

# COVER SHEET

|   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|
| A | S | 0 | 9 | 4 | 0 | 0 | 2 | 3 | 6 | 5 |
|---|---|---|---|---|---|---|---|---|---|---|

S.E.C. Registration Number

[illegible]

( 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. Jaime M. Balisacan |
| Contact Person         |

Contact Person

8810 44 74 to 77  
Company Telephone Number

Company Telephone Number

Month

*Dav*

Calendar Year

REVISED  
SEC FORM

|   |   |   |   |   |
|---|---|---|---|---|
| 2 | 0 | - | 1 | S |
|---|---|---|---|---|

FORM TYPE

FORM TYPE

## DEFINITIVE INFORMATION STATEMENT

|   |   |
|---|---|
| 0 | 6 |
|---|---|

Month

|   |   |
|---|---|
| 2 | 5 |
|---|---|

Day

Annual Meeting

Month

Dav

Annual Meeting

□ □ □ □ □

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Dept. Requiring this Doc.

Amended Articles Number / Section

Amended Articles Number / Section

Total No. of Stockholders

Total No. of Stockholders

Total Amount of Borrowings

|          |         |
|----------|---------|
|          |         |
| Domestic | Foreign |

Domestic

Foreign

To be accomplished by SEC Personnel concerned

|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

Cashier

STAMPS

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. 7<sup>th</sup> 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. Date, time and place of the meeting of security holders: Not applicable.
9. Appropriate date on which the Information Statement is first to be sent or given to security holders: September 15, 2021
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):

| <u>Title of Each Class</u>                    | <u>Number of Shares of Common Stock Outstanding</u> |
|---|---|
| Common Shares (as of June 30, 2021)           | 1,496,551,803 shares                                |
| Total Debt (consolidated as of June 30, 2021) | P893,772,693  |

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**



## INFORMATION STATEMENT

### **General Information**

For the purpose of approving the proposed amendments to the Amended Articles of Incorporation, in particular, Article II thereof, to include in the Corporation's primary purpose the following: to carry on the general business of exploration, development, utilization and/or lease of natural resources, such as, but not limited to, solar, wind, biomass, hydro, geothermal, ocean, wave, and other renewable sources of power or hybrid systems as source of energy for the production of electricity; to own or lease and/or develop necessary and/or related real or personal properties, including land, to explore, develop, utilize and/or lease natural resources; and/or to make equity investments, in, and participate in the management of domestic corporations, partnerships, and other entities engaged in (1) activities by which this primary purpose may be achieved, including but not limited to the acquisition, construction, development, improvement, operation, maintenance and holding of power production and electrical generation facilities in the Philippines, and other property incidental thereto, and (2) the production and sale of electricity; and Article III thereof, to change the principal office of the Corporation to 7<sup>th</sup> Fl BDO Towers Paseo, 8741, Paseo de Roxas, Makati City, 1209, the written assent of stockholders holding common shares of the Company shall be solicited pursuant to the requirements of the Revised Corporation Code, the Securities Regulation Code and its Implementing Rules, other applicable rules of the Securities and Exchange Commission ("SEC"), and the Disclosure Rules of the Philippine Stock Exchange ("PSE").

Subject to the voting procedure, stockholders as of August 20, 2021, are requested to signify their vote on the proposed amendments by accomplishing the assent form appended hereto as **Attachment 1** and by returning the duly accomplished form within the voting period from October 7 to October 11, 2021, 12 p.m., at the address below:

**OFFICE OF THE CORPORATE SECRETARY  
SPC POWER CORPORATION**

7<sup>th</sup> Floor, BDO Towers Paseo, 8741, Paseo de Roxas  
Makati City, 1209  
[info@spcpower.com](mailto:info@spcpower.com)  
[cc:mraguinaldo@spcpower.com](mailto:cc:mraguinaldo@spcpower.com)

This Information Statement shall be sent to security holders as soon as practicable after approval by the SEC, but not later than September 15, 2021.

### **Dissenters' Right of Appraisal**

As provided in Section 80 of the Revised Corporation Code of the Philippines, a stockholder may exercise his appraisal right in the following instances:

1. In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class or extending or shortening of the corporate existence;
2. In case of a sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property or assets as provided in this Code;
3. In case of a merger or consolidation; and
4. In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.



In the exercise of the appraisal right, the requirements and procedure in Sections 81-85 of the Revised Corporation of the Philippines shall be observed.

The proposed corporate actions are not among the instances above enumerated and there are no corporate actions in this Information Statement and the attached assent form for which a dissenting stockholder may exercise appraisal right under Sections 80-85 of the Revised Corporation Code of the Philippines.

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

None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in the matter to be acted upon.

The Registrant has not been informed in writing by any person that he intends to oppose any action to be taken by the Registrant pursuant to the solicitation of the written assent of stockholders.

#### **Voting Securities and Principal Stockholders**

As of August 31, 2021, there are 1,496,551,803 outstanding common shares (at ₱1.00 per share) entitled to vote. Each common share is entitled to one vote.

Of the total issued and outstanding common and voting shares of 1,496,551,803 as of August 31, 2021, 13.12% or 196,315,627 shares are held by the public. Equity ownership of foreigners amounts to 573,208,062 shares out of the total and outstanding shares of the Corporation.

The record date to determine the stockholders entitled to notice and to vote by written assent is on August 20, 2021.

**Persons Known to the Registrant to be Directly or Indirectly the Record or Beneficial Owner of More Than 5% of Any Class of the Registrant's Voting Securities**

As of August 31, 2021, 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. <sup>1</sup><br>18 <sup>th</sup> Floor, BDO Towers Valero (formerly Citibank Tower)<br>8741 Paseo de Roxas, Makati City<br>(Stockholder) <sup>3</sup> | KEPCO Philippines Corp.<br><br>Mr. Yoon, Jong-Ryoon, President & CEO | Korean      | 568,098,822      | 37.96%           |
| Common         | Intrepid Holdings, Inc. <sup>2</sup><br>7 <sup>th</sup> Floor, BDO Towers Paseo (formerly Citibank Center)<br>8741 Paseo de Roxas, Makati City<br>(Stockholder) <sup>3</sup>           | Intrepid Holdings, Inc.<br><br>Mr. Dennis T. Villareal, President    | Filipino    | 321,905,611      | 21.52%           |
| Common         | JAD Holdings, Inc. <sup>2</sup><br>7 <sup>th</sup> Floor, BDO Towers Paseo (formerly Citibank Center)<br>8741 Paseo de Roxas, Makati City<br>(Stockholder) <sup>3</sup>                | JAD Holdings, Inc.<br><br>Mr. Dennis T. Villareal, President         | Filipino    | 293,201,397      | 19.59%           |

<sup>1</sup> Mr. Yoon, Jong-Ryoon shall exercise the voting power of KEPCO Philippines Holdings, Inc.

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

<sup>3</sup> The above record owners are purely stockholders.



**Security Ownership of Directors/Management**

The following Directors/Management personnel own shares in the Company as of August 31, 2021:

| <b>Title of Class</b>                         | <b>Name of Beneficial Owner</b>  | <b>Citizenship</b> | <b>Number of Shares and Nature of Ownership</b> | <b>Percent of Ownership</b> |
|---|----------------------------------|--------------------|---|-----------------------------|
| 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)                                     | 0.06                        |
| Common  | Ramon Y. Sy                      | Filipino           | 2 (d)   | n.m.                        |
| Common  | Francisco L. Viray               | Filipino           | 1 (d)   | n.m.                        |
| Common  | Enrique L. Benedicto             | Filipino           | 1 (d)   | n.m.                        |
| Common  | Yoon, Jong-Ryoon                 | Korean             | 1 (d)   | n.m.                        |
| Common  | Lee, Kyung-Eun                   | Korean             | 1 (d)   | n.m.                        |
| Common  | Youn, Sang Young                 | Korean             | 1 (d)   | n.m.                        |
| Common  | Sergio R. Ortiz-Luis, Jr.        | Filipino           | 1 (d)   | n.m.                        |
| Common  | Kim, Yong-Uk                     | Korean             | 1 (d)   | n.m.                        |
| Common  | Jaime M. Balisacan               | Filipino           | 51,000 (d)                                      | n.m.                        |
| Common  | Maria Luz L. Caminero            | Filipino           | 137, 098 (d)                                    | 0.01                        |
| Common  | Cesar O. Villegas                | Filipino           | 685, 492 (d)                                    | 0.05                        |
| Common  | James Roy N. Villareal           | Filipino           | 274,196 (d)                                     | 0.02                        |
| Common  | Nino Ray D. Aguirre              | Filipino           | 0   |                             |
| Common  | Victor P. Lazatin                | Filipino           | 0   |                             |
| Common  | Mishelle Anne R. Rubio-Aguinaldo | Filipino           | 0   |                             |
| Directors and Management personnel as a Group |                                  |                    | 8,429,230                                       | 0.56%                       |

d-direct

n.m.- not material

**Voting Trust Holder/s**

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

### **Change in Control**

There are no arrangements that may result in a change in control of the Parent Company during the period covered by this report.

### **Financial and Other Information**

A copy of the audited financial statements of the Registrant as of December 31, 2020 and the Quarterly Report (SEC Form 17-Q) of the Registrant for the period ended June 30, 2021 submitted to the Securities and Exchange Commission (SEC) are incorporated herein by reference.

The audited financial statements as of December 31, 2020 and the Quarterly Report (SEC Form 17-Q) for the period ended June 30, 2021 are uploaded on the Registrant's website at [www.spcpowergroup.com](http://www.spcpowergroup.com).

### **OTHER MATTERS**

#### **Other Proposed Actions**

At the special meeting of the Board of Directors held on July 29, 2021, where a quorum was present and acting throughout, the Board of Directors, on motion made and seconded, approved the proposed amendments of Article II (Primary Purpose) and Article III (Principal Office) of the Amended Articles of Incorporation subject to the written assent of stockholders as of August 20, 2021 representing at least 2/3 of the outstanding capital stock of the Corporation to be secured from October 7, 2021 until October 11, 2021. The amendments to the Amended Articles of Incorporation are found in **Attachment 2**.

The reasons for the proposed amendments are: *first*, it is necessary to include the purpose of engaging in the business of renewable energy, including the exploration, development and utilization of renewable energy resources, such as but not limited to biomass, solar, wind, hydro, geothermal, ocean energy sources or hybrid systems as one of the Corporation's primary purposes; and *second*, the transfer of the principal office to Makati will improve operational efficiency and effectiveness of business and corporate functions.

#### **Voting Procedures**

##### *Manner of voting*

The written assent of the stockholders to the proposed amendments of Article II (Primary Purpose) and Article III (Principal Office) of the Corporation's Amended Articles of Incorporation will be secured using the assent form<sup>1</sup> to be accomplished by the stockholders or their proxies.

The written assent of the stockholders representing at least 2/3 of the outstanding capital stock of the Corporation shall be required for the approval of the proposed amendments to the Amended Articles of Incorporation.

Stockholders as of record date, August 20, 2021, shall be entitled to vote by written assent, for each share of stock held by them. Their written assent shall be submitted within the voting period to commence on October 7, 2021, until October 11, 2021, 12:00 p.m.

---

<sup>1</sup> See Attachment 1.



### *Voting Requirements*

For validation purposes, a stockholder of record intending to exercise his right to vote by written assent, shall submit the following requirements: a copy of their competent evidence of identity with full name, signature, and photograph (e.g., passport, valid driver's license, voter's ID, TIN card, SSS card, etc.), and proxy form, if applicable. All proxy forms must be duly accompanied by supporting documents, e.g., notarized Secretary's Certificate or duly signed minutes of board meeting, evidencing appointment and authority of the designated proxy. Requirements for validation must be submitted to the Corporate Secretary at the address below, **not later than five (5) business days before the start of the voting period on October 7, 2021:**

**OFFICE OF THE CORPORATE SECRETARY  
SPC POWER CORPORATION**

7<sup>th</sup> Floor, BDO Towers Paseo, 8741, Paseo de Roxas  
Makati City, 1209  
[info@spcpower.com](mailto:info@spcpower.com)  
cc: [mraguinaldo@spcpower.com](mailto:mraguinaldo@spcpower.com)

Upon validation of the requirements, the Office of the Corporate Secretary shall transmit the official assent form by electronic mail. All assent forms must be returned by electronic mail at [info@spcpower.com](mailto:info@spcpower.com) cc: [mraguinaldo@spcpower.com](mailto:mraguinaldo@spcpower.com) by the end of the voting period on **October 11, 2021, 12:00 p.m.**

For security reasons, only the assent forms of stockholders with complete and valid requirements shall be honored.

### *Method of Counting*

At the end of the voting period, the Corporate Secretary shall tabulate and count the votes based on the returned assent forms duly accomplished by the stockholders entitled to vote or their proxies. As soon as the affirmative votes reach 2/3 of the outstanding capital stock or 997,701,202 shares, the proposed amendment/s shall be considered approved by the stockholders.

### *Dissenter's Appraisal Right –*

“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 80 to 85 of the Revised Corporation Code of the Philippines.”

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE FREE OF CHARGE. A COPY OF THE COMPANY'S SEC FORM 17-Q 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:

OFFICE OF THE CORPORATE SECRETARY  
SPC POWER CORPORATION  
7<sup>TH</sup> FLOOR, BDO TOWERS PASEO (FORMERLY CITIBANK CENTER)  
8741 PASEO DE ROXAS, MAKATI CITY  
1226 PHILIPPINES

[info@spcpower.com](mailto:info@spcpower.com)  
cc: [mraguinaldo@spcpower.com](mailto:mraguinaldo@spcpower.com)

ATTENTION: MISHALLE ANNE R. RUBIO-AGUINALDO

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 August 28, 2021.

SPC POWER CORPORATION  
Issuer



MISHALLE ANNE R. RUBIO-AGUINALDO  
Assistant Corporate Secretary





# ASSENT FORM

## I.

For the purpose of amending Article II of the Amended Articles of Incorporation to include in the Corporation's primary purpose the following: to carry on the general business of exploration, development, utilization and/or lease of natural resources, such as, but not limited to, solar, wind, biomass, hydro, geothermal, ocean, wave, and other renewable sources of power or hybrid systems as source of energy for the production of electricity; to own or lease and/or develop necessary and/or related real or personal properties, including land, to explore, develop, utilize and/or lease natural resources; and/or to make equity investments, in, and participate in the management of domestic corporations, partnerships, and other entities engaged in (1) activities by which this primary purpose may be achieved, including but not limited to the acquisition, construction, development, improvement, operation, maintenance and holding of power production and electrical generation facilities in the Philippines, and other property incidental thereto, and (2) the production and sale of electricity; the undersigned hereby votes as follows:

\_\_\_\_\_ *In favor* of the proposed amendment  
 \_\_\_\_\_ *Not in favor* of the proposed amendment  
 \_\_\_\_\_ *Abstain*

## II.

For the purpose of amending Article III of the Amended Articles of Incorporation to change the principal office of the Corporation to 7<sup>th</sup> Fl BDO Towers Paseo, 8741, Paseo de Roxas, Makati City, 1209, the undersigned hereby votes as follows:

\_\_\_\_\_ *In favor* of the proposed amendment  
 \_\_\_\_\_ *Not in favor* of the proposed amendment  
 \_\_\_\_\_ *Abstain*

\_\_\_\_\_  
 Name and Signature of Stockholder

Date: \_\_\_\_\_

No. of shares held: \_\_\_\_\_

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 END-USERS (As amended by the resolution of the Board of Directors dated September 9, 2016 and by the written assent of stockholders representing at least 2/3 of the outstanding capital stock of the Corporation); 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; 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);

TO CARRY ON THE GENERAL BUSINESS OF EXPLORATION, DEVELOPMENT, UTILIZATION AND/OR LEASE OF NATURAL RESOURCES, SUCH AS, BUT NOT LIMITED TO, SOLAR, WIND, BIOMASS, HYDRO, GEOTHERMAL, OCEAN, WAVE, AND OTHER RENEWABLE SOURCES OF POWER OR HYBRID SYSTEMS, AS SOURCE OF ENERGY FOR THE PRODUCTION OF ELECTRICITY;

TO OWN OR LEASE AND/OR DEVELOP NECESSARY AND/OR RELATED REAL OR PERSONAL PROPERTIES, INCLUDING LAND, TO EXPLORE, DEVELOP, UTILIZE AND/OR LEASE NATURAL RESOURCES, AND/OR

TO MAKE EQUITY INVESTMENTS, IN, AND PARTICIPATE IN THE MANAGEMENT OF DOMESTIC CORPORATIONS, PARTNERSHIPS, AND OTHER ENTITIES ENGAGED IN (1) ACTIVITIES BY WHICH THIS PRIMARY PURPOSE MAY BE ACHIEVED, INCLUDING BUT NOT LIMITED TO THE ACQUISITION, CONSTRUCTION, DEVELOPMENT, IMPROVEMENT, OPERATION, MAINTENANCE AND HOLDING OF POWER PRODUCTION AND ELECTRICAL GENERATION FACILITIES IN THE PHILIPPINES, AND OTHER PROPERTY INCIDENTAL THERETO, AND (2) THE PRODUCTION AND SALE OF ELECTRICITY.

THIRD: THAT THE PRINCIPAL OFFICE OF THE CORPORATION SHALL BE LOCATED IN 7<sup>TH</sup> FL BDO TOWERS PASEO, 8741, PASEO DE ROXAS, MAKATI CITY, 1209 with such other branches and agencies as it may later deem necessary to establish.





**NOTICE TO OBTAIN STOCKHOLDERS' APPROVAL**  
**BY WRITTEN ASSENT**

TO ALL STOCKHOLDERS:

NOTICE is hereby given that in the special meeting held on July 29, 2021, the Board of Directors, on motion made and seconded, resolved to amend Article II (Primary Purpose) and Article III (Principal Office) of the Amended Articles of Incorporation, subject to the written assent of stockholders representing at least 2/3 of the outstanding capital stock of the Corporation.

Stockholders as of record date, August 20, 2021, are entitled to notice and to vote by written assent which will be secured from October 7, 2021 until October 11, 2021, 12:00 p.m. To request for an assent form, submit not later than five (5) business days before the start of the voting period on October 7, 2021, a copy of a valid government-issued ID with full name, signature, and photograph and if applicable, proxy form with supporting documents evidencing appointment and authority of the designated proxy, at:

**OFFICE OF THE CORPORATE SECRETARY**  
**SPC POWER CORPORATION**  
7<sup>th</sup> Floor, BDO Towers Paseo, 8741, Paseo de Roxas  
Makati City, 1209  
[info@spcpower.com](mailto:info@spcpower.com)  
cc: [mraguinaldo@spcpower.com](mailto:mraguinaldo@spcpower.com)

Upon validation of the requirements, the Office of the Corporate Secretary shall transmit the official assent form by electronic mail. All assent forms must be returned by electronic mail at [info@spcpower.com](mailto:info@spcpower.com) cc: [mraguinaldo@spcpower.com](mailto:mraguinaldo@spcpower.com) by the end of the voting period on October 11, 2021, 12:00 p.m.

Electronic copies of the Information Statement and SEC Form 17Q and other related documents are posted on [www.spcpowergroup.com](http://www.spcpowergroup.com) and on PSE Edge.

Makati City, August 23, 2021.

By:

**MISHELLE ANNE R. RUBIO-AGUINALDO**  
Assistant Corporate Secretary



Machine Validation:




Republic of the Philippines

DEPARTMENT OF FINANCE  
SECURITIES AND EXCHANGE COMMISSION  
Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City, 1307

**PAYMENT ASSESSMENT FORM**

No. 20210901-3983670

|  |                                      |
|--|--------------------------------------|
| <b>DATE</b><br>09/01/2021                        | <b>RESPONSIBILITY CENTER</b><br>MSRD |
| <b>PAYOR:</b> SPC POWER CORPORATION<br>CEBU CITY |                                      |

| NATURE OF COLLECTION  | QUANTITY | ACCOUNT CODE  | AMOUNT       |
|---|----------|---|--------------|
| Information Statement - Registrant  |          | 4020199099 (678)  | 7,500.00     |
| Legal Research Fee (A0823)  |          | 2020105000 (131)  | 75.00        |
| ----NOTHING FOLLOWS----   |          |   |              |
|   |          |   |              |
|   |          |   |              |
|   |          |   |              |
| TOTAL AMOUNT TO BE PAID   |          |   | Php 7,575.00 |
| Assessed by: nbleguarda  |          | Amount in words:<br>SEVEN THOUSAND FIVE HUNDRED SEVENTY FIVE PESOS AND 00/100 |              |
| Remarks:  |          |   |              |

**Payment Options**

- Online payment thru SEC Payment Portal
  - <https://www.sec.gov.ph/apps/payment-portal>
- Over the Counter Payments
  - SEC Cashier Office
  - Selected Landbank Branches

**SEC Landbank Accounts**

| Landbank Region/Area   | SEC Clearing Account | SEC Account          |
|--|----------------------|----------------------|
| Region II, III-A, III-B, IV, Area IV-A, AREA IV-B, and Region VIII | 3402-2319-20         | Head Office / Tarlac |
| Region I   | 3402-2319-38         | Baguio               |
| Region V   | 3402-2319-46         | Legaspi              |
| Region VI  | 3402-2319-54         | Iloilo / Bacolod     |
| Region VII   | 3402-2319-62         | Cebu                 |
| Region IX  | 3402-2319-70         | Zamboanga            |
| Region X   | 3402-2319-89         | Cagayan De Oro       |
| Region XI & XII  | 3402-2319-97         | Davao                |

For National Capital Region (NCR), payments are only allowed thru the ff. Landbank branches:

| Name of Branch     | SEC Clearing Account |
|--------------------|----------------------|
| Edsa Greenhills    | 3402-2319-20         |
| Edsa Congressional |                      |
| Araneta E.O.       |                      |
| YMCA               |                      |
| DOTC               |                      |
| Ortigas E.O.       |                      |
| Muntinlupa         |                      |
| North Avenue       |                      |

**Breakdown Summary**

| FUND ACCOUNT            | AMOUNT              | ACCOUNT #                 |
|-------------------------|---------------------|---------------------------|
| SEC SRC Current Account | 7,500.00            | 0552-1052-57              |
| BTR Account - LRF       | 75.00               | see SEC clearing accounts |
| <b>TOTAL</b>            | <b>Php 7,575.00</b> |                           |

**Notes:**

- This form is valid for forty-five (45) calendar days from the date of Payment Assessment Form (PAF)
- Accepted modes of payment at SEC Main Office, Pasay City:
  - Cash
  - Manager's/Cashier's Check
  - Postal Money Order
- Accepted modes of payment at selected Landbank branches:
  - Cash
  - Manager's/Cashier's Check payable to the Securities and Exchange Commission
- For check payment, please prepare separate checks per fund account as indicated on the breakdown summary. All checks must be payable to Securities and Exchange Commission
- For over the counter payment at LandBank, preparation of oncoll payment or deposit slip shall be per fund account as indicated on the breakdown summary.
  - If fund code is BTR, use an oncoll payment slip.
  - If fund code is SRC or RCC, use a regular deposit slip.
 Send through email the copy of the machine-validated oncoll payment slip / deposit slip to the issuer of this PAF to confirm that payment has been made.

**F. ANY ALTERATIONS WILL INVALIDATE THIS FORM**



CASH DEPOSIT SLIP

LANDBANK

ACCOUNT NAME

Sec

DATE

01/01/21

ACCOUNT NUMBER

0552105254

BRANCH OF ACCOUNT

DEPOSITOR / REPRESENTATIVE

James S. H.  
Bryan Smith Jones

STVEN THOMPSON THE MURKIN JES

CONTACT NUMBER

210-44-74

P 7,500.00

12 2PM 02SEP2021 10:44:28 0552 1052 57 SECURITIES AN  
0700 CCASH P7,500.00



# ONCOLL PAYMENT SLIP

**LANDBANK**

This is your receipt when machine validated

|   |   |
|---|---|
| <p>DATE: 07/02/2021</p>                                       |   |
| <p>MERCHANT AGENCY SERVICE ACCOUNT NUMBER<br/>44321221420</p> | <p>AMOUNT: 75.00</p>                    |
| <p>Reference Number:<br/>SPE POWER 3409231923</p>             | <p>Reference Number:<br/>3409231923</p> |
| <p>Reference Number:<br/>3409231923</p>                       | <p>Reference Number:<br/>3409231923</p> |
| <p>Amount: 75.00</p>  | <p>Amount: 75.00</p>                    |

# COVER SHEET

A S 0 9 4 0 0 2 3 6 5

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. Jaime M. Balisacan

Contact Person

8810 44 74 to 77

Company Telephone Number

1 2

Month

3 1

Day

Calendar Year

SEC FORM

1

7

-

Q

FORM TYPE

0

6

Month

2

5

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders

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 17-Q**

**QUARTERLY REPORT UNDER SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17 (2) (b) THEREUNDER**

1. For the quarterly period ended June 30, 2021
  
2. SEC Identification Number AS094-002365
3. BIR Tax Identification No. 003-868-048
  
4. SPC POWER CORPORATION  
Exact name of issuer as specified in its charter
- Metro Manila, Philippines  
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code   (SEC Use Only)  
  
7<sup>th</sup> Floor, Cebu Holdings Center, Cebu Business Park, Cebu City 6000  
(Manila Office: 7<sup>th</sup> Floor, Citibank Center, 8741 Paseo de Roxas, Makati  
City)
7. Address of Issuer's principal office  

Code
Postal

(63 32) 232 0375; 232 0477 / (63 2) 810 4474 to 77, 810 4450, 810 4465
8. Issuer's telephone number, including area code  
N.A.
9. Former name of former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Section 4 and 8 of the RSA

| Title of Each Class                        | Number of Shares of Common Stock<br>Outstanding and Amount of Debt<br>Outstanding |
|--|---|
| <u>Common Shares (as of June 30, 2020)</u> | <u>1,496,551,803 shares</u>   |
| <u>Total Debt (as of June 30, 2020)</u>    | <u>₱893,772,693</u>   |
11. Are any or all of the securities listed on a Stock Exchange?  

Yes [ ☒ ]
No [ ☐ ]



If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange

common shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months or for such shorter period that the registrant was required to file such report(s):

Yes [ ☒ ]

No [ ☐ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ ☒ ]

No [ ☐ ]

## **PART I – FINANCIAL INFORMATION**

### **ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated interim financial statements of the Parent Company and its Subsidiaries (the “Group”) are attached herewith as follows:

- a. Consolidated Statements of Financial Position – June 30, 2021 (unaudited) and December 31, 2020 (audited).
- b. Consolidated Statements of Comprehensive Income – Three Months Ended June 30, 2021 and 2020 (unaudited).
- c. Consolidated Statements of Comprehensive Income – Six Months Ended June 30, 2021 and 2020 (unaudited).
- d. Consolidated Statements of Changes in Stockholders’ Equity – Six Months Ended June 30, 2021 and 2020 (unaudited).
- e. Consolidated Statements of Cash Flows – Six Months ended June 30, 2021 and 2020 (unaudited).
- f. Notes to the Consolidated Financial Statements.

### **ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

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 interim consolidated financial statements and the notes thereto as well as the schedules and disclosures set forth elsewhere in this report.

#### **Financial Conditions and Results of Operations**

##### **Results of Operations**

##### **Three Months Ended June 30, 2021 and 2020**

Despite higher revenues, total comprehensive income of the Group declined by 23.5% to ₱333.6 million in the second quarter this year, from ₱436.4 million in the same period last year. This was due mainly to lower equity share from the earnings of KSPC which implemented a scheduled 50-day major maintenance of generating plants in the second quarter of the current year. Except for KSPC, all other business units in the Group performed relatively better in the second quarter of 2021 as compared to the first quarter of 2021 and second quarter of 2020.

The consolidated net income in the second quarter of 2021 translates to ₱0.22 in earnings per share, down from ₱0.29 in the same period last year.

By business segment, equity share in the earnings of investee companies contributed ₱172.2 million to the consolidated comprehensive income, down by 52.4% from ₱361.7 million in the comparable year-ago period. This was attributed to the 50-day scheduled major maintenance of KSPC's generating Units 1 & 2 in the second quarter of 2021.

The distribution business segment (BLCI) slightly improved its second quarter 2021 net income to partially reverse the losses incurred in the first quarter of 2021. There was partial recovery of previously under-recovered cost of purchased power. However, demand continued to be affected by slow improvements in the operations of industrial and commercial customers in the midst of the coronavirus pandemic.

Net income contribution of the generation business segment soared by 88.4% to ₱160.5 million on account mainly of higher capacity utilization of power generating assets.

Consolidated revenues increased by 53.6% to ₱657.7 million in the second quarter of 2021, from ₱428.1 million in the same period last year, due mainly to higher volume of energy sold, higher pass-through cost of fuel and purchased power, and higher prices in the WESM.

In contrast, consolidated cost of services increased only by 41.3% to ₱446.3 million, from ₱315.9 million in the previous year, due mainly to costs arising from higher volume and higher prices.

As revenues grew faster than costs, gross margin rose by 88.4% to ₱211.4 million in the April – June 2021 period from last year's comparative figure of ₱112.3 million.

Consolidated administrative and general expenses went up by 47.7% to ₱55.6 million in April – June 2021, from ₱37.6 million in the same period last year, due largely to higher expenses for business development; personnel; and taxes and licenses. Total other administrative and general expenses were held to about the same level as in the previous year.

Interest income substantially decreased by 56.7% to ₱8.4 million, from ₱19.4 million, because of lower effective interest rate and lower amount of excess cash invested in short-term money market placements after payment of cash dividends in the last quarter of 2019 and in the first semester of the current year.

Other service income amounted to ₱21.8 million in the second quarter of the current year, versus nil the year before, due to no other projects undertaken in the previous year.

#### **Six Months Ended June 30, 2021 and 2020**

The second quarter's performance slowed the Group's consolidated net income to ₱794.3 million in the first half of 2021, lower by 14.5% compared with the ₱929.0 million posted in the same period last year.



With lower results, earnings per share declined to ₱0.53 in the first half of 2021 as compared with ₱0.62 in the year before.

The performance likewise translated to a return on equity of 7.79% for the six-month period in 2021 versus 9.00% in the same period last year.

Equity share from the earnings of investee companies remained the biggest contributor with a net income contribution of ₱543.5 million or 68.4% of the pie. The income contribution fell by 27.4% in the first half of 2021 due mainly to the scheduled 50-day major maintenance of KSPC's generating plants in the second quarter of the current year.

The power generation business segment made up the second chunk of the Group's consolidated net income contributing 31.9% of the total as of June 30, 2021. The net income contribution of ₱253.7 million was 53.7% higher compared to last year's ₱165.1 million on account mainly of higher capacity utilization in the second quarter of the current year.

In spite of the improved performance of the distribution business segment (BLCI) in the second quarter of 2021, its six-month income contribution remained negative at ₱2.9 million, a reversal of the ₱14.4 million net income contribution in the same period a year ago. This was due mainly to temporary under-recovery of the cost of purchased power in the current year.

The Group registered a 15.8% rise in consolidated revenues during the first half of the current year to ₱1,122.2 million, from ₱968.8 million in the same period last year, due mainly to higher volume of energy sold, higher pass-through cost of fuel and purchased power, and higher prices in the WESM.

Consolidated cost of services likewise increased but by just 11.4% to ₱797.9 million in the first half of 2021, from ₱715.9 million in the same period last year, due mainly to costs arising from higher volume and prices of transactions.

As revenues grew faster than costs, gross margin rose by 28.2% to ₱324.3 million in the January - June 2021 period from last year's comparative figure of ₱252.9 million.

Consolidated administrative and general expenses went up by 14.9% to ₱92.7 million in January – June 2021 due mainly to higher expenses for business development; personnel; and taxes and licenses. Total other administrative and general expenses registered a 9.5% net decrease from the previous year's level.

Interest income substantially decreased by 44.7% to ₱17.3 million, from ₱31.4 million, because of lower effective interest rate and lower amount of excess cash invested in short-term money market placements after payment of cash dividends in the last quarter of 2019 and in the first half of the current year.

Other service income was higher at ₱40.0 million in the first half of 2021, as compared to ₱18.2 million in the same period last year, due to more other projects undertaken.

## Financial Condition

### June 30, 2021 Vs. December 31, 2020

Total consolidated assets of the Group stood at ₱10,741.6 million as at end-June 2021, 6.1% lower from the last audited balance of ₱11,440.0 million as at end-2020. The decrease was attributed mainly to declaration of cash dividends.

Total liabilities remained about the same at ₱893.8 million as at end-June 2021, only 1.0% higher from ₱884.8 million as at end-2020.

Total stockholders' equity decreased to ₱9,847.9 million as at end-June 2021 from ₱10,555.3 million as at end-2020. The 6.7% net decrease was due to declaration of cash dividends amounting to ₱1,501.8 million, partially offset by comprehensive income earned in the first half of 2021 amounting to ₱794.3 million.

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

Trade and other receivables increased by 41.2% to ₱477.3 million as at end-June 2021 from ₱338.1 million as at end-2020, due to higher revenues generated in June 2021.

Prepayments and other current assets increased by 6.8% to ₱58.7 million as at end-June 2021 due mainly to deferred/unexpired insurance premiums and more input tax awaiting application against output tax.

Investment in associates decreased by 2.6% to ₱5,634.6 million as at end-June 2021 from ₱5,782.9 million as at end-2020. The slight decrease reflected the cash dividends received from investees amounting to ₱691.8 and fresh equity share in the net earnings of investees amounting to ₱543.5 million in the first half of 2021.

Other noncurrent assets decreased by 10.8% to ₱154.6 million as at end-June 2021 from ₱173.2 million as at end-2020. This was due mainly to the amortization of ERC-approved Deferred Accounting Adjustments (DAA) which were incurred by PSALM in supplying energy during the previous years to be recovered/refunded by PSALM to its customers through the distribution business segment of the Group by initially charging the customers as part of the Group's generation charge over a period of seven years from January 1, 2018.

Despite lower income tax rate due to CREATE law, income tax payable increased by 47.2% to ₱38.7 million as at end-June 2021, from ₱26.3 million as at end-2020, due to higher taxable income in the third quarter of 2021 as compared to the fourth quarter of 2020.

Other noncurrent liabilities decreased by 16.9% to ₱90.8 million from ₱109.2 million due mainly to amortization of cost recovery adjustment approved by ERC to be recovered by PSALM through the distribution business segment of the Group over a period of seven years from January 2018. The original amount of ₱257.6 million was booked as noncurrent liabilities pending remittance to



PSALM the amount collected from customers over a period of seven years from January 2018.

Unappropriated retained earnings decreased by 9.9% to ₱6,381.6 million as at end-June 2021 from ₱7,083.4 million at the beginning of the year. The net decrease was reflective of cash dividends declared amounting to ₱1,496.6 million less comprehensive income attributable to equity holders of the Parent Company amounting to ₱794.8 million in the six months ended June 30, 2021.

### **Cash Flows**

Cash and cash equivalents decreased by 17.1% to ₱3,269.9 million as at end-June 2021 from the end-December 2020 level of ₱3,944.3. Net cash flows used in financing activities exceeded net cash flows generated from operating and investing activities in the first six months of 2021.

Major sources of cash and cash equivalents in the first semester of 2021 were from operating activities and cash dividends received from investee companies amounting to ₱180.7 million and ₱691.8 million, respectively.

The net cash flow generated from operating activities of ₱180.7 million in the first semester of 2021 was 148.9% higher compared to ₱72.6 million only in the same period last year. This was attributed mainly to more cash profit in 2021.

The major applications of funds in the first semester of 2021 were: (i) payment of cash dividends amounting to ₱1,501.8 million, and (ii) new additions to property, plant and equipment amounting to ₱40.7 million.

### **Key Performance Indicators**

The following financial indicators are used, among others, to evaluate the performance of the Group as of June 30, 2021 and December 31, 2020 and for the six months ended June 30, 2021 and 2020:



| Key Performance Indicators  | 2021             | 2020           |
|---|------------------|----------------|
| A. For Six Months Ended June 30, 2021 and 2020:   |                  |                |
| Earnings Per Share  | 0.53             | 0.62           |
| Share in Net Earnings of Associates   | P543,536,437     | P749,071,556   |
| Return on Equity (total comprehensive income divided by average total equity)                                 | 7.79%            | 9.00%          |
| Return on Assets (total comprehensive income divided by average total assets)                                 | 7.16%            | 8.29%          |
| Cash Flows:   |                  |                |
| Net cash flows generated from operating activities  | P180,660,658     | P72,578,696    |
| Net cash flows generated from investing activities  | P650,844,828     | P425,021,811   |
| Net cash flows used in financing activities   | (P1,503,557,485) | (P601,727,211) |
| Solvency ratio (total comprehensive income before depreciation and amortization divided by total liabilities) | 0.94             | 1.18           |
| B. As of June 30, 2021, and December 31, 2020:  |                  |                |
| Balance of cash and cash equivalents at end of period   | P3,269,931,884   | P3,944,306,886 |
| Current ratio (total current assets divided by current liabilities)   | 8.21             | 9.71           |
| Debt ratio (total liabilities divided by total assets)  | 0.08             | 0.08           |
| Debt-to-equity ratio (total liabilities divided by total equity)  | 0.09             | 0.08           |

The formulas used to compute the performance indicators are shown below:

#### **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 relevant period.

#### **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 net income by the investor's percentage of ownership, less goodwill impairment cost, if any. Goodwill is the difference between the acquisition cost of the investment and the investor's share in the value of the net identifiable assets of the investee at the date of 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 = 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 average 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 capital 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 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 = Total comprehensive income before depreciation and amortizations divided by total 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.



**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 June 30, 2021, there are no material commitments 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 operating activities.

**Known Trends**

The second quarter 2021 performance of the distribution companies showed gradual recovery as compared to previous quarters. However, the degree and pace of recovery are still subject to uncertainties related to the coronavirus pandemic. Demand from industrial and commercial customers are not likely to soon pick up considerably given the recovery path which is not yet fully cleared of restrictions as of report date.

Except as already discussed herein and in the notes to the interim 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.

## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**SPC POWER CORPORATION**  
*Issuer*

*By:*

  
**MARY ANN G. DAUGDAUG**  
Asst. Finance Manager

  
**JAIME M. BALISACAN**  
SVP - Finance and Administration

Date: August 12, 2021

Date: August 12, 2021



**SPC POWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts in Philippine Pesos)

|   | June 30, 2021<br>(Unaudited) | Dec. 31, 2020<br>(Audited) | Incr. / (Decr.)      |               |
|---|------------------------------|----------------------------|----------------------|---------------|
|   |                              |                            | Amount               | Percent       |
| <b>ASSETS</b>                                 |                              |                            |                      |               |
| <b>Current Assets</b>                         |                              |                            |                      |               |
| Cash and cash equivalents                     | 3,269,931,884                | 3,944,306,886              | (674,375,002)        | -17.1%        |
| Trade and other receivables - net             | 477,338,403                  | 338,055,500                | 139,282,903          | 41.2%         |
| Material and supplies                         | 366,030,990                  | 363,627,827                | 2,403,163            | 0.7%          |
| Prepayments and other current assets          | 58,683,451                   | 54,950,450                 | 3,733,001            | 6.8%          |
| <b>Total Current Assets</b>                   | <b>4,171,984,728</b>         | <b>4,700,940,663</b>       | <b>(528,955,935)</b> | <b>-11.3%</b> |
| <b>Noncurrent Assets</b>                      |                              |                            |                      |               |
| Investment in associates                      | 5,634,589,681                | 5,782,866,638              | (148,276,957)        | -2.6%         |
| Property, plant and equipment - net           | 747,622,804                  | 749,683,383                | (2,060,579)          | -0.3%         |
| Deferred income tax assets                    | 32,853,340                   | 33,322,150                 | (468,810)            | -1.4%         |
| Other noncurrent assets - net                 | 154,572,252                  | 173,210,472                | (18,638,220)         | -10.8%        |
| <b>Total Noncurrent Assets</b>                | <b>6,569,638,077</b>         | <b>6,739,082,643</b>       | <b>(169,444,566)</b> | <b>-2.5%</b>  |
| <b>TOTAL ASSETS</b>                           | <b>10,741,622,805</b>        | <b>11,440,023,306</b>      | <b>(698,400,501)</b> | <b>-6.1%</b>  |
| <b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b> |                              |                            |                      |               |
| <b>Current Liabilities</b>                    |                              |                            |                      |               |
| Trade and other payables                      | 466,801,019                  | 453,351,738                | 13,449,281           | 3.0%          |
| Income tax payable                            | 38,721,684                   | 26,310,765                 | 12,410,919           | 47.2%         |
| Current portion of lease liabilities          | 2,635,323                    | 4,685,106                  | (2,049,783)          | -43.8%        |
| <b>Total current liabilities</b>              | <b>508,158,026</b>           | <b>484,347,609</b>         | <b>23,810,417</b>    | <b>4.9%</b>   |
| <b>Noncurrent Liabilities</b>                 |                              |                            |                      |               |
| Customers' deposits                           | 181,702,690                  | 174,742,186                | 6,960,504            | 4.0%          |
| Asset retirement obligation                   | 85,475,665                   | 85,475,665                 | 0                    | 0.0%          |
| Lease liabilities - net of current portion    | 0                            | 1,487,649                  | (1,487,649)          | -100.0%       |
| Net pension liabilities                       | 27,666,735                   | 29,529,558                 | (1,862,823)          | -6.3%         |
| Other noncurrent liability                    | 90,769,577                   | 109,168,815                | (18,399,238)         | -16.9%        |
| <b>Total noncurrent liabilities</b>           | <b>385,614,667</b>           | <b>400,403,873</b>         | <b>(14,789,206)</b>  | <b>-3.7%</b>  |
| <b>Total Liabilities</b>                      | <b>893,772,693</b>           | <b>884,751,482</b>         | <b>9,021,211</b>     | <b>1.0%</b>   |

(Forward)

**SPC POWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts in Philippine Pesos)

|  | June 30, 2021<br>(Unaudited) | Dec. 31, 2020<br>(Audited) | Incr. / (Decr.)      |              |
|--|------------------------------|----------------------------|----------------------|--------------|
|  |                              |                            | Amount               | Percent      |
| <b>Stockholders' Equity</b>                      |                              |                            |                      |              |
| Capital stock - P1 par value                     |                              |                            |                      |              |
| Authorized - 2,000,000,000 shares                |                              |                            |                      |              |
| Issued - 1,569,491,900 shares                    | 1,569,491,900                | 1,569,491,900              | 0                    | 0.0%         |
| Additional paid-in capital                       | 86,810,752                   | 86,810,752                 | 0                    | 0.0%         |
| Retained earnings:                               |                              |                            |                      |              |
| Unappropriated                                   | 6,381,626,406                | 7,083,372,533              | (701,746,127)        | -9.9%        |
| Appropriated                                     | 1,800,000,000                | 1,800,000,000              | 0                    | 0.0%         |
| Other comprehensive income:                      |                              |                            |                      |              |
| Remeasurement of employee benefits               | 2,144,925                    | 2,144,925                  | 0                    | 0.0%         |
| Net unrealized valuation gains                   |                              |                            |                      |              |
| on financial asset at FVOCI                      | 5,750,000                    | 5,750,000                  | 0                    | 0.0%         |
| Share in remeasurement of employee               |                              |                            |                      |              |
| benefits of associates                           | (1,056,084)                  | (1,056,084)                | 0                    | 0.0%         |
| Treasury stock at cost - 72,940,097 shares       | (131,008,174)                | (131,008,174)              | 0                    | 0.0%         |
| Equity attributable to equity holders of Parent  | 9,713,759,725                | 10,415,505,852             | (701,746,127)        | -6.7%        |
| Equity attributable to Non-controlling interests | 134,090,387                  | 139,765,972                | (5,675,585)          | -4.1%        |
| Total Stockholders' Equity                       | 9,847,850,112                | 10,555,271,824             | (707,421,712)        | -6.7%        |
| <b>TOTAL LIABILITIES and EQUITY</b>              | <b>10,741,622,805</b>        | <b>11,440,023,306</b>      | <b>(698,400,501)</b> | <b>-6.1%</b> |

See accompanying Notes to Consolidated Financial Statements.

  
**Mary Ann G. Daugdaug**  
Asst. Finance Manager

  
**Jaime M. Balisacan**  
SVP - Finance & Administration



**SPC POWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Philippine Pesos)

|   | Three Months Ended June 30 |                     | Increase / (Decrease) |         |
|---|----------------------------|---------------------|-----------------------|---------|
|   | 2021<br>(Unaudited)        | 2020<br>(Unaudited) | Amount                | Percent |
| REVENUE   | 657,734,365                | 428,126,613         | 229,607,752           | 53.6%   |
| COST OF SERVICES  |                            |                     |                       |         |
| Plant operations  | 446,286,982                | 315,863,705         | 130,423,277           | 41.3%   |
| GROSS MARGIN  | 211,447,383                | 112,262,908         | 99,184,475            | 88.4%   |
| GENERAL AND ADM. EXPENSES   | (55,588,182)               | (37,640,364)        | (17,947,818)          | 47.7%   |
| OTHER INCOME (CHARGES):   |                            |                     |                       |         |
| Equity in net earnings of associates  | 172,201,441                | 361,747,398         | (189,545,957)         | -52.4%  |
| Interest Income   | 8,392,894                  | 19,369,636          | (10,976,742)          | -56.7%  |
| Interest Expense  | (63,218)                   | (122,840)           | 59,622                | -48.5%  |
| Service Income  | 21,819,483                 | 0                   | 21,819,483            | #DIV/0! |
| Foreign exchange gains (losses) - net   | 884                        | (2,483,421)         | 2,484,305             | -100.0% |
| Others - net  | 5,427,330                  | 4,250,005           | 1,177,325             | 27.7%   |
| INCOME BEFORE INCOME TAX  | 363,638,015                | 457,383,322         | (93,745,307)          | -20.5%  |
| PROVISION FOR/(BENEFIT FROM) INCOME TAX   |                            |                     |                       |         |
| Current   | 29,836,807                 | 21,017,064          | 8,819,743             | 42.0%   |
| Deferred  | 151,590                    | (42,653)            | 194,243               | -455.4% |
|   | 29,988,397                 | 20,974,411          | 9,013,986             | 43.0%   |
| NET INCOME  | 333,649,618                | 436,408,911         | (102,759,293)         | -23.5%  |
| OTHER COMPREHENSIVE INCOME  | 0                          | 0                   | 0                     | 0.0%    |
| TOTAL COMPREHENSIVE INCOME  | 333,649,618                | 436,408,911         | (102,759,293)         | -23.5%  |
| ATTRIBUTABLE TO:  |                            |                     |                       |         |
| Equity holders of the Parent  | 332,319,611                | 439,723,586         | (107,403,975)         | -24.4%  |
| Non-controlling interests   | 1,330,007                  | (3,314,675)         | 4,644,682             | -140.1% |
|   | 333,649,618                | 436,408,911         | (102,759,293)         | -23.5%  |
| EARNINGS PER SHARE:   |                            |                     |                       |         |
| Basic/diluted, for income for the period attributable to equity holders of the Parent | 0.22                       | 0.29                | (0.07)                | -24.4%  |

See accompanying Notes to Consolidated Financial Statements.

  
**Mary Ann G. Daugdaug**  
Asst. Finance Manager

  
**Jaime M. Balisacan**  
SVP - Finance & Administration

**SPC POWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Philippine Pesos)

|   | Six Months Ended June 30 |                     | Increase / (Decrease) |          |
|---|--------------------------|---------------------|-----------------------|----------|
|   | 2021<br>(Unaudited)      | 2020<br>(Unaudited) | Amount                | Percent  |
| <b>REVENUE</b>  | 1,122,200,445            | 968,817,167         | 153,383,278           | 15.8%    |
| <b>COST OF SERVICES</b>   |                          |                     |                       |          |
| Plant operations  | 797,890,201              | 715,917,804         | 81,972,397            | 11.4%    |
| <b>GROSS MARGIN</b>   | 324,310,244              | 252,899,363         | 71,410,881            | 28.2%    |
| <b>GENERAL AND ADM. EXPENSES</b>  | (92,731,318)             | (80,701,101)        | (12,030,217)          | 14.9%    |
| <b>OTHER INCOME (CHARGES):</b>  |                          |                     |                       |          |
| Equity in net earnings of associates  | 543,536,437              | 749,071,556         | (205,535,119)         | -27.4%   |
| Interest Income   | 17,346,986               | 31,350,934          | (14,003,948)          | -44.7%   |
| Interest Expense  | (139,929)                | (274,510)           | 134,581               | -49.0%   |
| Service Income  | 40,002,385               | 18,182,902          | 21,819,483            | 120.0%   |
| Foreign exchange gains (losses) - net   | 1,382,376                | (2,312,370)         | 3,694,746             | -159.8%  |
| Others - net  | 11,549,200               | 11,879,755          | (330,555)             | -2.8%    |
| <b>INCOME BEFORE INCOME TAX</b>   | 845,256,381              | 980,096,529         | (134,840,148)         | -13.8%   |
| <b>PROVISION FOR/(BENEFIT FROM) INCOME TAX</b>  |                          |                     |                       |          |
| Current   | 50,444,229               | 51,129,593          | (685,364)             | -1.3%    |
| Deferred  | 468,811                  | (37,143)            | 505,954               | -1362.2% |
|   | 50,913,040               | 51,092,450          | (179,410)             | -0.4%    |
| <b>NET INCOME</b>   | 794,343,341              | 929,004,079         | (134,660,738)         | -14.5%   |
| <b>OTHER COMPREHENSIVE INCOME</b>   | 0                        | 0                   | 0                     | 0.0%     |
| <b>TOTAL COMPREHENSIVE INCOME</b>   | 794,343,341              | 929,004,079         | (134,660,738)         | -14.5%   |
| <b>ATTRIBUTABLE TO:</b>   |                          |                     |                       |          |
| Equity holders of the Parent  | 794,805,676              | 920,557,615         | (125,751,939)         | -13.7%   |
| Non-controlling interests   | (462,335)                | 8,446,464           | (8,908,799)           | -105.5%  |
|   | 794,343,341              | 929,004,079         | (134,660,738)         | -14.5%   |
| <b>EARNINGS PER SHARE (Note 3):</b>   |                          |                     |                       |          |
| Basic/diluted, for income for the period attributable to equity holders of the Parent | 0.53                     | 0.62                | (0.08)                | -13.7%   |

See accompanying Notes to Consolidated Financial Statements.

  
**Mary Ann G. Daugdaug**  
Asst. Finance Manager

  
**Jaime M. Balisacan**  
SVP - Finance & Administration



### Equity Attributable to Equity Holders of the Parent

[illegible]

  
Mary Ann G. Daugdaug  
Asst. Finance Manager

**Jaime M. Baisacan**  
SVP - Finance & Administration

**SPC POWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

|   | Six Months ended June 30 |               |
|---|--------------------------|---------------|
|   | 2021                     | 2020          |
|   | (Unaudited)              | (Unaudited)   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>             |                          |               |
| Income before income tax                                | 845,256,381              | 980,096,529   |
| Adjustments for:  |                          |               |
| Equity in net losses (earnings) of associates           | (543,536,437)            | (749,071,556) |
| Depreciation and amortizations                          | 43,617,008               | 50,103,066    |
| Interest expense  | 139,929                  | 274,510       |
| Net changes in pension liability                        | (1,862,822)              | 401,856       |
| Interest income   | (17,346,986)             | (31,350,934)  |
| Others -net   | 229,123                  | 1,994,897     |
| Operating income before working capital changes         | 326,496,196              | 252,448,368   |
| Decrease (increase) in:                                 |                          |               |
| Trade and other receivables                             | (142,552,466)            | (86,293,280)  |
| Prepayments and other current assets                    | (3,733,002)              | 6,506,215     |
| Materials and supplies                                  | (2,403,162)              | 9,010,238     |
| Increase (decrease) in:                                 |                          |               |
| Trade and other payables                                | 13,498,538               | (91,238,083)  |
| Customers' deposits                                     | 6,905,640                | 8,860,658     |
| Net cash generated from operations                      | 198,211,744              | 99,294,116    |
| Income tax paid   | (38,033,312)             | (60,958,367)  |
| Interest paid   | (134,322)                | (377,549)     |
| Interest received                                       | 20,616,548               | 34,620,496    |
| Net cash flows from operating activities                | 180,660,658              | 72,578,696    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>             |                          |               |
| Cash dividends received                                 | 691,813,394              | 446,283,356   |
| Additions to plant, property and equipment              | (40,664,706)             | (20,402,243)  |
| Proceeds from disposal of plant, property and equipment | 0                        | 107,143       |
| Decrease (increase) in:                                 |                          |               |
| Other noncurrent assets                                 | (303,860)                | (966,445)     |
| Net cash provided by (used in) investing activities     | 650,844,828              | 425,021,811   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>             |                          |               |
| Payment of lease liabilities                            | (1,792,432)              | (1,538,463)   |
| Cash dividends paid                                     | (1,501,765,053)          | (600,188,748) |
| Net cash provided by (used in) financing activities     | (1,503,557,485)          | (601,727,211) |
| <b>NET EFFECT OF EXCHANGE RATE CHANGES</b>              | (2,323,003)              | (1,741,676)   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>        | (674,375,002)            | (105,868,380) |
| <b>CASH AND CASH EQUIVALENTS AT BEG. OF PERIOD</b>      | 3,944,306,886            | 3,227,403,650 |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>       | 3,269,931,884            | 3,121,535,270 |

See accompanying Notes to Financial Statements.

  
**Mary Ann G. Daugdaug**  
Asst. Finance Manager

  
**Jaime M. Balisacan**  
SVP - Finance & Administration



**SPC POWER CORPORATION AND SUBSIDIARIES**  
**SELECTED NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**1. General**

The consolidated financial statements comprise the financial statements of the Parent Company and the following wholly owned and majority owned subsidiaries:

|                              | Nature of Business | % of Ownership |          |         |
|------------------------------|--------------------|----------------|----------|---------|
|                              |                    | Direct         | Indirect | Total   |
| SPC Island Power Corporation | Power generation   | 100.00%        | —        | 100.00% |
| Cebu Naga Power Corporation  | Power generation   | 100.00%        | —        | 100.00% |
| SPC Malaya Power Corporation | Power generation   | 40.00%         | 38.40%   | 78.40%  |
| SPC Light Company, Inc.      | Holding company    | 40.00%         | 24.00%   | 64.00%  |
| Bohol Light Company, Inc.    | Power distribution | 39.90%         | 13.76%   | 53.66%  |
| SPC Electric Company, Inc.   | Holding company    | 40.00%         | —        | 40.00%  |

**2. Accounting Policies**

The Group's consolidated interim financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). Measurements are on historical cost basis, except for financial assets at FVOCI which have been measured at fair value, and are presented in Philippine Peso, the Group's functional and presentation currency.

The accounting policies adopted in the preparation of the interim financial statements are the same as those mentioned in the audited financial statements for the year 2020.

**3. Earnings Per Share**

The following presents information necessary to calculate earnings per share attributable to equity holders of the Parent Company:

|   | Six Months Ended June 30 |               |
|---|--------------------------|---------------|
|   | 2021                     | 2020          |
| Net income attributable to equity holders of the parent         | <b>₱794,805,676</b>      | ₱920,557,615  |
| Weighted average number of common shares issued and outstanding | <b>1,496,551,803</b>     | 1,496,551,803 |
| Basic/Diluted earnings per share                                | <b>₱0.53</b>             | ₱0.62         |

Computation of weighted average number of common shares issued and outstanding follows:

|   |                      |
|---|----------------------|
| Number of shares issued                         | 1,569,491,900        |
| Less weighted average number of treasury shares | 72,940,097           |
|   | <b>1,496,551,803</b> |

There are no dilutive potential common stocks issued as of June 30, 2021.

**4. Seasonal Aspects**

The group does not have any seasonal aspect that has a material effect on its financial condition and results of operations.

---

**5. Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income, or Cash Flows That Are Unusual Because of Their Nature, Size or Incidence.**

Aside from what are already disclosed in the management's discussion and analysis of financial condition and results of operations, there are no other assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

---

**6. Nature and Amount of Changes in Estimates of Amounts Reported in Prior Interim Periods of the Current Financial Year or Changes in Estimates of Amounts Reported in Prior Financial Years, if Those Changes Have a Material Effect in the Current Interim Period.**

There are no changes in estimates of amounts in the first semester of 2021.

---

**7. Issuances, Repurchases & Repayments of Debts & Equity Securities.**

There are no issuances, repurchases and repayments of debt and equity securities during the six months ended June 30, 2021.

---

**8. Segment Information**

For management purposes, the Group is organized into business units based on their products and services provided as follows:

- Generation - generation and supply of power and ancillary services to NPC/PSALM, NGCP, distribution utilities, WESM and other customers.
- Distribution - distribution and sale of electricity to the end-users.
- Others - includes the operations of SECI and SLCI such as to manage, operate and invest in power generating plants and related facilities.

The operating segments are consistent with those reported to the BOD, the Group's Chief Operating Decision Maker (CODM).

The Group operates and generates revenue principally only in the Philippines (i.e., one geographical location). Thus, geographical segment information is not presented.

The CODM monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss in the consolidated financial statements.

No inter-segment revenues were earned within the Group in the six months ended June 30, 2021 and 2020.



The following tables present revenue and income information and certain asset and liability information regarding the business segments as of June 30, 2021 and 2020:

| June 30, 2021                 |                     |              |            |                |                                 |  |  |
|-------------------------------|---------------------|--------------|------------|----------------|---------------------------------|--|--|
|                               | Before Eliminations |              |            | Total          | Adjustments and<br>Eliminations | After<br>Eliminations/<br>Consolidated |  |
|                               | Generation          | Distribution | Others     |                |                                 |  |  |
| Revenue                       | ₱635,197,612        | ₱487,002,833 | ₱-         | ₱1,122,200,445 | ₱-                              | ₱1,122,200,445                         |  |
| Income before income tax      | 999,594,176         | (2,498,134)  | 2,474,047  | 999,570,089    | (154,313,708)                   | 845,256,381                            |  |
| Net income                    | 949,118,348         | (2,935,346)  | 2,474,047  | 948,657,049    | (154,313,708)                   | 794,343,341                            |  |
| Total assets                  | 7,546,940,475       | 705,493,805  | 77,489,411 | 8,329,923,691  | 2,411,699,114                   | 10,741,622,805                         |  |
| Property, plant and equipment | 526,382,775         | 219,971,647  | -          | 746,354,422    | 1,268,382                       | 747,622,804                            |  |
| Total liabilities             | 405,716,250         | 494,005,738  | 24,519     | 899,746,507    | (5,973,814)                     | 893,772,693                            |  |
| Depreciation and amortization | 31,036,127          | 12,580,881   | -          | 43,617,008     | -                               | 43,617,008                             |  |

| June 30, 2020                 |                     |              |            |               |                                 |  |  |
|-------------------------------|---------------------|--------------|------------|---------------|---------------------------------|--|--|
|                               | Before Eliminations |              |            | Total         | Adjustments and<br>Eliminations | After<br>Eliminations/<br>Consolidated |  |
|                               | Generation          | Distribution | Others     |               |                                 |  |  |
| Revenue                       | ₱485,133,726        | ₱483,683,441 | ₱-         | ₱968,817,167  | ₱-                              | ₱968,817,167                           |  |
| Income before income tax      | 662,487,796         | 20,808,617   | 4,743,917  | 688,040,330   | 292,056,199                     | 980,096,529                            |  |
| Net income                    | 617,771,860         | 14,432,103   | 4,743,917  | 636,947,880   | 292,056,199                     | 929,004,079                            |  |
| Total assets                  | 7,425,667,002       | 778,256,217  | 95,110,586 | 8,299,033,805 | 3,013,999,214                   | 11,313,033,019                         |  |
| Property, plant and equipment | 561,027,676         | 201,988,415  | -          | 763,016,091   | 1,578,445                       | 764,594,536                            |  |
| Total liabilities             | 313,398,518         | 537,210,320  | 111,514    | 850,720,352   | (21,202,702)                    | 829,517,650                            |  |
| Depreciation and amortization | 39,716,599          | 10,386,467   | -          | 50,103,066    | -                               | 50,103,066                             |  |

#### Adjustments and Eliminations

Adjustments and eliminations are part of detailed reconciliations presented below:

#### *Reconciliation of Net Income*

|                                      | Six Mos. Ended June 30 |               |
|--------------------------------------|------------------------|---------------|
|                                      | 2021                   | 2020          |
| Segment net income                   | ₱948,657,048           | ₱636,947,879  |
| Equity in net earnings of associates | 543,536,437            | 749,071,556   |
| Dividend Income                      | (697,850,144)          | (457,015,356) |
| Group net income                     | ₱794,343,341           | ₱929,004,079  |

#### *Reconciliation of Total Assets*

|  | June 30, 2021   | Dec. 31, 2020   |
|--|-----------------|-----------------|
| Segment assets                             | ₱8,331,192,073  | ₱8,883,855,922  |
| Inter-segment receivables                  | (14,613,155)    | (17,153,460)    |
| Investments in associates and subsidiaries | 2,392,521,871   | 2,540,798,828   |
| Goodwill                                   | 32,522,016      | 32,522,016      |
| Group assets                               | ₱10,741,622,805 | ₱11,440,023,306 |

#### *Reconciliation of Total Liabilities*

|                        | June 30, 2021 | Dec. 31, 2020 |
|------------------------|---------------|---------------|
| Segment liabilities    | ₱899,746,508  | ₱893,265,602  |
| Inter-segment payables | (5,973,815)   | (8,514,120)   |
| Group liabilities      | ₱893,772,693  | ₱884,751,482  |



---

**9. Effect of Changes in the Composition of the Issuer During the Interim Period, Including Business Combinations, Acquisition or Disposal of Subsidiaries & Long-term Investments, Restructurings, and Discontinuing Operations.**

There are no changes in the composition of the registrant during the interim period.

---

**10. Changes in Contingent Liabilities or Contingent Assets Since the Last Annual Balance Sheet Date.**

There are no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

---

**11. Financial Risk Management and Policies**

The Group's principal financial instruments comprise of cash and cash equivalents and trade and other payables. The Group has various other financial assets and liabilities such as trade and other receivables, trade and other payables, PSALM deferred adjustments included under "Other noncurrent assets", due from/due to related parties, dividend payable, and customers' deposits which arise directly from its operations.

The main risks arising from the Group's financial instruments are liquidity risk and credit risk.

The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk appetite.

The BOD reviews and approves policies for managing each of these risks and they are summarized below.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group's policy is to manage its interest cost using the variable-rate debts.

As of June 30, 2021 and December 31, 2020, the Group does not have a financial liability that is exposed to interest rate risk.

Liquidity Risk

Liquidity risk is the potential of not meeting obligations as they come due because of an inability to liquidate assets or obtain adequate funding. The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay dividend declarations.

The tables below summarize the maturity profile of the Group's financial assets used to manage liquidity risk and financial liabilities at June 30, 2021 and December 31, 2020 based on contractual undiscounted payments:

| June 30, 2021  |                       |                       |                    |                    |                   |                       |
|--|-----------------------|-----------------------|--------------------|--------------------|-------------------|-----------------------|
|  | Total                 | Current               | 1 to 30 Days       | 31 to 60 Days      | 61 to 90 Days     | Over 90 Days          |
| <b>Financial Assets</b>  |                       |                       |                    |                    |                   |                       |
| At amortized cost:   |                       |                       |                    |                    |                   |                       |
| Cash and cash equivalents  | ₱3,269,931,884        | ₱3,269,931,884        | ₱—                 | ₱—                 | ₱—                | ₱—                    |
| Trade and other receivables  |                       |                       |                    |                    |                   |                       |
| PSALM  | 1,015,262             | —                     | —                  | —                  | —                 | 1,015,262             |
| Receivable from customers  | 398,654,651           | 276,941,594           | 40,732,092         | 11,971,796         | 8,878,344         | 60,130,825            |
| Current portion of PSALM deferred adjustments                      | 36,798,477            | 36,798,477            | —                  | —                  | —                 | —                     |
| Due from related parties   | 2,333,153             | 222,042               | 17,317             | 23,656             | 60,558            | 2,009,580             |
| Others   | 38,536,860            | 15,842,265            | 248,947            | 200,303            | 246,556           | 21,998,789            |
|  | 477,338,403           | 329,804,378           | 40,998,356         | 12,195,755         | 9,185,458         | 85,154,456            |
| PSALM deferred adjustments (included in "Other noncurrent assets") | 90,769,577            | —                     | —                  | —                  | —                 | 90,769,577            |
|  | 3,838,039,864         | 3,599,736,262         | 40,998,356         | 12,195,755         | 9,185,458         | 175,924,033           |
| At FVOCI:  |                       |                       |                    |                    |                   |                       |
| Investment in proprietary club shares                              | 7,400,000             | —                     | —                  | —                  | —                 | 7,400,000             |
|  | 3,845,439,864         | 3,599,736,262         | 40,998,356         | 12,195,755         | 9,185,458         | 183,324,033           |
| <b>Financial Liabilities</b>                                       |                       |                       |                    |                    |                   |                       |
| Trade and other payables   |                       |                       |                    |                    |                   |                       |
| Trade  | 241,982,849           | 235,697,739           | 2,486,492          | 526,661            | 47,661            | 3,224,296             |
| Nontrade   | 44,686,853            | 37,102,928            | 71,467             | —                  | —                 | 7,512,458             |
| Accrued expenses   | 46,376,137            | 16,218,711            | —                  | —                  | —                 | 30,157,426            |
| Due to related parties   | 796,753               | —                     | —                  | 42,551             | —                 | 754,202               |
|  | 333,842,592           | 289,019,378           | 2,557,959          | 569,212            | 47,661            | 41,648,382            |
| Customers' deposits  | 181,702,690           | —                     | —                  | —                  | —                 | 181,702,690           |
| Lease liabilities  | 2,662,317             | —                     | —                  | —                  | —                 | 2,662,317             |
| Other noncurrent liability   | 90,769,577            | —                     | —                  | —                  | —                 | 90,769,577            |
|  | 608,977,176           | 289,019,378           | 2,557,959          | 569,212            | 47,661            | 316,782,966           |
| <b>Net Financial Assets (Liabilities)</b>                          | <b>₱3,236,462,688</b> | <b>₱3,310,716,884</b> | <b>₱38,440,397</b> | <b>₱11,626,543</b> | <b>₱9,137,797</b> | <b>(₱133,458,933)</b> |

| December 31, 2020  |                       |                       |                    |                    |                    |                       |
|--|-----------------------|-----------------------|--------------------|--------------------|--------------------|-----------------------|
|  | Total                 | Current               | 1 to 30 Days       | 31 to 60 Days      | 61 to 90 Days      | Over 90 Days          |
| <b>Financial Assets</b>  |                       |                       |                    |                    |                    |                       |
| At amortized cost:   |                       |                       |                    |                    |                    |                       |
| Cash and cash equivalents  | ₱3,944,306,886        | ₱3,944,306,886        | ₱—                 | ₱—                 | ₱—                 | ₱—                    |
| Trade and other receivables  |                       |                       |                    |                    |                    |                       |
| PSALM  | 1,015,262             | —                     | —                  | —                  | —                  | 1,015,262             |
| Receivable from customers  | 255,677,034           | 130,110,054           | 39,124,107         | 20,520,943         | 12,731,595         | 53,190,335            |
| Current portion of PSALM deferred adjustments                      | 36,798,477            | 36,798,477            | —                  | —                  | —                  | —                     |
| Due from related parties   | 2,005,050             | 115,049               | 15,000             | 31,133             | 118,198            | 1,725,670             |
| Others   | 42,559,677            | 7,942,519             | 1,708,811          | 1,337,433          | 1,944,229          | 29,626,685            |
|  | 338,055,500           | 174,966,099           | 40,847,918         | 21,889,509         | 14,794,022         | 85,557,952            |
| PSALM deferred adjustments (included in "Other noncurrent assets") | 109,168,815           | —                     | —                  | —                  | —                  | 109,168,815           |
|  | 4,391,531,201         | 4,119,272,985         | 40,847,918         | 21,889,509         | 14,794,022         | 194,726,767           |
| At FVOCI:  |                       |                       |                    |                    |                    |                       |
| Investment in proprietary club shares                              | 7,400,000             | —                     | —                  | —                  | —                  | 7,400,000             |
|  | 4,398,931,201         | 4,119,272,985         | 40,847,918         | 21,889,509         | 14,794,022         | 202,126,767           |
| <b>Financial Liabilities</b>                                       |                       |                       |                    |                    |                    |                       |
| Trade and other payables   |                       |                       |                    |                    |                    |                       |
| Trade  | 249,841,518           | 209,879,700           | 3,936,389          | 1,234,420          | 627,137            | 34,163,872            |
| Nontrade   | 41,295,713            | 9,750,577             | 186,627            | 46,998             | 63,473             | 31,248,038            |
| Accrued expenses   | 41,252,260            | 39,065,525            | —                  | —                  | —                  | 2,186,735             |
| Due to related parties   | 712,203               | —                     | —                  | 215,160            | —                  | 497,043               |
|  | 333,101,694           | 258,695,802           | 4,123,016          | 1,496,578          | 690,610            | 68,095,688            |
| Customers' deposits  | 174,742,186           | —                     | —                  | —                  | —                  | 174,742,186           |
| Lease liabilities  | 6,626,789             | —                     | —                  | —                  | —                  | 6,626,789             |
| Other noncurrent liability   | 109,168,815           | —                     | —                  | —                  | —                  | 109,168,815           |
|  | 623,639,484           | 258,695,802           | 4,123,016          | 1,496,578          | 690,610            | 358,633,478           |
| <b>Net Financial Assets (Liabilities)</b>                          | <b>₱3,775,291,717</b> | <b>₱3,860,577,183</b> | <b>₱36,724,902</b> | <b>₱20,392,931</b> | <b>₱14,103,412</b> | <b>(₱156,506,711)</b> |



## Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting to a financial loss.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit procedures. In addition, receivable balances are monitored on an ongoing basis with the result that exposure to bad debts is not significant.

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables, due from related parties and PSALM deferred adjustments included in "Other noncurrent assets", the Group's exposure to credit risk arises from default of the counterparty.

The Group's credit risk from cash and cash equivalents is mitigated by Philippine Deposit Insurance Corporation's (PDIC) insurance coverage on the cash in bank. While the Group does not hold collateral as security, its credit risk from trade and other receivables is mitigated by the customers' deposits which are collected to guarantee any uncollected bills from the customers upon termination of the service contract.

The Group's maximum exposure equals to the carrying amount of the aforementioned instruments, excluding cash on hand, and is offset by the PDIC insurance coverage and customers' deposits. The offset relates to balances where there is a legally enforceable right of offset in the event of counterparty default and where, as a result, there is a net exposure for credit risk management purposes. However, as there is no intention to settle these balances on a net basis under normal circumstances, they do not qualify for net presentation for accounting purposes.

| June 30, 2021  |                       |                       |                         |
|--|-----------------------|-----------------------|-------------------------|
|  | Maximum exposure      | Offset                | Exposure to credit risk |
| At amortized cost:   |                       |                       |                         |
| Cash and cash equivalents (excluding cash on hand)                 | ₱3,269,284,945        | (₱9,186,966)          | ₱3,260,097,979          |
| Trade and other receivables  | 477,338,403           | (109,525,237)         | 367,813,166             |
| PSALM deferred adjustments (included in "Other noncurrent assets") | 90,769,577            | —                     | 90,769,577              |
|  | <b>₱3,837,392,925</b> | <b>(₱118,712,203)</b> | <b>₱3,718,680,722</b>   |
| December 31, 2020  |                       |                       |                         |
|  | Maximum exposure      | Offset                | Exposure to credit risk |
| At amortized cost:   |                       |                       |                         |
| Cash and cash equivalents (excluding cash on hand)                 | ₱3,943,238,772        | (₱9,396,869)          | ₱3,933,841,903          |
| Trade and other receivables  | 338,055,500           | (109,525,237)         | 228,530,263             |
| PSALM deferred adjustments (included in "Other noncurrent assets") | 109,168,815           | —                     | 109,168,815             |
|  | <b>₱4,390,463,087</b> | <b>(₱118,922,106)</b> | <b>₱4,271,540,981</b>   |

As of June 30, 2021 and December 31, 2020, the Group's significant concentration of credit risk pertains to its trade and other receivables and PSALM deferred adjustments amounting to ₱568.1 million and ₱447.2 million, respectively, and impaired financial assets, determined based on probability of collection, are adequately covered with allowance.

*Applicable for the second quarter and year ended June 30, 2021 and December 31, 2020.*

The following are the details of the Group's assessment of credit quality and the related ECLs as at June 30, 2021 and December 31, 2020:



### General Approach

- *Cash and cash equivalents* - As of June 30, 2021 and December 31, 2020, the ECL relating to the cash and cash equivalents of the Group is minimal as these are deposited in reputable banks which have good bank standing, and is considered to have low credit risk.
- *Due from NPC/PSALM, related parties, and other receivables* - As of June 30, 2021 and December 31, 2020, there were no individually impaired accounts. No ECL is recognized for these receivables since there were no history of default payments. This assessment is undertaken each financial year through examining the financial position of the parties and the markets in which the parties operate.

### Simplified Approach

- *Trade and other receivables* - The Group applied the simplified approach using a 'provision matrix'. As of June 30, 2021 and December 31, 2020, the allowance for impairment losses as a result from performing collective and specific impairment test amounted to ₱39.8 million. Management evaluated that the Parent Company's trade receivables are of high grade and of good credit quality.

| June 30, 2021         |                         |                         |                         |  |              |
|-----------------------|-------------------------|-------------------------|-------------------------|--|--------------|
|                       | Stage 1<br>12-month ECL | Stage 2<br>Lifetime ECL | Stage 3<br>Lifetime ECL | Lifetime ECL<br>Simplified<br>Approach | Total        |
| Gross carrying amount | ₱-                      | ₱-                      | ₱39,789,858             | ₱477,338,403                           | ₱517,128,261 |
| Loss allowance        | -                       | -                       | (39,789,858)            | -                                      | (39,789,858) |
| Carrying amount       | ₱-                      | ₱-                      | ₱-                      | ₱477,338,403                           | ₱477,338,403 |

| December 31, 2020     |                         |                         |                         |  |              |
|-----------------------|-------------------------|-------------------------|-------------------------|--|--------------|
|                       | Stage 1<br>12-month ECL | Stage 2<br>Lifetime ECL | Stage 3<br>Lifetime ECL | Lifetime ECL<br>Simplified<br>Approach | Total        |
| Gross carrying amount | ₱-                      | ₱-                      | ₱37,162,187             | ₱340,683,171                           | ₱377,845,358 |
| Loss allowance        | -                       | -                       | (37,162,187)            | (2,627,671)                            | (39,789,858) |
| Carrying amount       | ₱-                      | ₱-                      | ₱-                      | ₱338,055,500                           | ₱338,055,500 |

The Group grades its financial assets as follows:

- *Cash and Cash Equivalents*: These are assessed as high grade since these are deposited in reputable banks which have good bank standing, thus credit risk is minimal.
- *Receivable/Due from NPC/PSALM, NGCP and Distribution Utilities*: These are assessed as high grade since these receivables arose from the contract provisions of the ROMM Agreement, Operation and Maintenance Service Contracts (OMSC), Ancillary Services Procurement Agreements (ASPA), Power Supply Contracts (PSCs), and/or collectible from government institution.
- *Receivable from Customers of BLCI*: Receivables from commercial customers are classified as high grade; receivables from residential customers as standard; and receivables from the government, hospitals and radio stations as substandard. Classification is based on the collection history with these customers.
- *Due from Related Parties*: These are assessed as standard, although recoverability of these receivables is certain, as these are given secondary priority as to settlement by the related parties compared to third party obligations.

- *Other Receivables*: Grading of financial assets is determined individually based on the Group's collection experience with the counterparty.

#### Fair Value of Financial Assets and Financial Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

- *Cash and Cash Equivalents, Trade and Other Receivables, Trade and Other Payables and Due From/To Related Parties*. The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and due from/to related parties approximate their value due to the relatively short-term maturity of these financial instruments.
- *Investment in Proprietary Club Shares*. Market values have been used to determine the fair value of listed proprietary club shares.
- *Noncurrent Receivable (included in "Other Noncurrent Assets") and Other Noncurrent Liability*. The fair values of the noncurrent receivable and noncurrent liability are based on the net present value of cash flows using the prevailing market rate of interest. As of June 30, 2021 and December 31, 2020, the carrying values of the noncurrent receivable and noncurrent liability approximate their fair values.
- *Customers' Deposits*. The fair value of customers' deposits approximates the carrying value as (1) bill deposits earn interest at the prevailing market interest rate in accordance with regulatory guidelines and (2) the timing and related amounts of future cash flows relating to material deposits cannot be reasonably and reliably estimated for purposes of establishing their fair values using an alternative valuation technique.

As of June 30, 2021 and December 31, 2020, the Group considers its investment in proprietary club shares measured and carried at fair values of ₱7.4 million under Level 1 classification, respectively. The Group also considers its noncurrent receivable amounting to ₱90.8 million and ₱109.2 million as of June 30, 2021 and December 31, 2020, respectively, noncurrent liability amounting to ₱90.8 million and ₱109.2 million as of June 30, 2021 and December 31, 2020, and customers' deposits amounting to ₱181.7 million and ₱174.7 million as of June 30, 2021 and December 31, 2020, respectively, under the Level 3 classification.

During the reporting period ended June 30, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

---

**12. Existence of Material Contingencies and any Other Events or Transactions that are Material to an Understanding of the Current Interim Period.**

Except as already discussed in the Management's Discussion and Analysis of Financial Conditions and Results of Operations as well as in the schedules and disclosures set forth in this Selected Notes to Interim Consolidated Financial Statements, there are no other material contingencies and any other events or transactions that are material to an understanding of the current interim period.



## CERTIFICATION

I, **MISHELLE ANNE R. RUBIO-AGUINALDO**, duly elected and qualified Assistant Corporate Secretary of SPC Power Corporation with SEC registration number AS094-002365 and principal office at the 7/F Cebu Holdings Center, Archbishop Reyes Avenue, Cebu Business Park, Cebu City, state that:


- 1) On behalf of SPC Power Corporation, I have caused SEC Form 17-Q (Quarterly Report) report to be prepared;
- 2) I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) SPC Power Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of the filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 16<sup>th</sup> day of August 2021.

  
**MISHELLE ANNE R. RUBIO-AGUINALDO**

Affiant

SUBSCRIBED AND SWORN TO before me this 16<sup>th</sup> day of August 2021, at Makati City, Philippines by the affiant who exhibited to me her Philippine Non-Professional Driver's License No. N26-001204 valid until February 2023.

  
**GEMMA ANDREA C. JAVIER**

Commissioned Notary (2020-2021)

Notary Public for Makati City until December 31, 2021  
2nd Floor, S&L Bldg. Dela Rosa cor. Esteban Streets,  
Legaspi Village, Makati City  
Roll No. 85586

PTR No. 8530448/01 04 2021/Makati City  
IBP Lifetime No. 015265/06.22 2016/PPLM  
MCLE Comp No. VI-0015345/11/26/18

DOC. NO. 80;  
PAGE NO. 17;  
BOOK NO. 11;  
SERIES OF 2021.

**Re: SPC POWER CORP\_SEC FORM 17-Q\_16August2021**

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>

Mon 8/16/2021 11:54 AM

To: Sonia M. Magno <smmagno@spcpower.com>

**Dear Customer,**

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.

(Subject to Verification and Review of the Quality of the Attached Document)

Official copy of the submitted document/report with Bar Code Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at [www.sec.gov.ph](http://www.sec.gov.ph)

---

## NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, FS-P, FS-C, Monthly Reports, Quarterly Reports, Letters, etc... through email at

[ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)

**Note: All submissions through this email are no longer required to submit the hard copy thru mail or over- the- counter.**

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:

AFS, GIS, GFFS, SFFS, LCFS, LCIF, FCFS. FCIF ANO, ANHAM. All submissions through OST are no longer required to submit the hard copy thru mail or over- the- counter.

FOR MC28, please email to:

[\(MC28\\_52020@sec.gov.ph\)](mailto:(MC28_52020@sec.gov.ph))

**For your information and guidance.**


**Thank you and keep safe.**

## CERTIFICATION

I, **MISHELLE ANNE R. RUBIO-AGUINALDO**, duly elected and qualified Assistant Corporate Secretary of SPC Power Corporation with SEC registration number AS094-002365 and principal office at the 7/F Cebu Holdings Center, Archbishop Reyes Avenue, Cebu Business Park, Cebu City, state that:

- 1) On behalf of SPC Power Corporation, I have caused SEC Form 20-IS (Information Statement) to be prepared;
- 2) I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) SPC Power Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of the filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 10<sup>th</sup> day of September 2021.

  
**MISHELLE ANNE R. RUBIO-AGUINALDO**  
Affiant

SUBSCRIBED AND SWORN TO before me this 10<sup>th</sup> day of September 2021, at Makati City, Philippines by the affiant who is personally known to me and who exhibited to me her Philippine Non-Professional Driver's License No. N26-001204 valid until February 2023.

  
**GEMMA ANDREA C. JAVIER**

Commission No. NI-308 (2020-2021)  
Notary Public for Makati City Until December 31, 2021  
2nd Floor, S&L Bldg. Dela Rosa cor. Esteban Streets,  
Legaspi Village, Makati City  
Roll No. 65586  
PTR No. 8530449/01.04.2021/Makati City  
IBP Lifetime No. 015265/06.22.2016/PPLM  
MCLE Comp No. VI-0015345/11/28/18

DOC. NO. 193;  
PAGE NO. 40;  
BOOK NO. 11;  
SERIES OF 2021.