December 31, 2016 remained about the same as in the previous year. The balance of this account is inclusive of the P1,143.2 million that was paid by the Parent Company to PSALM for the acquisition of the 153.1 MW Naga Power Plant. Please see Note 29 of the audited consolidated financial statements.

Trade and other payables dropped by 12.4% to P338.8 million from P386.7 million. This was due mainly to lower price of fuel purchases in December 2016 compared to fuel price prevailing in December 2015.

Current portion of long-term debt increased by 39.2% to P144.4 million as at end-December 2016 from P103.8 million in the previous year due to reclassification of balance of long-term debt maturing within one year from December 31, 2016.

Due to NPC/PSALM soared to P303.4 million in 2016 from P167.4 million in 2015. This was due mainly to additional consumption of NPPC-owned inventories (i.e., HFO, LFO and coal) which were originally acquired as a consequence of the Asset Purchase Agreement (APA) executed between the Parent Company and PSALM for the acquisition of the Naga Power Plant.

Customers' deposits increased by 11.5% to P100.8 million from P90.4 million due mainly to: (i) additional bill deposits collected from BLCI customers as guarantee for any uncollected bills upon termination of service contract, and (ii) additional material deposits for cost of transformers and poles paid in advance by large load consumers for power connection.

Long-term debt, net of current portion, decreased by 25.0% to P431.8 million from P575.4 million due to: (i) reclassification of portion payable within one year into current liabilities, and (ii) periodic amortization of loan principal.

Unappropriated retained earnings increased by 18.0% to P5,621.4 million as at end-December 2016 from P4,765.8 million as at end-December 2015. The increase was due to total comprehensive income in 2016 attributable to equity holders of the Parent Company amounting to P1,733.7 million; reduced by cash dividends amounting to P878.0 million declared by the Parent Company's Board of Directors in March 30, 2016 and December 9, 2016.

Dec. 31, 2015 vs. Dec. 31, 2014

As of December 31, 2015, the Group's total assets increased to P9,515.2 million from P8,740.6 million as of December 31, 2014. The 8.9% growth in total assets was accompanied by a 27.9% reduction in total liabilities to P1,474.3 million from P2,044.5 million. The current ratio substantially increased to 4.04 as of December 31, 2015 from 2.25 as of December 31, 2014. Total debt as a percentage of equity also reduced substantially to 18.3% as of December 31, 2015 from 30.5% as of December 31, 2014. Total stockholders' equity grew by 20.1% to P8,040.9 million as of December 31, 2015 from P6,696.0 million as of December 31, 2014. Book value per share jumped to P5.37 as of December 31, 2015 from P4.47 as of December 31, 2014.

The year's total comprehensive income boosted retained earnings. After appropriations and payment of cash dividends (see Note 17 of the Consolidated Financial Statements), the balance of unappropriated retained earnings stood at ₱4,765.8 million as at end-December 2015, up by 24.1% from ₱3,839.4 million as at end-December 2014.

The details of other items that contributed to the significant changes in assets, liabilities and stockholders' equity are discussed below.

Cash and cash equivalents increased by 47.5% to ₱1,940.5 million from the end-December 2014 level of ₱1,315.8 million. Please see the section below for Cash Flows showing the major sources and applications of cash and cash equivalents.

Trade and other receivables increased by 36.2% to ₱534.6 million as at end-December 2015 from ₱392.6 million as at end-December 2014. This was traced to the improved availability of generating units to meet higher demand in December 2015. In contrast, some of the generating units were under major rehabilitation/maintenance in December 2014.

Materials and supplies inventory decreased by 61.6% to ₱285.1 million as at end-December 2015 from ₱742.7 million as at end-December 2014. The substantial reduction was due to the removal of the carrying value of NPPC inventories which were acquired as a consequence of the APA with PSALM.

Prepayments and other current assets also decreased by 72.1% to ₱32.7 million as at end-December 2015 from ₱117.3 million as at end-December 2014. The decrease is likewise attributed mainly to the following: (i) removal of deferred input tax related to NPPC inventories acquired as a consequence of the APA with PSALM, and (ii) removal of the current portion of advance rental paid under the LLA which is an ancillary contract to the APA with PSALM.

Investment in associates grew by 9.6% to ₱5,030.1 million as at end-December 2015 from ₱4,590.0 million as at end-December 2014. The growth reflected equity share in the earnings of KSPC and MECO amounting to ₱963.2 million and ₱181.6 million, respectively; reduced by cash dividends declared in 2015 by KSPC and MECO amounting to ₱624.2 million and ₱80.0 million, respectively.

Property, plant and equipment decreased by 43.0% to ₱447.5 million in 2015 from ₱784.9 million in 2014. Apart from depreciation, the decrease in these assets was largely accounted by the write-off of the net book value of NPPC assets as of December 31, 2015.

Other noncurrent assets jumped to ₱1,175.4 million in 2015 from ₱708.0 million in 2014 due mainly to the amount of NPPC assets (property, plant and equipment as well as the current portion of long-term lease rental) that were transferred to noncurrent receivable as of December 31, 2015.

Short term loan amounting to ₱180.0 million was fully paid in September 2015 while additional working capital requirements are still unnecessary for the Parent Company.

Trade and other payables inched up by 29.3% to ₱386.7 million in 2015 from ₱299.1 million in 2014 due mainly to the build-up of fuel and spare parts needed in the operations to meet higher demand for electricity.

Current portion of long-term debt increased to ₱103.8 million as at end-December 2015 from ₱30.0 million in the previous year due to reclassification of balance of long-term debt maturing within one year from December 31, 2015.

Due to NPC/PSALM decreased significantly to P167.4 million in 2015 from P589.7 million in 2014. This was due mainly to the removal of the carrying value of NPPC inventories acquired as a consequence of the APA.

Customers' deposits increased by 12.3% to P90.4 million from P80.5 million due mainly to: (i) additional bill deposits collected from BLCI customers as guarantee for any uncollected bills upon termination of service contract, and (ii) additional material deposits for cost of transformers and poles paid in advance by large load consumers for power connection.

Asset retirement obligation decreased 20.3% to P106.6 million from P133.8 million due to reduction in the amount of obligation as a result of the reassessment conducted in coordination with an independent appraiser.

Long-term debt, net of current portion, decreased by 15.0% to P575.4 million from P676.9 million (despite the higher translated level of dollar-denominated borrowings of the Parent Company as of December 31, 2015) due to continued periodic amortization of loan principal and the reclassification of portion payable within the next twelve months to current liabilities.

Appropriated retained earnings increased to P1,250.0 million from P850.0 million due to additional appropriation of retained earnings amounting to P400.0 million for the construction of a coal-fired thermal power plant with a capacity of at least 300 MW in the province of Cebu or Visayas region within the years 2016-2020.

Unappropriated retained earnings increased by 24.1% to P4,765.8 million as at end-December 2015 from P3,839.4 million as at end-December 2014. The increase was due to total comprehensive income attributable to equity holders of the Parent Company amounting to P1,474.5 million; reduced by additional appropriation for future expansion project and declared cash dividends amounting to P400.0 million and P149.7 million, respectively.

Cash Flows

2016 vs. 2015

Cash and cash equivalents decreased by 9.8% to P1,749.5 million from the end-December 2015 level of P1,940.5 million. In 2016, net cash flows used for financing and investing activities exceeded net cash flows generated from operating activities.

Major sources of cash and cash equivalents in 2016 were: (i) net cash generated from operating activities amounting to P981.8 million; and (ii) cash dividends received from investments amounting to P213.4 million.

The major applications of funds in 2016 were: (i) additions to property, plant and equipment amounting to P318.3 million; (ii) additional investments in an associate amounting to P80.0 million; (iii) payment of long-term debt amounting to P103.9 million; and (iv) payment of cash dividends amounting to P891.0 million.

2015 vs. 2014

The Group's cash flows remained healthy in 2015. The healthy cash flows from operating activities in 2015 were more than sufficient to cover capital expenditures and other investment and financing activities for the year. Cash and cash equivalents increased by 47.5% to P1,940.5 million as at end-December 2015 from the end-December 2014 level of P1,315.8 million.

Key Performance Indicators

The following financial indicators are used, among others, to evaluate the performance of the Parent Company and its Subsidiaries:

Key Performance Indicators	2016	2015
<u>For the years ended December 31:</u>		
Earnings per share (see Note 26)	₱1.16	₱0.99
Share in net earnings of associates (see Note 9)	₱1,175,524,975	₱1,144,801,407
Return on equity	21.09%	20.49%
Return on assets	17.93%	16.54%
<u>Cash Flows:</u>		
Net cash flows from (used in) operating activities	₱981,803,073	₱521,009,585
Net cash flows from (used in) investing activities	(₱181,555,533)	₱482,583,023
Net cash flows from (used in) financing activities	(₱994,940,718)	(₱379,596,021)
<u>As of December 31:</u>		
Balance of cash and cash equivalent at end of period	₱1,749,497,644	₱1,940,459,937
Current ratio	2.88	4.04
Debt ratio	0.15	0.16
Solvency ratio	1.24	1.13

Earnings Per Share (EPS)

EPS is a measure of profitability representing net income attributable to equity holders divided by the weighted average number of shares outstanding as of the end of the year.

Share in Net Earnings of Associates

This indicates profitability of the investments and investees' contribution to the Group's net income. It is determined by multiplying the associate's comprehensive income or loss by the investor's percentage of ownership, less goodwill impairment cost, if any. Goodwill is the difference between the acquisition cost of an investment and the investor's share in the value of the net identifiable assets of the investee at the date of the acquisition.

Return on Equity

Return on Equity = Total comprehensive income divided by average total stockholders' equity. This ratio indicates the level of profit earned by the Group in comparison with the total amount of stockholders' equity found in the statements of financial position. The higher the return on equity, the higher the Group's ability to produce internally generated cash flows. Moreover, the higher the Group's return on equity compared to other companies in the same industry, the better.

Return on Assets

Return on Assets (ROA) Ratio = Total comprehensive income divided by average total assets. This ratio measures the ability of the Group's management to realize an adequate return on the total resources employed for the business. A high percentage rate indicates how the Group is well run and has a healthy return on assets employed.

Cash Flows

The Group uses the Statements of Cash Flows to determine the sources and application of funds for the period and to analyze and evaluate how the sources and uses of funds are being managed.

Current Ratio

Current Ratio = Total current assets divided by total current liabilities. This ratio is a rough indication of the Group's ability to service its current obligations. The higher the current ratio, the greater the Group's ability to pay its current obligations.

Debt Ratio

Debt ratio = total liabilities divided by total tangible assets. The ratio indicates the degree of protection provided for the Group's creditors. A high ratio generally indicates greater risk being assumed by creditors. On the other hand, a low ratio indicates greater long-term financial safety.

Debt-to-Equity Ratio

Debt-to-Equity Ratio = total liabilities divided by total equity. The ratio indicates how leveraged the Group is. It compares the resources provided by creditors against the resources provided by the stockholders in running the business of the Group.

Solvency Ratio

Solvency Ratio = the sum of total comprehensive income, depreciation and amortizations divided by the sum of long-term and short-term liabilities. This ratio provides another measurement of how likely the Group will be able to continue meeting its debt obligation. The higher the ratio, the greater the Company's ability to continue meeting its debt obligations.

Known Trends

Except as already discussed herein and disclosed in the notes to the consolidated financial statements, management is not aware of any other trend, event or uncertainty to have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations. Management is likewise not aware of any other event that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

Any Significant Elements of Income or Loss from Continuing Operations

There are no significant elements of income or loss from continuing operations.

Material Off-Balance Sheet Items

There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

Material Commitments for Capital Expenditures

As of December 31, 2016, there are no material commitment for capital expenditures other than in the ordinary course of business to improve power generation and distribution facilities. Funding comes from internally generated cash from operations.

Seasonal Aspects

The Group does not have any seasonal aspect that has a material effect on the financial condition or results of operations.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in and disagreements with Accountants on accounting and financial disclosures.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The stockholders appointed SyCip Gorres Velayo & Co. (SGV) as the Independent Public Accountant for the year 2014. Mr. John T. Villa was appointed by SGV to continue as the engagement partner to lead the audit of the Parent Company's financial statements effective for the year 2012. Mr. Villa replaced Ms. Maria Madeira R. Vestil of the same auditing firm. Ms. Vestil was the engagement partner who lead the audit of the Parent Company's financial statements from 2008 to 2011. The appointment of a new SGV engagement partner in 2012, therefore, was an early compliance with SRC Rule No. 68, Paragraph 3(b)(iv) requiring the change of external auditor or engagement partner for corporations covered under the Code of Corporate Governance who had engaged external auditors for a consecutive period of five years or more.

There are no disagreements with Accountants on accounting and financial disclosures.

External Audit Fees

For the annual review of the Parent Company and Subsidiaries' financial statements and other assurance and related services, the audit fees were ₱1.5 and ₱ 1.4 million in 2016 and 2015, respectively, exclusive of VAT and out-of-pocket expenses. The fees were inclusive of consultancy services on tax matters amounting to ₱0.4 and ₱0.2 million in 2016 and 2015, respectively.

Engagement of external auditor's services is bid out among qualified auditing firms. For the audit of annual financial statements, award is endorsed by the Board Audit Committee, recommended by the Board to the shareholders and approved by the Group's shareholders during its annual meeting. Award of other services are approved by the Audit Committee as endorsed by the Group's Internal Audit Department.

Other Operational & Financial Information

Other operational and financial information about the Group have been incorporated as part of the Notes to Consolidated Financial Statements.

Financial Statements

The audited annual consolidated financial statements of the Parent Company and Subsidiaries as of and for the year ended December 31, 2016 and the unaudited interim financial statements for the quarter ended March 31, 2017 (together with the management's discussion and analysis) as set forth in SEC Form 17-A and SEC Form 17-Q are incorporated in this information statement.

Business Development

The Company

SPC Power Corporation (the Parent Company) was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 11, 1994.

The Parent Company was formerly a venture company owned by members of the Salcon Consortium which entered into a Rehabilitation, Operation, Maintenance and Management Agreement (ROMM Agreement) with the National Power Corporation (NPC) on March 25, 1994 for the purpose of undertaking the rehabilitation, operation, maintenance and management of the 203.8 megawatt (MW) Naga Power Plant Complex (NPPC) in Colon, Naga, Cebu under the rehabilitate-operate-maintain-and-manage scheme as defined in the ROMM Agreement.

The ROMM Agreement provides that the Parent Company shall, at its own cost, rehabilitate, operate, maintain and manage the NPPC over the cooperation period of 15 years (Cooperation Period; up to May 29, 2009 for the Land-Based Gas Turbines (LBGTs), and up to March 25, 2012 for the Cebu Thermal Power Plant (CTPP) 1, CTPP 2 and Cebu Diesel Power Plants 1 (CDPP 1), as amended) commencing on the Turnover Date, as defined in the ROMM Agreement. Under the ROMM Agreement, the Parent Company receives from NPC, its sole customer, Operation and Maintenance (O&M) fees and energy fees derived from conversion into electricity of fuel supplied by NPC at no cost to the Parent Company throughout the Cooperation Period. The fees are subject to an agreed minimum energy off-take (EMOT), which is the minimum guaranteed energy purchase by NPC on a take-or-pay basis. The Parent Company is also entitled to a fuel efficiency bonus if the actual net heat rate of each of the power plants is less than the corresponding guaranteed net heat rate and be liable for a penalty if the actual net heat rate is greater than the guaranteed rate. At the end of the Cooperation Period, the Parent Company shall transfer to the NPC full possession of the NPPC, clean and unencumbered title to any and all the improvements, works and structures rehabilitated, constructed, improved and introduced by the Parent Company in the NPPC.

In resolutions dated September 28, 2001, the Board of Directors and Stockholders amended the primary purposes for which the Parent Company is formed. Together with its subsidiaries and associates, it is engaged in various business activities within the Philippines that include, among others, the development, construction, rehabilitation, maintenance, management, and operation of power generating plants, electricity distribution and related facilities in accordance with existing laws.

On April 2, 2002, the Parent Company's common shares were listed in the Philippine Stock Exchange (PSE).

On June 30, 2004, the Parent Company, the NPC and the Power Sector Assets and Liabilities Management Corporation (PSALM) further amended the Implementing Agreement (IA) which implemented the covenants set forth in the Term Sheet and amended the ROMM Agreement and its First Amendment, by executing the Amended Implementing Agreement (AIA) which became effective on August 26, 2004. Salient matters of the AIA include, among others, a 20% reduction in the EMOT for the CTPP 1, CTPP 2 and CDPP 1 during the remaining Cooperation Period subject to certain conditions. As a consequence of the EMOT reduction, the Cooperation Period for the CTPP 1, CTPP 2 and CDPP 1 is extended for nearly three (3) years from May 29, 2009 to March 25, 2012.

After the Cooperation Period for the 55 MW LBGTs, on January 29, 2010, the Parent Company acquired the LBGTs for strategic purposes as the LBGTs are located in the Power Complex that is occupied by the Parent Company for the operation of the CTPP and CDPP under the ROMM Agreement until March 25, 2012, and under the Operation and Maintenance Service Contracts (OMSCs) until September 25, 2014.

After the expiration of the ROMM Agreement on March 25, 2012, OMSCs were awarded by PSALM to the Parent Company for the continuous operation and maintenance of CTPP 1, CTPP 2 and CDPP 1 for successive six-month periods up to September 25, 2014. Under the OMSC, the Parent Company receives service and operating fees from PSALM.

In 2014, the Parent Company participated in the bidding for the acquisition of NPPC (see Note 29 of the consolidated financial statements of the Parent Company and Subsidiaries).

On September 9, 2016, the Parent Company's Board of Directors further amended the Company's Articles of Incorporation in order to engage in the business of selling, brokering, marketing, or aggregating electricity to the end-users. The amendments were subsequently approved and confirmed by written consent of the stockholders representing at least 2/3 of the outstanding capital stock of the Parent Company. On January 4, 2017, the SEC approved such amendment.

Subsidiaries/Associates

The Parent Company has the following subsidiaries:

(i) SPC Island Power Corporation (SIPC). SIPC, a wholly owned subsidiary, was incorporated and registered with the SEC on June 26, 2001. It operates the 146.5 MW Panay Diesel Power Plant (located in Dingle, Iloilo) and the 22 MW Bohol Diesel Power Plant (located in Tagbilaran City, Bohol) which were acquired in March 25, 2009 through the assignment of the Parent Company's rights and obligations to SIPC. It also owns and operates the Olango Diesel Power Plant (located in the Island of Olango, Lapu-Lapu City) which supplies all the generated electricity to Mactan Electric Company, Inc. (MECO), an associate.

(ii) Cebu Naga Power Corporation (CNPC). CNPC, a wholly owned subsidiary, was incorporated on August 12, 2015 to undertake the development, ownership, construction, operation and management of the new 2x150 MW CFBC coal-fired power plant to be built in the province of Cebu. As of December 31, 2016, preparations for the construction of the new power plant were temporarily put off (see Note 29 of the Consolidated Financial Statements).

(iii) SPC Malaya Power Corporation (SMPC). SMPC, a majority owned subsidiary, was incorporated in the Republic of the Philippines and registered with the SEC on September 22, 2011. SMPC participates in the annual bidding for the OMSC of the 650 MW Malaya Thermal Power Plant located in Pililla, Rizal (see Note 23 of the Consolidated Financial Statements).

(iv) Bohol Light Company, Inc. (BLCI). BLCI, a majority owned subsidiary, was organized on July 21, 2000 to engage in the business of supply and distribution of electricity, subject to applicable laws, rules and regulations. On July 10, 2003, the National Electrification Commission (NEC) granted BLCI's franchise to operate electric, light and power services for a period of 25 years retroactive from October 20, 2000 to October 19, 2025 in the area presently comprised by Tagbilaran City, Bohol.

(v) SPC Light Company, Inc. (SLCI) and SPC Electric Company, Inc. (SECI). SLCI (majority owned) and SECI were incorporated on January 15, 2003 and October 17, 2002, respectively, primarily to design, construct, install, commission, rehabilitate, maintain, manage, operate and invest in power generation/distribution plants and related facilities. The Parent Company has the power to govern the financial and operating policies of SECI by virtue of an agreement.

The Parent Company also has the following associates:

(i) KEPCO SPC Power Corporation (KSPC). KSPC, 40% owned by the Parent Company, was incorporated on June 22, 2005 primarily to build, operate, maintain, own and manage the 2 x 100

Megawatt Circulating Fluidized Bed Combustion (CFBC) Boiler Coal-Fired Power Plant in Naga, Cebu.

(ii) Mactan Electric Company, Inc. (MECO). In July 1997, the Parent Company acquired 40% of MECO which was granted by the NEC, under Presidential Decree No. 269, a franchise for 25 years from October 10, 1991 to engage in, conduct and carry on the business of generating, buying and selling electric light for sale within the limits of the City of Lapu-lapu and the Municipality of Cordova in the Province of Cebu until October 9, 2016. On July 17, 2016, MECO was granted a renewal of its franchise for another 25 years.

Future Prospects

Despite regulatory challenges, the Group is looking to a good future and remains steadfast in further expanding its core business. The Parent Company still plans to construct a new environment-friendly coal-fired power plant with a capacity of at least 300 MW in the province of Cebu or Visayas region within the years 2016-2020.

In the meantime, the Group will continue to focus on further improving efficiencies and leveraging existing business assets to sustain and/or improve profitability.

**Market Price of and Dividends on the Registrant's
Common Equity and Related Stockholder Matters**

Market Information

The principal market for the Parent Company's common equity is the Philippine Stock Exchange (PSE). The high and low sales prices for each period are indicated in the table below:

Period	Highest Close		Lowest Close	
	Price	Date	Price	Date
2017:				
1st Quarter	4.59	January 3	4.15	February 6
2016:				
1 st Quarter	4.50	March 31	3.70	March 11
2 nd Quarter	4.66	April 11	3.98	May 2
3 rd Quarter	4.05	August 31	4.05	August 31
4 th Quarter	4.66	December 20	3.96	November 4
2015:				
1 st Quarter	4.51	January 9	4.30	February 11
2 nd Quarter	4.56	June 2	4.00	April 27
3 rd Quarter	4.50	July 1	3.80	September 9
4 th Quarter	4.19	October 1	3.30	November 24

As of March 31, 2017, the total number of stockholders was 749 (680 under transfer agents and including 69 depository participants counted as one stockholder each).

Top 20 Stockholders

The following composed the top 20 stockholders as of March 31, 2017:

<u>Rank</u>	<u>Name</u>	<u>Nationality</u>	<u>No. of Shares</u>	<u>%</u>
1.	KEPCO Philippines Holdings, Inc.	Korean	568,098,822	37.96%
2.	Intrepid Holdings, Inc.	Filipino	321,905,611	21.51%
3.	JAD Holdings, Inc.	Filipino	293,201,397	19.59%
4.	KV Holdings, Inc.	Filipino	74,749,847	4.99%
5.	Boxboard Containers Corporation	Filipino	41,000,000	2.74%
6.	Cancorp, Inc.	Filipino	41,000,000	2.74%
7.	Rowell Plastic Corporation	Filipino	38,864,638	2.60%
8.	LDI Power Holdings, Inc.	Filipino	24,931,036	1.67%
9.	ALH Management, Inc.	Filipino	23,850,269	1.59%
10.	Mali Ni	Filipino	10,000,000	0.67%
11.	PCD Nominee (Fil/Non-Fil) Corp.	Fil/Non-Fil	6,539,000	0.44%
12.	Dennis T. Villareal	Filipino	6,425,501	0.43%
13.	Cecilia Chua Tiu	Filipino	1,000,000	0.07%
14.	Alberto P. Fenix, Jr.	Filipino	855,933	0.06%
15.	Alfredo S. Ballesteros	Filipino	792,492	0.05%
16.	Cesar O. Villegas	Filipino	685,492	0.05%
17.	Corazon L. Gamez	Filipino	685,492	0.05%
18.	Lorenzo D. Inocando	Filipino	274,196	0.02%
19.	Stanley Krug	American	274,196	0.02%
20.	Dennis Lawrence N. Villareal	Filipino	274,196	0.02%
	James Roy N. Villareal	Filipino	274,196	0.02%
	Victor Anthony N. Villareal	Filipino	274,196	0.02%
TOTAL			1,455,956,510	97.29%

Dividends

Please refer to Note 17 of the Consolidated Financial Statements for dividends declared and paid during the two most recent years and during the subsequent period ending as of the date of this report..

No additional dividends were declared and paid during the subsequent period ending as of the date of this report.

The payment of dividends in the future will depend upon the Parent Company's earnings, cash flow and financial condition, among others. The Parent Company may declare dividends only out of its unrestricted retained earnings, except in the case of stock dividends which may be declared out of paid-in surplus. Any dividend declaration will likewise be subject to the provisions of any existing shareholders' agreement/s and to any prior consents required under the Parent Company's loan documentation with its bank creditors (see Note 14 of the Consolidated Financial Statements).

The Parent Company may pay dividends in cash, by the distribution of property, by the issuance of shares of stock, or a combination of any of the foregoing. Dividends paid in cash or property are subject only to the approval of the Board of Directors. Dividends paid in the form of additional shares are subject to approval by both the Board of Directors and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Parent Company at a stockholders' meeting called for such purpose.

The Corporation Code, however, requires that corporations with surplus profits in excess of 100% of their paid-up capital should declare and distribute the amount of such profits in the form of dividends, except when the retention is justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the consent of creditors is required under any loan agreement, or when it can be clearly shown that such retention is necessary under special circumstances.

Recent Sale of Unregistered Securities

The Parent Company has not had any sales of unregistered securities during the past three years.

Description of the Company's Shares

The Parent Company's securities consist entirely of common stock with par value of ₱1.00 per share. Of the total issued and outstanding common and voting shares of 1,496,551,803 as of December 31, 2016, 13.07% or 195,659,234 shares are held by the public. Equity ownership of foreigners amounts to 571,076,574 shares out of the total and outstanding shares of the Company.

Corporate Governance

The Company's Manual of Corporate Governance was approved by the Board in 2002 following such requirement by the SEC for listed companies. In accordance therewith, the Company established the Board Nomination Committee to look into the qualifications and disqualifications of nominees for election to the Board. The Nomination Committee is composed of the following: Mr. Dennis T. Villareal as Chairman; Mr. Roberto F. de Ocampo as Member; Mr. Ahn, Soon Chan as Member and Mr. Alfredo L. Henares as Member (on a non-voting capacity). The Board likewise established the Audit and Compensation Committees to look into the effectiveness of internal controls, adherence to laws and company policies and procedures, review of financial statements, review of salary structures and modifications thereto for its executive officers and employees. Pursuant to the Company's Manual of Corporate Governance, all financial reports are reviewed by the Audit Committee against compliance with internal financial management and pertinent accounting standards; and remuneration packages for individual directors and officers are determined through formal and transparent procedures.

The Company adopts the SEC Questionnaire in measuring or determining the level of compliance of the Board of Directors and top level management with its Manual of Corporate Governance.

Pursuant to the requirements of the SEC, the Manual of Corporate Governance of the Company was revised on February 28, 2011 to update the manual and to add additional duties to the Board of Directors, the Board committees and to the Senior Officers of the Company, to mention a few. The latest amendment of the Manual of Corporate Governance was on July 24, 2015.

There has been no registered deviation from the Company's Manual of Corporate Governance.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE FREE OF CHARGE, A COPY OF THE COMPANY'S SEC FORM 17- A (ANNUAL REPORT) DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING ADDRESS:

SPC POWER CORPORATION
7TH FLOOR, CITIBANK CENTER
8741 PASEO DE ROXAS, MAKATI CITY
1226 PHILIPPINES

ATTENTION: MA. MARIA LUZ L. CAMINERO



SPC POWER CORPORATION

EXHIBIT "A"

Ratification of Past Acts for CY 2016

A. Acts of the Board of Directors in CY 2016

1. Certified by the Corporate Secretary that with 10 board of directors present, a quorum was present for the transaction of business by the Board.
2. Approved by the Board, the minutes of the meeting of SPC held on November 24, 2015..
3. Accepted the resignation of Messrs. Lyu, Hyang-Reol and Park, Chong-Hwa from the SPC Board. Elected to the SPC Board Messrs. Go, Jae-Han and Ahn, Soon-Chan as their replacement, respectively.
4. Noted the request of the external auditors to present their report ahead of the other items in the agenda.
5. Noted by the Board the report of the external auditor on the audited financial statements as of and for the year ended December 31, 2015.
6. Approved by the Board the Corporation's Financial Statements as of and for the Year ended December 31, 2015, together with the adjustments that needed to be incorporated in the Said statements.
7. Approved by the Board the release of the Financial Statements as of and for the year ended December 31, 2015.
8. Noted by the Board the report of Atty. Caminero on the segregation and subdivision of Lot 2949A-C-1 located in the Bohol Diesel Power Plant. Noted also the discrepancy found by the Deputy Administrator of the Land Registration Authority on the total land area reflected in transfer certificate of title (13,837 sq. m..) does not tally with the total land area stated in the survey plan (13,823 sq. m.), hence, application returned with the recommendation to conduct a re-survey.
9. Noted by the Board operations report on PDPP, BDPP, KSPC and BLCI as of February 29, 2016
10. Noted by the Board the first quarter financial report of SPC.
11. Approved by the Board the first quarter 2016 financial report and its release.
12. Noted by the Board the proposal raised by Mr. JM Balisacan to declare cash dividends of ₱450 million at ₱0.30 per share
13. Authorized and approved by the Board the declaration of cash dividends of ₱0.30 per share with record date of April 18, 2016, payable on April 28, 2016.
14. Noted by the Board the report of Mr. AT Corpuz on the update on NPPC and CNPP 2 x 150 MW coal fired plant project. Noted also the recommendation of Mr. AT Corpuz for a 13-hectare property located in San Fernando, Cebu as an ideal site. Noted the discussion among the directors on the following issues (1) the need for board approval on the authority of Mr. Villareal to negotiate with the owner of the property, which involves an expense of only ₱5 million and (2) the need to appropriate ₱850 million of the retained earnings for a possible project, on the basis of the earlier discussion with SPC's auditors. Noted by the Board deferment of issue no. 1.

15. Approved by the Board to reverse the amount of ₱850 million and authorized the Company to appropriate said amount for the construction of a CFBC coal-fired thermal power plant with a capacity of at least 300 MW, in the Province of Cebu or Visayas Region, within the years 2016-2020.
16. Discussed with the Board by Mr. CO Villegas the need to bid for Power Barge 104 of PSALM and noted Mr. CO Villegas' report; (1) has four engines of 8 MW each; (2) total capacity of 32 MW; (3) has three (3) interested bidders, namely: SIPC, Trans Asia/Phinma and DM Wenceslao; (4) that SIPC has conducted initial due diligence including the restoration cost, the market and other requirements needed to operate it such as the mooring site and transmission line connection. Noted also KEPCO's expressed desire for the conduct of a feasibility study on PB 104. Agreed by the Board to delegate to the ExeCom the decision to pursue the PB 104 project. Noted by the Board the exit of Mr. RF de Ocampo from the discussion being himself a director of Phinma, which is also one of the bidders.
17. Approved by the Board the holding of the SPC Annual Stockholders Meeting on May 31, 2016 at the City Sports Club in Cebu City.
18. Approved by the Board that a recommendation be made before the stockholders to appoint SGV & Co. as SPC's external auditors for CY 2016.
19. Approved by the Board the designation of Mr. DT Villareal as SPC's proxy for the Annual Stockholders' Meeting of KSPC, SIPC, MECO, BLCI, SLCI and SECI.
20. Granted to Mr. AS Ballesteros by the Board, in his capacity as Senior Vice President for Finance and Administration, the authority to sign/execute and perform all acts necessary in connection with the Compliance Report on Corporate Governance (PSE Disclosure Form CGR-1).
21. Noted by the Board schedule of next SPC Board meetings, as follows:
For Second quarter – August 1, 2016
For Third Quarter – November 7, 2016
For Fourth Quarter - March 27, 2017 (to include approvals of year end 2016 Financial Statements and first quarter (2017) financial statements).
22. Noted by the Board explanation of Chairman AL Henares that the primary purpose of the April 28, 2016 Board meeting is to seek the approval of the revised Note 29 of the SPC Financial Statements in view of the Resolution/Notice of the Supreme Court dated April 6, 2016, whose approval is necessary for the release of the SPC Financial Statements in its Annual Report.
23. Certified by the Corporate Secretary that with nine (9) board of directors present, a quorum was duly constituted for the transaction of business by the Board.
24. Noted explanation by the Chairman that the original Note 29 was approved during the Board meeting of March 30, 2016. But prior to the submission to the SEC, the corporation received on April 7, the Supreme Court Resolution which among others resolved to deny the Motion for Leave and noted without action, the Urgent Motion for Second Reconsideration and/or Referral En Banc, in view of the denial of the Motion for Leave. Thus, this intervening event has to form part of Note 29 to the financial Statements of the Corporation.

25. Approved by the Board, after discussions, the revise Note 29 to the Financial Statements of the Corporation, which read as follows: "Prior to the expiration of the OMSC on September 25, 2014, the Parent Company purchased the NPPC after exercising its "right-to-top" (RTT) the winning bid, which right was pursuant to the LLA with PSALM that was executed when the LBGTs were acquired by the Parent Company in 2010. Pursuant to the APA executed by the Parent Company and PSALM covering the purchase of the assets consisting of the thermal and diesel power plants (CTPP 1 and CTPP 2, and CDPP 1), the Parent Company paid PSALM a total of ₱463.3 million. The Parent Company and PSALM also entered into an LLA, as an ancillary contract to the APA, covering the land where the purchased assets are located, and paid in full the total lease rentals amounting to ₱712.5 million. Following the issuance of Notice of Award on July 28, 2014 and after completing all the conditions for Closing, PSALM turned over the NPPC to the Parent Company on September 25, 2014, coinciding with the termination of the OMSC.

More than one year after PSALM awarded the NPPC to the Parent Company, the Supreme Court (SC) declared the APA and the LLA for the sale of the NPPC to be null and void per decision promulgated on September 28, 2015.

On December 1, 2015, the Parent Company filed its Motion for Reconsideration of the SC Decision dated September 28, 2015. In said Motion for Reconsideration, the Parent Company stressed that, as the owner of the LBGT and the lease on the land on which the LBGT stands, it has an interest in the whole of the Complex and not just within the leased premises. This is due to the fact that the Parent Company's payment for the LBGT necessarily includes payment for the RTT, the LBGT and the land subject of the LBGT-LLA which forms part of the Complex, and SPC shares in the use, upkeep and maintenance of the Co-Use Facilities within the Complex, thus, showing that the Parent Company's interest extends to the whole of the Complex.

On December 9, 2015, the SC resolved to deny the Motion for Reconsideration. Thus, a Motion for Leave to File and Admit the Attached Urgent Motion for Second Reconsideration and/or Referral to the En Banc was filed by the Parent Company on February 2, 2016. However, on April 6, 2016, the Supreme Court issued a Notice where it resolved among others to deny the said Motion For Leave and noted without action, the attached Urgent Motion for Second Reconsideration and/or Referral En Banc, in view of the denial of the Motion for Leave. Accordingly, an amount equivalent to ₱1.143 billion (i.e., amount paid by the Group to PSALM in 2014) was recognized as other noncurrent receivable as of December 31, 2015, with the effect of discounting deemed to be insignificant. Since the SC decisions do not specify details on how the nullified transaction will be settled between the Parent Company and

PSALM, the ultimate disposition of the recorded assets and liabilities remain uncertain at this time. The Group believes that how the matter will be settled could be finalized over 2 years. Any adjustments arising from the settlement of this matter will be reflected in the financial statements as they are determined.”

26. Approved by the Board the revised 2015 FS and 2016 first quarter FS, as follows: a) for the 2015 FS, inclusion of the revised Note 29 as approved by the Board on April 20, 2016; b) for the 2016 Q1 FS, the recognition of an amount equivalent to ₱1.143 billion (i.e., amount paid by the Group to PSALM in 2014) as a noncurrent receivable.”
27. Noted the report of Chairman Henares that SIPC was declared the highest negotiating party for the sale of PB 104 by PSALM pursuant to its privatization efforts following the EPIRA. Noted further explanation that after a study conducted by management, it will be beneficial for SPC to be the assignee of the APA by assuming all the rights and obligations of SIPC in the APA and that d
This assignment needs the consent of PSALM per bidding rules.
28. Approved by the Board the assignment of all the rights and obligations of SPC island Power Corporation (SIPC) as the Winning Negotiating Party in the bidding for the 32 MW Power Barge 104 located in Holcim Compound, Ilang, Davao City to SPC Power Corporation (SPC).
29. Appointed by the Board, Mr. Dennis T. Villareal, the Corporation’s President or Mr. Alfredo L. Henares, the Corporation’s Treasurer or Mr. Alfredo S. Ballesteros, the Corporation’s Senior Vice President for Finance and Administration, as the Corporation’s duly authorized representatives to execute and deliver any and all documents including the Asset Purchase Agreement for Power Barge 104 with PSALM Corporation, Accession Agreement and Undertaking with PSALM Corporation and perform such other acts as may be deemed necessary.
30. Certified by the Corporate Secretary that with nine (9) board of directors present, there is a validly constituted quorum.
31. Approved by the Board the minutes of the March 30, 2016 and April 20, 2016 meetings.
32. Noted by the Board the consolidated financial results of the Corporation as of April 30, 2016 presented by Mr. JM Balisacan.
33. Noted by the Board the operations report of Mr. RA Capuras as of April 30, 2016 on Panay Diesel Power Plant, Cebu Diesel Power Plant, Bohol Diesel Power Plant, KSPC Power Plant, MECO and Bohol Light.
34. Opened by the Chairman the nominations for the election of officers and board committees.
35. Elected by the Board the following officers of the Corporation and members of board committees: Alfredo L. Henares, Chairman of the Board and Treasurer; Dennis T. Villareal, President and CEO; Alfredo S. Ballesteros, SVP for Finance and Administration; Maria Luz L. Caminero, SVP for Legal and Regulatory Affairs, Corporate Secretary and Compliance Officer; Cesar O. Villegas, Vice President for Business Development and Commercial Operations and Concurrent Vice President for Operation; Reynante C. del Rosario, Chief Financial Officer; Jaime M. Balisacan, Vice President for Finance.

36. Elected by the Board the members of the Executive Committee, to wit: Dennis T. Villareal, Chairman; Alfredo L. Henares, Alberto P. Fenix, Jr., Go, Jae-Han and Ahn, Soon-Chan as members.
37. Elected by the Board the members of the Compensation Committee, to wit: Dennis T. Villareal, Chairman, Enrique L. Benedicto and Ahn, Soon-Chan as members.
38. Elected by the Board the members of the Audit Committee, to wit: Roberto F. de Ocampo as Chairman, Alfredo L. Henares and Ahn, Soon-Chan as members.
39. Elected by the Board the members of the Nomination Committee, to wit: Dennis T. Villareal as Chairman, Roberto F. de Ocampo, Ahn, Soon-Chan and Alfredo L. Henares as members. Mr. AL Henares is a non-voting member.
40. Noted by the Board the report of Mr. CO Villegas on Power Barge 104 covering the (1) total capacity of the barge to be 32MW composed of 4 units by 8 megawatts; (2) the date of bidding which is April 15, 2016; (3) the names of the bidders, namely: SPC Island Power Corporation, Trans-Asia and DM Wenceslao.
41. Noted by the Board report of Mr. CO Villegas on the restoration cost, which is estimated to be ₱160,642,162.33; the estimated project to be ₱399.9M. Noted also by the Board the requirements to transfer title and registration and other permits, in anticipation of the requirements if different government agencies, particularly the MARINA who asked for approval of the Board of the filing of the application for transfer/change of ownership and application for re-issuance of a new Certificate of Ownership and Philippine Registry.
42. Approved by the Board the following resolutions: (1) the award by PSALM of the sale of Power Barge 104 to SPC on May 24, 2016; (2) the transfer of ownership and vessel registration of the Power Barge 104 to SPC; and (3) submission of documentary requirements to the Maritime Industry Authority (MARINA) for the application for transfer/change of ownership of Power Barge 104 to SPC and application for re-issuance or issuance of a new certificate of ownership and Certificate of Philippine Registry
43. Authorized by the Board the (1) filing of application for transfer or change of ownership of Power Barge 104, with the MARINA, (2) filing of application for issuance of a new or re-issuance of the Certificate of Ownership (CO)/Certificate of Philippine Registry (CPR) for the Power Barge 104 with the MARINA; and (3) execution of a duly notarized Oath of Undertaking from the Buyer to assume compliance with the post-approval conditions/requirements which are not yet complied with by the Seller.
44. Appointed by the Board, Mr. Dennis T. Villareal, the Corporation's President or Mr. Alfredo L. Henares, the Corporation's Treasurer or Mr. Alfredo S. Ballesteros, the Corporation's Senior Vice President for Finance and Administration or Mr. Cesar O. Villegas, the corporation's Vice President for Business Development or Mr. Reynante C. del Rosario, the Corporation's Chief Financial Officer or Atty. Maria Luz L. Caminero, the Corporation's SVP for Legal and Regulatory Affairs as the Corporation's duly authorized representatives to (1) represent the SPC, in its transactions with the MARINA including applications for transfer/change of ownership, issuance of a new or re-issuance of a CO or COR; (2) execute and deliver any and all documents including the said applications and perform such other acts as they may be deemed necessary.

45. Approved by the Board the opening of account with Bank of the Philippine Islands (BPI) for payment of statutory benefits such as SSS, Pag-Ibig and PhilHealth.
46. Adopted by the Board the following resolutions:

I. DEPOSITORY BANKS OF THE CORPORATION

“RESOLVED, that the following: BANK OF THE PHILIPPINE ISLANDS, BPI FAMILY SAVINGS BANK and BPI DIRECT SAVING BANK, INC. be, as they hereby are, designated individually as depositories of the Corporation, and that the officers or agents of the Corporation herein designated be, as they hereby are, authorized to deposit/place any of the funds of the Corporation, whether peso, dollar or any other currency, in any of the said banks, their subsidiaries, and affiliates including non-bank financial institutions either at their head offices or at any of their branches.

II. WITHDRAWAL OR CHARGE AGAINST THE FUNDS OF THE CORPORATION WITH ITS DEPOSITORY BANKS, THEIR SUBSIDIARIES AND AFFILIATES, INCLUDING NON-BANK FINANCIAL INSTITUTIONS

RESOLVED, that any withdrawal from, or charge against, the funds, properties or accounts of the Corporation with its depository banks, their subsidiaries, and affiliates, by way of checks, drafts, bills of exchange, acceptances, endorsements, undertakings, debit/credit memo(s), funds transfer(s) or other instruments or order involving payment of money or documents assigning, transferring and conveying rights to any fund or property of the Corporation, shall be signed, executed and delivered by the authorized signatories provided herein.

RESOLVED, that the Corporation hereby acknowledges and confirms that funds transfers from the accounts of the Corporation to other accounts of the Corporation or to accounts of third parties are for the purpose of or in furtherance of the normal or regular course of business of the Corporation or for the Corporation's day to day operations;

III. CASH MANAGEMENT AND OTHER TRANSACTIONAL BANKING SERVICES

RESOLVED, that the Corporation be, as it is hereby, authorized to enter into transaction and/or avail of products or facilities of, or brokered by, or through the intermediation of its depository banks, or any of its branches, affiliates, and wholly / partly owned subsidiaries, including but not limited to, cash management services, phone / electronic / internet banking facilities, safety deposit boxes, deposit pick-up arrangements, placements and / or purchase of debt papers, negotiable instruments, trust placements and similar transactions as the Corporation may deem reasonable, beneficial and in the furtherance of the interest of the Corporation;

RESOLVED, that the Corporation's authorized signatories be, as they are hereby, authorized to sign, for and in behalf of the Corporation any documents, papers, instruments, instructions, forms, agreements, or contracts as may be appropriate and/or required for the implementation of the foregoing powers / transactions, authorized above:

IV. LOAN NEGOTIATION AND DRAWINGS, AVAILMENTS OR UTILIZATION OF LOANS OR OTHER CREDIT ACCOMMODATIONS:

RESOLVED, that the Corporation shall apply, negotiate and obtain any and all loans or other credit accommodations or facilities of the Corporation, whether in peso, dollar or any other currency, including but not limited to trust receipts, with any of its depository banks, their subsidiaries and affiliates and/or trust departments, or with any other bank or non-bank financial institution, or with any other lender or entity, or with any foreign bank, in such amounts and under such terms and conditions as the Corporation's authorized signatories may deem proper and reasonable;

RESOLVED, that the Corporation shall grant, transfer, convey, mortgage, pledge, assign or hypothecate any property, real or personal, of the Corporation to secure the payment of the principal and interest of the obligations of the Corporation whether all the time owned or thereafter acquired, under such terms and conditions and stipulations as the Corporation's authorized signatories may deem advisable and desirable in the best interest of the Corporation and its stockholders:

RESOLVED, further that the Corporation's authorized signatories, be, as they are hereby, authorized to sign, execute and deliver such loan documents, mortgages, pledges, assignments, conveyances, trust receipts, renewals, supplements, amendments thereto, and such other instruments and papers as may be required, necessary to implement and carry into effect the resolutions and authority herein granted.

RESOLVED, furthermore, that any drawings, availments, reavailments, usage or utilization of the loans or other credit accommodations or facilities including trust receipts, promissory notes, drafts, bills of exchange and other negotiable or non-negotiable instruments or other evidence of indebtedness shall be signed, executed and delivered by the Corporation's authorized signatories

V. FOREIGN EXCHANGE TRANSACTIONS

RESOLVED, that the Corporation shall apply, negotiate and obtain for establishment or opening of letters of credit, or other modes of trade payments/collections with any of the aforesaid depository banks, their subsidiaries and affiliates including non-bank financial institutions;

RESOLVED, that any and all documents, instruments, and papers, including and without in any manner restricting or limiting to applications for establishment or opening of letters of credit, or other modes of trade payments/collections, their renewals, extensions, amendments or increase or decrease of the same, bankers acceptances, bills of exchange, guarantee bonds, bills of lading or any and all such other instruments, documents and papers related to foreign exchange transactions, such as purchase or sale of foreign exchange, servicing of trade or non-trade transactions involving visibles and invisibles, shall be signed, executed and delivered by the Corporation's authorized signatories.

VI. AUTHORIZED SIGNATORY

RESOLVED, that any two of the following, are designated as authorized signatories of the Corporation:

NAME SIGNATURE	POSITION	SPECIMEN
DENNIS T. VILLAREAL _____	President and CEO	
ALFREDO L. HENARES _____	Treasurer	
ALFREDO S. BALLESTEROS _____	SVP – Finance and Admin	
REYNANTE C. DEL ROSARIO _____	Chief Financial Officer	
JAIME M. BALISACAN _____	VP - Finance	

MAKERS

Mary Ann G. Daugdaug
Mary Joy B. Santero

AUTHORIZERS

CLASS "A"

Dennis T. Villareal
Alfredo L. Henares
Alfredo S. Ballesteros

CLASS "B"

Reynante C. del Rosario
Jaime M. Balisacan

- (a) Any two (2) signatories from Class A for any payment;
- (b) Any one (1) signatory from Class A together with one (1) signatory from Class B for any payment of up to ₱500,000 each;
- (c) Any two (2) signatories from Class B for any payment of up to ₱100,000.00 each.

RESOLVED, further, that the Corporate Secretary or the Senior Vice President for Finance and Administration of the Corporation be authorized, as they are hereby authorized, to submit the updated list of the incumbent officers/directors occupying the positions of the Corporation's authorized signatories.

RESOLVED, finally, that the Corporation undertakes to save free and harmless as well as indemnify the banks from any and all liabilities, claims, suits, charges or expenses, of whatever nature arising out of, in connection with or by virtue of the implementation of these resolutions.”

- 47. Noted by the Board reminder of the Corporate Secretary the need for Directors and officers of the Corporation to attend annually corporate governance seminars by distributing copies of seminar schedules of SGV and ICD and to choose what seminars they would want to attend, registration of which will be facilitated by the office of the Corporate Secretary.
- 48. Certified by the Corporate Secretary that with 9 out of 11 directors, a quorum was duly constituted for the transaction of business by the Board.
- 49. Noted by the Board explanation of the Chairman on the issue of whether or not SPC Power Corporation shall pursue the construction of a coal-fired power plant in San Fernando, Cebu that has been discussed in previous meetings. Explained further by the Chairman that it has been agreed that it is high time to decide on the matter but since this item was not in the agenda in the last board meeting, a special meeting was called to make a definitive position on the matter.
- 50. Raised during the meeting with the Board that one of the consequences if the Board decides to pursue this project will be drain in SPC resources, because it is right now very much pre-occupied with the concerns of the recently acquired Power Barge 104 which needs rehabilitation. Explained further that SPC is also keen in participating again in the possible re-bid of the Naga Power Plant and that if pursued, the San Fernando Project will more or less cost around 750-800 million dollars.
- 51. Disclosed by the Chairman that together with Mr. DT Villareal, he will have to inhibit from voting because of possible interest in pursuing the San Fernando Project in their individual capacity, distinct from SPC.
- 52. Resolved by the Board that the Corporation shall not pursue the construction of a coal-fired power plant project in San Fernando, Cebu.
- 53. Certified by the Corporate Secretary that with 9 board of directors present, there is a validly constituted quorum.
- 54. Noted by the Board the discussion by the Chairman on the need to amend the Articles of Incorporation of SPC in order to engage in the business of selling, brokering , marketing or aggregating electricity to the end-users.

55. Explained further to the Board by Ms. MLL Caminero ERC Resolution No. 05, Series of 2016, entitled "a resolution adopting the 2016 rules governing the issuance of licenses to retail electricity suppliers (RES) and prescribing the requirements and conditions therefor". Explained further that through this resolution, generating companies can directly contract with end users within the contestable market but RES license has to be secured with the ERC..
56. Approved by the Board of Directors of SPC the amendment of the primary purpose of the Corporation's Articles of Incorporation, as follows:
SECOND : That the purposes for which the Corporation is formed

PRIMARY

To design, develop, construct, erect, assemble, install, commission, rehabilitate, maintain, manage, and operate diesel, hydro, thermal, and other power generating plants, and electricity distribution and related facilities; **TO ENGAGE IN THE BUSINESS OF SELLING, BROKERING, MARKETING, OR AGGREGATING ELECTRICITY TO THE END-USERS**; to act as consultants, contractors or principals in the business of developing, constructing, operating and maintaining power generating plants and in the manufacture and repair of associated mechanical and electrical equipment; and to carry on the general business of generation, manufacture, distribution, wheeling, transmission and/or sub-transmission of electric power in accordance with existing laws. (As amended by the Board of Directors and Stockholders in resolutions dated September 28, 2001)

AND IN FURTHERANCE OF THE FOREGOING PURPOSES, the Corporation shall have the power:

(1) To purchase, acquire, process, sell, lease, exchange, mortgage, and otherwise deal in such properties as may be necessary or requisite for its purposes, and to purchase, lease contract or in any other manner acquire building, storehouses, warehouse and works of all kinds, or interest and participations in the same; and, as well as in the furtherance of, and in conjunction with, the general business of the Corporation, to acquire, lease, construct, operate and dispose of any kind of transportation facility by land, water, or air, for the moving of its product, property and supplies between any and all places whatsoever within and outside the Philippines;

(2) To apply for, obtain, register, purchase, lease, or otherwise acquire and, to the extent authorized by law, to hold, use, own, operate, develop and introduce, sell, assign, and otherwise dispose of, and traffic in, any trade works, trade names, distinctive, marks, patents, inventions, improvements, and processes, used in connection with or secured under letters patent of the Philippines or elsewhere otherwise, and to use, exercise, grant licenses in respect of, and otherwise turn to account any patents, inventions, processes and the like, or any such property rights;

(3) To enter into, make perform and carry out contracts of every kind and for any lawful purposes, pertaining to the business of the Corporation, or in any manner incident thereto, as principal, agent, or otherwise, of any person, firm, association or corporation;

(4) To issue, pursuant to law, its capital stock, bonds, debentures, or other obligations in payment for property purchased or required by it, for money borrowed, or for any other lawful object in and about its business;

(5) To acquire by purchase, exchange, assignment, or otherwise, and to hold, own and use for investment or otherwise, to sell, assign, transfer, exchange, mortgage, pledge, in any way deal with, and otherwise to enjoy and dispose of any bonds, debentures, promissory notes, shares of capital stocks, or other securities or obligations, created, negotiated, or issued by any corporation, association, or other entity, foreign or domestic and while the owner thereof to exercise all the rights, powers and privileges of ownership, including the right to receive, collect, and dispose of, any all dividends, interests and income, derived therefrom, and the right to vote on any shares of the capital stock, and upon bonds, debentures, or other securities, having voting power, so owned, and to issue proxies, for said purpose, but only to the extent permitted by law, without necessarily engaging in stock brokerage business;

(6) To aid in any manner authorized by law any corporation, association, partnership, individual, or other entity of which the Corporation is a creditor, or of which any bonds, debentures, promissory notes, shares of capital stock, or other securities, or obligations, or any interest therein, are held or owned by the Corporation, and generally, to do any lawful acts or things designed to promote, protect, preserve, improve, or exchange in value any such bonds, debentures, promissory notes, shares of capital stock, securities or obligations;

(7) To borrow money in such sums, and to contract such debts, from time to time, as may be deemed necessary for, or in aid of the accomplishment of any of its lawful purposes or objects, to make, execute, endorse, issue, and dispose of promissory notes, bills of exchange, bonds, debentures, certificates and other negotiable or transferable instruments, or other securities or evidences of indebtedness, for any monies so borrowed, or debts so contracted, and to secure the same by pledge, of any of its personal property, or by mortgage or mortgages, or deeds of trust, upon any, or all, of the assets, property, concessions, subsidiaries, or franchise of the corporation, or by deeds constituting liens and charges upon, and affecting the income and revenue of its properties, in whole or in part, upon such lawful terms and conditions, as may be set forth in the instrument or instruments mortgaging or affecting the same, or in any contract, deed, or instrument relating thereto; to confer upon the holder of any debentures or bonds of the corporation, secured or unsecured, the right to convert the principal thereof into stock of the corporation, upon such lawful terms, and conditions, as shall be fixed by the Board of Directors, all subject to the limitations established by law;

(8) In general, to do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporations, firms or individuals, and to do everything incidental or pertaining to or growing out of, or connected with the aforesaid business, power, or any part thereof;

(9) To have one or more offices, branches or agencies and to carry on any or all of its operations and businesses without any restrictions as to amount, including the right to hold, purchase, or otherwise deal in and with real and personal property anywhere within the Philippines, subject to compliance with constitutional and statutory requirements and/or limitations;

(10) To purchase, retire, redeem, hold, pledge, sell, reissue, and otherwise dispose of the shares of stock, bonds or other obligations of the Corporation in such manner and upon such terms as the Board of Directors may deem expedient and insofar as may not be prohibited by law; and

(11) To do any or all of the things herein set forth and generally to do any and everything necessary, suitable and proper for the accomplishment of any of the objects or the furtherance of any of the powers herein set forth or growing out of or connected with the aforesaid businesses or powers or any part hereof, to the same extent as natural persons might or could do, and in any part of the world insofar as the same are not inconsistent, with the provisions of the Corporation Code. (As amended on February 20, 2002)

56. Directed by the Board for the Corporate Secretary of the Corporation to take the necessary action to secure the written assent, approval and confirmation of the stockholders of record date of September 9, 2016, representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation, to the above amendment to the Second Article of the Corporation's Articles of Incorporation.
57. Informed/apprised the Board of the need to reactivate the dormant Landbank peso current account of the Corporation pursuant to the policies of the said bank and BSP Rules and Regulations.
58. Approved by the Board the reactivation of the Landbank Peso Current Account, C/A No. 0052-1190-49.
59. Approved by the Board, after it has been briefed, the inclusion of Mr. Reynante C. del Rosario, as one of the signatories under Class "B" for all Impressed Peso and US Dollar Bank Accounts in Metro Manila, Cebu or Tagbilaran.
60. Approved by the Board the sale of the Company's Chevrolet Suburban and authorized Mr. Alfredo S. Ballesteros, in his capacity as Senior Vice President for Finance and Administration of the Corporation to sign, execute and deliver all documents, and do/perform all acts necessary for the abovesaid purpose.
61. Certified by the Corporate Secretary that there is a validly constituted quorum for the meeting.

62. Revisited by the Board the discussions in the last board meeting of November 21, 2016 with regard to its decision to appropriate the amount of ₱255 million for the construction of a coal-fired power plant in the Visayas region. Reviewed also by the Board the projected financial statements as of December 31, 2016.
63. Approved by the Board the reversal of ₱255 million that was appropriated for the construction of a coal-fired power plant in the Visayas region in the board meeting of November 21, 2016./
64. Authorized by the Board for the Corporation to declare cash dividends at ₱0.2867 per share and set the following dates relative to entitlement of and payment to the stockholders: Record Date – December 26, 2016 and Payment Date – December 29, 2016.

B. Past Acts of the Management for CY 2016

Run the day to day affairs of the Company in terms of:

1. Operating the power generating plants as efficient and reliable as possible to meet the guarantees in the ROMM Agreement and the distribution system as well.
2. Instituting repairs and improvements in the power plant and distribution system whenever necessary.
3. Billing and collecting from NPC/PSALM/PEMC/WESM and electric consumers for power generated and distributed.
4. Paying banks, suppliers, employees and other creditors.
5. Funding various requirements of the Company.
6. Maintaining the proper books of accounts and other records to keep track of transactions of the Company.
7. Hiring, promoting and firing employees whenever necessary.
8. Issuing appropriate press releases whenever necessary.
9. Maintaining good relations with the public.
10. Complying with the law and rules and regulations of the Energy Regulatory Commission, Bureau of Internal Revenue, Securities and Exchange Commission, Philippine Stock Exchange and other government agencies.
11. Complying with contracts signed with National Power Corporation, Kepco Philippines Corporation, Power Sector Assets Liabilities and Management Corporation and other entities.