

COVER SHEET

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Sec. Registration Number

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(Company's Full Name)

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

Mr. Niño Ray D. Aguirre

Contact Person

8810 44 74 to 77

Company Telephone Number

1 2

Month

3 1

Day

Calendar Year

SEC FORM

2 0 - I S

FORM TYPE

0 5

Month

3 0

Day

Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

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

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENTS PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box

- a. ☐ Preliminary Information Statement
b. ☒ Definitive Information Statement

2. Name of Registrant as specified in its charter: **SPC POWER CORPORATION**

3. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**

4. SEC Identification Number: **AS94-002365**

5. BIR Identification Code: **003-868-048**

6. **7th FL, BDO Towers Paseo, 8741, Paseo de Roxas, Makati City** **1209**
Address of Issuer's principal office Postal Code

7. Registrant's telephone number, including area code: **(63 2) 8810-4474 to 77**

8. Date, time and place of the meeting of security holders: **MAY 30, 2024, 9:30AM via ZOOM**

9. Appropriate date on which the Information Statement is first to be sent or given to security holders: **MAY 8, 2024**

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: **N/A**

Address and Telephone No.: **N/A**

11. Securities registered pursuant to Sections 8 and 12 of the code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Shares (as of March 31, 2024)	1,496,551,803 shares
Total Debt (as of December 31, 2023)	P1,223,449,667

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



ANNUAL STOCKHOLDERS' MEETING OF
SPC POWER CORPORATION

May 30, 2024

SPC POWER CORPORATION will be holding its Annual Stockholders' Meeting on **May 30, 2024, Thursday, at 9:30 A.M.**, by remote communication¹ as approved by the Board of Directors on April 11, 2024. The meeting will be hosted at the principal office located at 7th Floor BOO Towers Paseo, Paseo de Roxas, Makati City. The agenda of the meeting will be as follows:

1. Call to Order and Roll Call
2. Certification of Due Notice and Presence of a Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on June 15, 2023
4. Report of the Chairman/Presentation of Highlights of Audited Financial Statements as of and for the Year Ended December 31, 2023
5. Approval of Directors' Fees/Bonus for CY 2023
6. Ratification of All Previous Actions of the Directors and Officers of the Corporation
7. Election of Directors (2024-2025)
8. Appointment/Reappointment of External Auditors
9. Other Matters
10. Adjournment

STOCKHOLDERS OF RECORD AS OF MAY 10, 2024 are entitled to the notice of, and to vote at, the said meeting. Stockholders intending to vote and participate remotely or in absentia must notify the Corporate Secretary via electronic mail at: SPCSECGroup@spcpower.com or info@spcpower.com, with the following requirements: copy of valid government issued ID with full name, signature, and photograph, proxy form, and proof of authority (i.e. Special Power of Attorney, Secretary's Certificate and/or Board Resolution), not later than **May 27, 2024**. Once validated and verified, details of the meeting, voting guidelines, and other relevant information will be sent to the stockholder by electronic mail.

Electronic copies of the Minutes of the 2023 Stockholders' Meeting, Information Statement, Management Report, and SEC Form 17A and other relevant documents are posted at the Company's website (www.spcpowergroup.com) and at PSE Edge.

The agenda does not include matters that may give rise to stockholder's exercise of appraisal right.

For information and guidance.

Muntinlupa City, April 24, 2024.

By:

Sgd.

MISHELLE ANNE R. RUBIO-AGUINALDO

Assistant Corporate Secretary

¹ Pursuant to SEC Memorandum Circular No. 6, Series of 2020 and SPC Power Corporation's Internal Procedures for Annual Stockholders' Meeting by Teleconference ("Internal Procedures").

Copy Furnished:

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, San Juan, Metro Manila

PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City, Metro Manila

STOCK TRANSFER SERVICE, INC.
34th Floor, Rufino Plaza, Ayala Avenue
Makati City

ATR-KIM ENG CAPITAL PARTNERS, INC.
17th Floor, Tower One and Exchange Plaza
Ayala Avenue, Makati City



ANNUAL STOCKHOLDERS' MEETING OF
SPC POWER CORPORATION

May 30, 2024

A G E N D A

1. Call to Order and Roll Call
2. Certification of Due Notice and Presence of a Quorum
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and for the Year Ended December 31, 2023
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6. Ratification of Actions of the Directors and Officers of the Corporation
7. Election of Directors (2024-2025)
8. Appointment/Reappointment of External Auditors
9. Other Matters
10. Adjournment

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



NOTE: WE ARE NOT REQUESTING OR SOLICITING PROXIES.

PROXY FORM

The undersigned stockholder of SPC POWER CORPORATION hereby appoints the person named below as proxy and attorney-in-fact with full power and authority to represent the registered stockholder at the Annual Stockholders Meeting on **May 30, 2024, at 9:30 a.m.**, and vote all shares registered in his/her/its name in all matters to be taken up at the said meeting or any of its adjournments, and to cast the following vote/s for and on behalf of the registered stockholder:

Action Item	For	Against	Abstain
Approval of Minutes of 2023 Annual Stockholders' Meeting on June 15, 2023			
Approval of Directors' Fees/Bonus for CY 2023			
Ratification of Actions of the Directors and Officers of the Corporation			
Appointment/Reappointment of SGV & Co. as External Auditors			

Note: Unless otherwise required by law and subject to the existence of a quorum, majority vote of the outstanding capital stock present and represented at the meeting shall be sufficient.

Nominees	No. of Votes
Dennis T. Villareal	
Alfredo L. Henares	
Alberto P. Fenix, Jr.	
James Roy N. Villareal	
Lee, Dal Hun	
Kim, Kilwon	
Bang, Sang Hee	
Lee, Sanghun	
Sergio Ortiz-Luis	
Francisco L. Viray	
Enrison T. Benedicto	

Note: If the nominees are equal to, or less than, the number of directors to be elected, the Chairman will instruct the Corporate Secretary to cast all votes in favor of the nominees and declare all nominees to be elected. If the nominees are more than the directors to be elected, the Chairman will instruct all shareholders and proxies present to vote openly by cumulative voting, unless secret ballot is preferred.

I attest that I have the authority to execute this Proxy and to vote and participate at the Annual Stockholders' Meeting of SPC Power Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand on this ____ day _____ in _____, Philippines.

STOCKHOLDER
(Corporate/Individual)

PROXY/ATTORNEY-IN-FACT

SUBSCRIBED AND SWORN TO BEFORE ME this ____ of ____ in _____, by the affiant who exhibited to me his/her valid government ID as proof of identity: _____.

Doc. No.
Page No.
Book No.
Series of 2024.

WE ARE NOT REQUESTING OR SOLICITING PROXIES..

**I.
INFORMATION REQUIRED**

A. GENERAL INFORMATION

ITEM 1. DATE, TIME, AND PLACE OF MEETING

The Annual Stockholders' Meeting of **SPC POWER CORPORATION ("Company or Registrant")** will be held on **May 30, 2024 at 9:30 A.M.** by teleconference¹ (or remote communication) using the videotelephony and online chat services of Zoom Video Communications, Inc. The meeting will be presided by Mr. Alfredo L. Henares and hosted at the Corporation's principal office located at **7th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City**. The approximate date when the Information Statement will be first sent to security holders will be on **May 8, 2024** and will be uploaded at the Company's website <https://www.spcpowergroup.com>.

Date and time of meeting	:	May 30, 2024, 2:30PM
Place of meeting	:	Online via ZOOM to be hosted at 7F BDO Towers Paseo, 8741 Paseo de Roxas, Makati City
Access to the meeting	:	Stockholders who wish to attend or participate are strongly advised to comply with the instructions provided in the notice of meeting; once compliance is validated, meeting link and access codes will be provided accordingly
Mailing address	:	7F BDO Towers Paseo, 8741 Paseo de Roxas, Makati City SPCSECGroup@spcpower.com

ITEM 2. DISSENTERS' RIGHT OF APPRAISAL

There are no corporate actions that will be taken up at the annual meeting for which a stockholder may exercise the right of appraisal.

Nevertheless, as provided in Section 80 of the Revised Corporation Code (RCC) 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;
2. Extending or shortening of the corporate existence;
3. 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 RCC;
4. In case of a merger or consolidation; and
5. In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

¹ See Exhibit "B"

Sections 81 to 85 of the RCC provides the procedure for the exercise of the appraisal right:

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

ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

Except for the approval of directors' fees and bonuses for CY 2023, the directors, officers, nominees and their associates do not have a substantial interest, direct or indirect, in any matter to be acted upon, other than election to office. The registrant has not been informed in writing by any person of an intention to oppose any action to be taken by the registrant at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

ITEM 4. VOTING SECURITIES AND ITS PRINCIPAL HOLDERS

As of April 30, 2024, there are 1,496,551,803 outstanding common shares (at ₱1.00 per share). Each common share is entitled to one vote, except with respect to the election of directors where the stockholders are entitled to cumulative voting. There is no classification of voting securities.

Of the total issued and outstanding common and voting shares of 1,496,551,803 as of April 30, 2024, 13.29% or 198,870,827 shares are held by the public. Equity ownership of foreigners amounts to 572,343,547 shares out of the total and outstanding shares of the Corporation.

The record date to determine the stockholders entitled to notice and to vote at the meeting is on **May 10, 2024.**

The election of the Board of Directors for the current year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 23 of the Revised Corporation Code of the Philippines. Section 23 provides that a stockholder may vote such number of shares registered in his name as of the record date for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see it. The total number of votes cast by such stockholder should not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

- **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 April 30, 2024, the following stockholders beneficially own more than 5% of the Parent Company's common shares:

Title of Class	Name and Address of Record Owner and Relationship with the Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares	Percent of Class
Common	KEPCO Philippines Holdings, Inc. ¹ 18th Floor, BDO Towers Paseo 8741 Paseo de Roxas, Makati City (Stockholder) ³	KEPCO Philippines Holdings, Inc. Mr. Dalhun Lee, President & CEO	Korean	568,098,822	37.98%
Common	Intrepid Holdings, Inc. ² 7th Floor, BDO Towers Paseo 8741 Paseo de Roxas, Makati City (Stockholder) ³	Intrepid Holdings, Inc. Mr. Dennis T. Villareal, President	Filipino	321,836,647	24.86%
Common	JAD Holdings, Inc. ² 7th Floor, BDO Towers Paseo 8741 Paseo de Roxas, Makati City (Stockholder) ³	JAD Holdings, Inc. Mr. Dennis T. Villareal, President	Filipino	293,201,397	19.60%

¹ Mr. Dalhun Lee shall exercise the voting power of KEPCO Philippines Holdings, Inc.

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

³ The above record owners are purely stockholders.

- **Voting Trust Holder/s**

The Company is not aware of any existing voting trust agreement involving Parent Company shares 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.

- **Security Ownership of Directors/Management**

The following Directors/Management personnel own shares in the Company as of April 30, 2024:

Title of Class	Name of Beneficial Owner	Citizenship	Number of Shares and Nature of Ownership	Percent of Ownership
Common	Dennis T. Villareal	Filipino	6,425,500 (d)	0.43%
Common	Alfredo L. Henares	Filipino	1 (d)	n.m.
Common	Alberto P. Fenix, Jr.	Filipino	855,933 (d)	0.06%
Common	Francisco L. Viray	Filipino	1 (d)	n.m.
Common	Sergio R. Ortiz-Luis, Jr.	Filipino	1 (d)	n.m.
Common	Enrison T. Benedicto	Filipino	1 (d)	n.m.
Common	James Roy N. Villareal	Filipino	274,196 (d)	0.02%
Common	Dalhun Lee	Korean	1 (d)	n.m.
Common	Kim Kilwon	Korean	1 (d)	n.m.
Common	Sang Hee Bang	Korean	1 (d)	n.m.
Common	Sanghun Lee	Korean	1 (d)	n.m.
Common	Maria Luz L. Caminero	Filipino	0	
Common	Cesar O. Villegas	Filipino	267,292 (d)	0.05%
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			7,822,929	0.56%

*d-direct

n.m.- not material

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

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

Hereunder is the list of directors and executive officers of the Parent Company for 2023 and their respective positions.

Name	Nationality	Position with the Company
Alfredo L. Henares ^{1, 2}	Filipino	Chairman
Dennis T. Villareal ¹	Filipino	Director, President & CEO
Alberto P. Fenix, Jr. ¹	Filipino	Executive Director
Francisco L. Viray ³	Filipino	Director (Independent)
Sergio R. Ortiz-Luis, Jr. ⁴	Filipino	Director (Independent)
Enrison T. Benedicto ⁵	Filipino	Director (Independent)
James Roy N. Villareal ⁶	Filipino	Director, Executive Vice President
Lee, Dalhun ⁷	Korean	Director
Kim, Kilwon ⁷	Korean	Director
Bang, Sang Hee ⁸	Korean	Director
Lee, Sanghun ⁸	Korean	Director
Maria Luz L. Caminero ⁹	Filipino	SVP, Legal/Regulatory Affairs and Compliance Officer
Cesar O. Villegas ¹⁰	Filipino	SVP, Operations and Business Development
Nino Ray D. Aguirre ¹¹	Filipino	VP, Finance and Treasurer
Victor P. Lazatin ¹²	Filipino	Corporate Secretary
Mishelle Ann Rubio-Aguinaldo ¹³	Filipino	Assistant Corporate Secretary

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

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

² Mr. Alfredo L. Henares has been Chairman since May 30, 2014, up to the present.

³ Director from May 28, 2021, up to the present.

⁴ Director from May 30, 2017, up to the present.

⁵ Director from June 15, 2023, up to the present.

⁶ Assistant Vice President from Nov. 28, 2018, to May 29, 2019; Vice President from May 30, 2019, to Nov. 29, 2023; Executive Vice President from Nov. 30, 2023, up to the present; Director from Nov. 4, 2021, up to the present.

⁷ Director from Feb. 4, 2022, up to the present.

⁸ Director from March 9, 2023, up to the present.

⁹ SVP for Legal/Regulatory Affairs from Nov. 18, 2013, up to present; concurrent Corporate Secretary from Dec. 3, 2014 to Nov. 20, 2017; also designated as Compliance Officer since Nov. 21, 2017.

¹⁰ VP-Operations and Business Development effective Dec. 3, 2014; appointed as SVP effective April 3, 2018.

¹¹ VP-Finance effective May 7, 2020, Treasurer from June 15, 2023 up to the present.

¹² Corporate Secretary since June 25, 2020.

¹³ Assistant Corporate Secretary since April 3, 2018.

The Nomination Committee

The Nomination Committee, created by the Board under its Manual of Corporate Governance, nominated the majority of the incumbent directors. The Nomination Committee further endorsed to the Board the Final List of Candidates for Independent Directors in the persons of Mr. Francisco L. Viray, Mr. Enrison T. Benedicto, and Mr. Sergio R. Ortiz-Luis, Jr. Mr. Dennis T. Villareal was the one who nominated the Independent Directors. Mr. Dennis T. Villareal is not related to Messrs. Viray, Benedicto, and Ortiz-Luis by consanguinity or affinity. Neither is there a professional relationship between Mr. Dennis T. Villareal and Messrs. Viray, Benedicto, and Ortiz-Luis.

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

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

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

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

Profile of the Incumbent Board of Directors and Executive Officers

Alfredo L. Henares, Filipino, 71 years old, has been a Director of the Parent Company since 1994. On May 30, 2014, he was elected as Chairman and continues to serve as Chairman up to the present. He is also currently Chairman of the Parent Company's Executive Committee, a member of the Parent Company's Audit Committee, a Director of KEPCO SPC Power Corporation, and a member of the Executive Committee of KEPCO SPC Power Corporation. He was Executive Vice President and CFO of KEPCO SPC Power Corporation up to April 7, 2022; previously a Treasurer of the Parent Company and Mactan Electric Company, Inc. (MECO); On August 14, 2020, he was reelected in MECO as a Director and elected as Chairman of MECO's Audit Committee, Compliance and Related Party Transactions Committee, and Executive Committee. He is likewise the Treasurer and Director of the following corporations: Salcon Philippines, Inc.; Salcon International, Inc.; SPC Property and Development Corp.; SPEC Properties Inc.; Western Panay Hydropower Corp.; SPC Electric Co., Inc.; and SPC Light Co., Inc. He was a Director of Bohol Light Company, Inc. (BLCI) and Bohol Water Utilities, Inc. (BWUI) for about seven years prior to his appointment as Chairman of both companies effective May 2007. In the year 2015, he relinquished his Chairman position to Mr. Lim Chan Lok and went back to being a Director at BWUI. He is also the Chairman of SPC Island Power Corporation, SPC Malaya Power Corporation, and KV Holdings, Inc.; President of Progressive Broadcasting Corp.; a Director of Isarog Pulp and Paper Co. He graduated from Harvard Graduate School with an MBA degree and from the Ateneo de Manila University with a Bachelor's Degree in Business Management.

Dennis T. Villareal, Filipino, 82 years old, is the Founding President, Chief Executive Officer, and Director of the Parent Company. He is also currently a member of the Parent Company's Executive Committee and Corporate Governance Committee; Director and Vice Chairman of KEPCO SPC Power Corporation; and a member of the Executive Committee of KEPCO SPC Power Corporation. He was previously the President of Mactan Electric Company, Inc. (MECO). On August 14, 2020, he was reelected to MECO as a Director and elected as Chairman of MECO's Nomination Committee and a member of MECO's Executive Committee. He is likewise the President and a Director of the following corporations: Salcon Philippines, Inc.; Salcon International, Inc.; SPC Island Power Corp.; SPC Property and Development Corp.; SPEC Properties, Inc.; Bohol Light Co., Inc.; Bohol Water Utilities, Inc.; Western Panay Hydropower Corp.; SPC Electric Co., Inc.; Rayfield Holdings, Inc.; SPC Light Co., Inc.; SPC Malaya Power Corporation; KV Holdings, Inc.; Filipinas Palmoil Processing Inc.; Filipinas Palmoil Plantations, Inc.; Filipinas Palmoil Properties, Inc.; Isarog Pulp and Paper Co., Inc.; Dentrade, Inc.; JAD Holdings, Inc.; and Intrepid Holdings, Inc. In addition, he is the Vice-President and a Director of Dowell Packaging Corp.; Rowell Industrial Corp.; and Rowell Plastic Corp. He graduated from the University of Missouri with a Bachelor of Science Degree in Business Administration.

Alberto P. Fenix, Jr., Filipino, 79 years old, has been a Director of the Company since 1994. He has also been an Executive Director of the Parent Company since September 28, 2001, and a member of the Board Executive Committee since March 7, 2006. He is likewise a Director of SPC Electric Company, Inc. starting 2001; SPC Light Company, Inc. effective 2002; Bohol Light Company, Inc. effective May 2007; SPC Island Power Corporation effective November 2007; Western Panay Hydropower Corp. since 1997; SPC Malaya Power Corporation since September 2011 and KV Holdings, Inc. since December 13, 2010. In March 2009, he was appointed as Managing Director of SPC Island Power Corporation until his resignation on August 31, 2010, but remained as a Director up to the present. In addition, he is currently the Chairman and President of Fenix Management and Capital, Inc., Independent Director of DM Wenceslao and Associates, Inc., and VC Securities Corporation. He serves as a Trustee of the Angeles University Foundation, and of the AUF Medical Center. His prior positions include directorships in National Steel Corp.; Refractories Corporation of the Philippines, Inc., Pryce Corp., Pryce Gases, Inc., Philippine National Oil Corp., Victorias Milling Company, Inc., Newtech Pulp, Inc., and Ivoclar Vivadent, Inc. with the last two corporations where he was Founding President and CEO until his retirement. He was also a Vice President of KEPCO SPC Power Corporation up to April 7, 2022. Dr. Fenix is a business leader, having been President in 1998 and 1999, and currently the Honorary President of the Philippine Chamber of Commerce and Industry (PCCI) and President of the PCCI Human Resources Development Foundation, Inc. He graduated with a Bachelor's Degree in Mathematics (cum laude) from the Ateneo de Manila University and Master's and Doctorate degrees in Industrial Management from the Sloan School of Management of the Massachusetts Institute of Technology.

Francisco L. Viray, Filipino, 75 years old, was appointed as Independent Director of the Parent Company on May 28, 2021, and continues to serve as such up to the present. Currently, he is also the Chairman of the Board Audit Committee and a member of the Board Corporate Governance Committee. He served as Secretary of the Department of Energy from 1994 to 1998 and President of National Power Corporation from 1993 to 1998. He is currently the President of Shin Clark Power Holdings, Inc. and Director of San Roque Power Corporation as well as a Trustee of the University of Pangasinan and PHINMA-UPANG College Urdaneta, Inc. Dr. Viray was formerly

President and CEO of Phinma Energy Corporation and was a member of the Board of Union. Dr. Viray has a Bachelor of Science degree and a Master's degree in Electrical Engineering from the University of the Philippines. He obtained his Doctorate in Engineering from West Virginia University, U.S.A.

Sergio R. Ortiz-Luis, Jr., Filipino, 81 years old, was appointed as Independent Director of the Parent Company on May 30, 2017, and continues to serve as such up to the present. Currently, he is also the Chairman of the Board Corporate Governance Committee and a member of the Board Audit Committee. He is Chairman of Country Garden Agri-Tourism Development, Inc.; Manila Waterfront City; and Philippine International Airways. He is Honorary Chairman/Treasurer of the Philippine Chamber of Commerce and Industry; President and CEO of Philippine Exporters Confederations, Inc.; Honorary Chairman and Past President of Employers Confederation of the Philippines; Chairman of the National Center for Mediation; Vice Chairman/Independent Director of VC Securities Corporation; Director and Past President of Philippine Foundation, Inc.; Founding Director of International Chamber of Commerce of the Philippines; Vice Chairman of Alliance Global, Inc.; Honorary Chairman of Integrated Concepts & Solutions, Inc.; Trustee and Treasurer of Human Resources Development Foundation. He is likewise a Director of Drug Abuse Resistance Education (DARE) Phil.; Waterfront Philippines, Inc.; The Wellex Group; Manila Exposition Complex, Inc.; Lasaltech Academy; Philippine Estate Corporation; B.A. Securities; Rural Bank of Baguio; Acesite Hotel Philippines, Inc.; Forum Pacific, Inc.; Jollville Holdings Corporation; Philippine H2O Ventures Corp.; and LikeCash Asia & the Pacific Corporation. He is the President of Asia Pacific Chinese Media, Inc. His government affiliation includes being Vice Chairman of the Export Development Council; Commissioner of Patrol 117; BPLS Champion of the National Competitiveness Council; Member of the Industry Development Council and Private Sector Representative to the Philippine Bamboo Council. His civic organization affiliation includes being the Chairman of the Rotary Club of Green Meadows Foundation; the Past President of the Rotary Club Green Meadows Quezon City RI District 3780; a Senator of the Philippine Jaycee Senate; a Captain of the Philippine Coastguard Auxiliary; the Director/Treasurer of PILAK Foundation and the Vice Chairman of JARDELI Club Foundation. He is also the Honorary Consul General of the Consulate of Romania in the Philippines; Treasurer of the consular Corps of the Philippines and Honorary Adviser of the International Association of Educators for Work Peace. He was a recipient of various awards like the Business Leadership Award by the Business News Magazine, ICCP Global Excellence Award, ORAS Award, Presidential Merit Award Medal, Ulirang Ama, Most Outstanding Pasigüeño, Most Outstanding Citizen of Nueva Ecija in the field of Business and International Peace Award for Economic Development to name a few. He graduated from De La Salle University with a degree of Bachelor of Arts and Bachelor of Science in Business Administration. He also took his Master's Degree in Business Administration and PhD in Humanities and Business Technology at De La Salle University, Central Luzon University, and Eulogio "Amang" Rodriguez Institute of Science and Technology, respectively.

Enrison T. Benedicto, Filipino, 46 years old, was appointed as Independent Director of the Parent Company on June 15, 2023, and continues to serve as such up to the present. Currently, he is also a member of the Corporate Governance Committee and the Audit Committee. He is Managing Director of the following companies: Enrison Holdings, Inc.; Enrison land, Inc.; and Benedict Ventures, Inc. He is likewise the President and CEO of Mabuhay Filcement, Inc. He was also a Past Trustee of the Cebu Chamber of Commerce & Industry, Inc. and Cebu Furniture Industries Foundation Inc. He was Honorary Consul of the Royal Consulate of Belgium from 2017 to present. He obtained his Bachelor of Science in Management Major in Communications from Ateneo de

Manila University (1999). He completed his Intensive Mandarin Language Course for Executive Education at Beijing Language and Culture University in 2000.

James Roy N. Villareal, Filipino, 35 years old, was elected to the Parent Company's Board on November 4, 2021. He first joined the Parent Company as Assistant Vice President on November 28, 2018; Vice President on May 30, 2019 until he was appointed Executive Vice President on November 30, 2023, and continues to serve as such up to the present. On April 8, 2022, he was nominated and elected as Vice President of KEPCO SPC Power Corporation. On August 9, 2022, he was elected as Vice President of Bohol Water Utilities, Inc. He was connected with Seawood Resources, Inc. as a Senior Analyst from March 2014 to March 2018. He was an intern at Ernst & Young, LLP, Assurance Services Department in Beijing, China; One Bank Talent Development \Program of Credit Suisse AG in Hongkong; and Bank of Singapore Finance Department in Singapore. He was also a Management Trainee with Asian Agri Group in Sumatra, Indonesia from September 2012 to December 2012; and a Cadet Assistant Manager with Samling Plantation Group, Sdn Bhd in Sarawak, Malaysia from February 2013 to August 2013. He graduated from International School Manila with an International Baccalaureate (IB) Diploma in May 2008 and from the University of Illinois at Urbana-Champaign with a degree of Bachelor of Science in Finance, Class of 2012.

Dalhun Lee, Korean, 57 years old, was elected to the Parent Company's Board and appointed as a member of the Board's Executive Committee on February 4, 2022 to replace Mr. Yoon, Jong-Ryoon who was recalled to KEPCO's main office in South Korea for a new assignment. He is also currently the President of KEPCO SPC Power Corporation and KEPCO Philippines Holdings, Inc. His other work experiences at KEPCO include the following: Vice President of the UAE Nuclear Power Construction department; General Manager of the North America Business Development Department; Global Business Development Department; UAE Nuclear Power IPP Department; and UAE Nuclear Power Construction Department. He was Senior Manager of the Overseas Project Development Department; KEPCO Philippines Corporation, and KEDO Nuclear Project Department. Mr. Lee Dalhun joined KEPCO in 1992. Educational Attainment: B.A. in Law, Kyungbuk National University, Korea.

Kilwon Kim, Korean, 49 years old, was elected to the Parent Company's Board and appointed as a member of the Board's Executive Committee, Audit Committee, and Corporate Governance Committee on February 4, 2022, to replace Mr. Kim, Yong-Uk who was recalled to KEPCO's main office in South Korea for a new assignment. He is also currently the General Manager of KEPCO Philippines. Mr. Kim joined KEPCO in 2002 and held the following positions: General Manager of the South Incheon Office, Incheon Regional Headquarters; Senior Manager of overseas Nuclear Power Business Development, KEPCO Philippines, Overseas Business Operation Department, Treasury Department and Overseas Resources Development Department. Educational attainment: B.A. in Economics, Myungji University, Korea.

Sang Hee Bang, Korean, 49 years old, was elected to the Parent Company's Board on March 9, 2023, to replace Ms. Lee, Kyung-Eun who was recalled to KEPCO's main office in South Korea for a new assignment. Ms. Bang joined KEPCO in 1998 and held the following positions: Senior Manager, Regional Headquarter KEPCO Gyeonggi; Senior Manager, Global Business Management Department; Senior Manager, KEPCO Philippines; General Manager, Regional Headquarter KEPCO Incheon; General Manager, Human Resources Department; and General Manager, Global

Business Management Department. Her academic background includes IB-MBA, Helsinki School (2013) and Bachelor of Economics, Seoul Women's University (1998).

Sanghun Lee, Korean, 44 years old, was elected to the Parent Company's Board on March 9, 2023, to replace Mr. Youn, Sang-Young who was recalled to KEPCO's main office in South Korea for a new assignment. Mr. Lee joined KEPCO in 2014 and held the following positions: Senior Manager, at the Overseas Nuclear Power Business Department; Senior Manager, at the Legal Affairs Department; and Senior Manager, at KEPCO Philippines. His academic background includes a B.A. in Law, from Chungnam University of Korea (2006); an M.A. in Commercial Law from Chungnam University of Korea (2012); and Judicial Research and Training Institute (2014).

Maria Luz L. Caminero, Filipino, 61 years old, was appointed Senior Vice President for Legal/Regulatory Affairs of the Parent Company on November 18, 2013, and continues to serve as such up to the present. Atty. Caminero was also appointed as Corporate Secretary from December 3, 2014, to November 20, 2017. She was also designated as Compliance Officer on November 20, 2017, up to the present. She has practiced law for twenty-five (25) years. Her present practice focuses on energy law, particularly in the power industry in the Philippines. From 2003 to October 2013, she was the Vice President and General Counsel of the Power Sector Assets and Liabilities Management Corporation (PSALM). During her ten-year stint in PSALM, she was designated as Acting President from April-June 2010 and thereafter appointed as OIC from June-September 15 of the same year. Prior to her work at PSALM, she was the Chief Corporate Attorney for National Power Corporation (NPC) in the Tax Counseling Corporate Affairs and Government Relations Department and Litigation Department, Office of the General Counsel. She also served as legal adviser to the Office of the NPC President during the terms of two NPC presidents. In the transition period in anticipation of the implementation of the EPIRA, she was capbadged and assigned to TRANSCO to work on transmission business transactions. Atty Caminero worked for NPC from 1995 -2003, although eventually detailed to work for PSALM in 2001-2003. Atty. Caminero also worked with the Judiciary for a period of six years. She was the Head Lawyer (Court Attorney V) of the Office of Associate Justice Florida Ruth P. Romero, Supreme Court from 1991-1995. Earlier, she worked in the Office of Associate Justice Fidel P. Purisima, Court of Appeals, as Court Attorney V from 1989 -1991. As an underbar, she worked with the Office of Senator Santanina T. Rasul in the latter part of 1988 -1989.

Cesar O. Villegas, Filipino, 62 years old, was appointed as Senior Vice President for Operations and Business Development on April 3, 2018. He joined the SPC Group on February 2, 2010, as Senior Manager for Business Development/Technical Assistant to the President and later as Vice President for Business Development and Commercial Operation effective December 3, 2014. On April 8, 2022, he was appointed as Vice President of KEPCO SPC Power Corporation. He was also appointed as Vice President of Bohol Light Company, Inc. on August 9, 2022. Before joining the SPC Group, he was a Technical Manager at Ultrawaters, Inc. (a water treatment company); an Electrical Engineer at Rudell & Associates; Project Manager at Pangea Green Energy Phils. Inc.; Operations Manager and Operations Shift Manager at Enron Power Philippines; Planning & Scheduling Chief, Instrumentations Engineer, and Control Switchboard Engineer with National Power Corporation; and Plant Electrical Engineer at Coco-Chemicals Philippines. He obtained his Bachelor of Science in Electrical Engineering degree from the Mapua Institute of Technology. He is a Registered Electrical Engineer.

Niño Ray D. Aguirre, Filipino, 46 years old, has been the Group's Vice President for Finance since his election on May 7, 2020, and concurrent Treasurer from June 15, 2023, up to the present. He was also appointed as Treasurer of Bohol Light Company, Inc. on August 9, 2022. Before joining the SPC Group, he was the Chief Financial Officer of Gendiesel Philippines, Inc.; Cost Controller of Ocean Rig Ultra Deepwater, Inc. of its South Korea Drillship Construction Projects; and Country Controller of Atlantic Marine Service Egypt based in Cairo, Egypt. He also worked in various international onshore locations such as India, Angola, South Africa, France, the United States, and Brazil when he was with Pride International, Inc. as a Senior Projects Cost Controller. He was also a Senior Cost Accountant III in Fujitsu Ten Corporation of the Philippines and an Associate in Sycip Gorres Velayo & Co., an affiliate of Ernst & Young. He graduated from the University of the Philippines in the Visayas with a degree of Bachelor of Science in Accountancy in April 1999 and became a Certified Public Accountant in October of the same year.

Victor P. Lazatin, Filipino, 76 years old, was elected as Corporate Secretary on June 25, 2020. He has been connected with Angara Abello Concepcion Regala & Cruz (ACCRA) Law Offices since 1973: Associate (1973), Senior Associate (1974 to 1976); Partner (1977 to 1981); Senior Partner (1982 to 2012); Managing Partner (1992-2002); Of Counsel (2012 to 2020); and Senior Legal Counsel (2021). Presently, he is the Chairman of the Philippine Dispute Resolution Center, Inc. (2016) where he also served as President from 2009 to 2013. He was formerly a President of the Philippine Bar Association (2006-2007) and the Philippine Institute of Construction Arbitrators and Mediators (2004-2006). He is also a member of the International Court of Arbitration, Paris (2014 to present), the Asean Law Association, and the Inter-Pacific Bar Association. He was a Member of the Board of Directors of the following corporations: Philippine Bank of Communications (PBCOM), United Overseas Bank, Ltd. Manila, and Century Bank of California. He is the Chairman of Timog Silangan Development Corporation, Kenram Industrial and Development, Inc., and Kenram Palm Oil Industries, Inc., among others. He is a director of the MJC Investment Corporation, ACCRAIN Investment Corporation, and Worldwide Express. At present, he is the Chairman of the UP Law Alumni Association (2014 to present) and a Director and the Treasurer of UP Law Alumni Foundation. He was also a former President of the UP Law Alumni Association (1996) and UP Law Class '71. He earned his Bachelor of Laws degree in 1971, as *Cum Laude*, and his AB Economics degree in 1967 from the University of the Philippines. In 1974, he obtained his Master of Laws from the University of Michigan as Clyde Alton de Witt Fellow. Atty. Lazatin ranked 3rd in the 1971 Bar Examinations.

Mishelle Anne R. Rubio-Aguinaldo, Filipino, 36 years old, was elected as Assistant Corporate Secretary on April 3, 2018. She founded her own law firm, Rubio-Aguinaldo & Attorneys Law Firm. She is actively engaged in various practice areas of law such as Civil Law, Criminal Litigation, Labor Law, Corporate and Commercial Law, Energy Law, Maritime Law, Appellate Practice and Special Projects. She is a legal adviser to several corporations: Archipelago Philippine Ferries Corporation and its Group of Companies, Channel Technologies, Inc. and Channel Solutions, Inc., CEAM Technical Services Corporation, and Mactan Electric Company, Inc. Atty. Rubio-Aguinaldo is a graduate of BA Political Science from the University of the Philippines, and obtained her Juris Doctor degree from San Beda University, School of Law. At present, she is taking up her masteral degree in International Dispute Resolution at the Queen Mary University of London and actively participates in various international trainings and conferences. She is also a member of the ICC Philippines, International Law Association, International Bar Association, and Institute for Transnational Arbitration.

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

- **Employees with Significant Contribution**

At the moment, there are no non-executive employees that the Company is aware of, who can be expected to make significant contribution to the business.

- **Family Relationships**

Mr. Dennis Villareal is the father of Mr. James Roy N. Villareal. Other than this, no officers or directors are related within the fourth degree of consanguinity or affinity.

- **Involvement in Certain Legal Proceedings**

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

- **Qualification and Election of Directors**

The Parent Company has **eleven (11) directors**. Under the RCC, each director must be a stockholder of record at the time of election. The directors are elected by a plurality of votes at the annual meeting of the Parent Company each year. At each election of directors, every stockholder has the right to vote, in person or by proxy, the number of shares owned by such stockholder for as many persons as there are directors to be elected or to cumulate such stockholder's votes by giving one candidate as many votes as the number of such directors multiplied by the number of such stockholder's share, or by distributing such votes on the same principle to any number of candidates. Directors so elected shall hold office until the expiration of their respective terms and until the election and qualification of their respective successors.

The following individuals are nominated for election as directors at the Annual Stockholders' Meeting on May 30, 2024:

Dennis T. Villareal; Alfredo L. Henares; Alberto P. Fenix, Jr.; James Roy N. Villareal; Dalhun Lee; Kilwon Kim; Sang Hee Bang; Sanghun Lee; and

Sergio R. Ortiz-Luis, Jr.; Francisco L. Viray; and Enrison T. Benedicto as Independent Directors.

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

The Nomination Committee, pursuant to the Company's Revised Manual on Corporate Governance and the Code of Corporate Governance for Publicly-Listed Companies, is now part of its Corporate Governance Committee with the following membership:

Chairman	:	Sergio R. Ortiz-Luis, Jr.
Members	:	Francisco L. Viray
		Enrison T. Benedicto
		Dennis T. Villareal
		Kilwon Kim

Attached as **Exhibit "E"** is a Certification on directors' non-affiliation with any government office. As further required by Section 49 of the RCC, directors' record of attendance attached as **Exhibit "I"** is appended as an additional attachment.

● Independent Directors

The following, based on the final list of candidates prepared and submitted by the Corporate Governance Committee to the Board, are nominated as Independent Directors for 2023-2024: Sergio R. Ortiz-Luis, Jr; Francisco L. Viray; and Enrison T. Benedicto. Mr. Dennis T. Villareal submitted to the Corporate Governance Committee their nomination. He is not related to any one of them by consanguinity/affinity or professionally.

The procedure for the nomination and election of Independent Directors is in accordance with the provisions of SRC Rule 38, as amended and is cited in the Corporation's Revised Manual on Corporate Governance filed with the Commission on July 24, 2015 as amended. Moreover, the Corporation's Amended By-Laws, particularly Section 2, Article III thereof provides that "xxxxx The Corporation shall adopt the procedures on the nomination and election of independent directors pursuant to SRC Rule 38." The Certifications of the Independent Directors are attached as **Exhibit "D", "D-1", and "D-2"**..

● Certain Relationships and Related Party Transactions

1. Dealings of Directors, Trustees, or Officers with the Corporation

There are no contracts with one or any of its directors, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity.

2. Transactions between Parent Company and Subsidiaries

In the normal course of business, the Parent Company and its subsidiaries have significant transactions with related parties which are made on an arm's length basis as of the time of the transactions. The details of these transactions are contained in Note 5 of the Audited Financial Statements (AFS) of the Registrant as of and for the year ended December 31, 2023.² The Consolidated AFS as of and for the period ended December 31, 2023 forms part of SEC Form 17-A attached as **Exhibit "H"**.

² See SPC 2023 AFS for Parent Company attached to Exhibit "H", SEC Form 17-A (Annual Report).

ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

1. Terms and Conditions of Employment Contract, Compensation Plan

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

The members of the Board of Directors are elected for a term of one year. They receive annual remuneration in director's fees, in addition to compensation of ₱27,777.78 per director on a per board or committee meeting participation. Moreover, members of the Board of Directors who perform executive functions are paid additional remuneration.

The aggregate compensation paid or incurred during the last three years and estimated to be paid in the ensuing year to the Parent Company's President and CEO, Executive Director, and five (5) most highly compensated Senior Officers are as follows:

Name & Principal Position	Year	Salary (Pesos)	Bonus (Pesos)	Total
President/CEO, Executive Director, and five (5) most highly compensated Senior Officers	Projected 2024	43,498,644	2,615,661	46,114,305
	Actual 2023	43,153,417	2,491,106	45,644,523
	Actual 2022	43,343,314	3,764,534	47,107,847
	Actual 2021	36,287,553	4,031,361	40,318,914
All Directors and Senior Officers as a group unnamed	Projected 2024	48,712,244	2,615,661	51,327,905
	Actual 2023	48,325,639	2,491,106	50,816,745
	Actual 2022	48,048,869	3,764,534	51,813,403
	Actual 2021	42,093,108	4,031,361	46,124,469

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

Dennis T. Villareal - President and CEO/Director
Alberto P. Fenix, Jr. - Executive Director/Director
James Roy N. Villareal - Executive Vice President/Director
Maria Luz L. Caminero - SVP, Legal/Regulatory Affairs and Compliance Officer
Cesar O. Villegas - SVP, Operations and Business Development
Jaime M. Balisacan - SVP, Finance and Administration
Niño Ray D. Aguirre - VP, Finance/Treasurer

In 2023, the incumbent non-executive directors and independent directors of the Parent Company received remuneration in annual director's fees and compensation on a per meeting participation as follows:

Director	Amount
Alfredo L. Henares	₱800,000.00
Francisco L. Viray	600,000.00
Sergio R. Ortiz-Luis, Jr.	600,000.00
Lee, Dalhun	600,000.00
Kim, Kilwon	600,000.00
Lee, Sang Hun	325,000.00
Bang, Sang Hee	325,000.00
Enrison T. Benedicto	325,000.00
Enrique L. Benedicto	275,000.00
Youn, Sang Young	275,000.00
Lee, Kyung-Eun	275,000.00
Total	₱5,000,000.00

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANT

The stockholders appointed SyCip Gorres Velayo & Co. (SGV) as the Independent Public Accountant for the year 2023. Mr. Alvin M. Pinpin was appointed by SGV as the engagement partner to lead the audit of the Parent Company's financial statements effective for the year 2018. Mr. Pinpin replaced Ms. Jhoanna Feliza C. Go of the same auditing firm. Ms. Go was the engagement partner who led the audit of the Parent Company's financial statements from 2016 to 2017. The replacement of Ms. Go is brought about by SGV's initiative to continue ensuring the audit effectiveness in servicing the group where the Parent Company belongs. The Parent Company is an associate of KEPCO Philippines Holdings, Inc. and subsidiary, where Mr. Pinpin currently serves as the engagement partner.

The appointment of a new SGV engagement partner in 2018 was also an early compliance with SRC Rule No. 68, Paragraph 3(b)(iv) requiring the change of external auditor or engagement partner for corporations covered under the Code of Corporate Governance who had engaged external auditors for a consecutive period of five years or more.

The reappointment of SGV as Independent Public Accountant for the year 2023, along with Mr. Alvin M. Pinpin as the engagement partner, will be submitted to the stockholders for their confirmation and approval. Authorized representatives of SGV, who shall be present at the meeting, will have the opportunity to make a statement if they choose to do so, and will be available to respond to appropriate questions.

ITEM 8. COMPENSATION PLANS

Other than what is provided under applicable labor laws, there are no compensatory plans or arrangements with Executive Officers entitling them to receive any sum of money as a result of their resignation, retirement or any other termination of employment, or from a change in control of the Parent Company, or a change in the executive officers' responsibilities following a change in control of the Parent Company. There are no warrants or options outstanding in favor of

directors and officers of the Parent Company, nor are there any adjustments or amendments involving price or stock warrants or options.

C. ISSUANCE AND EXCHANGE OF SECURITIES

There is no action to be taken during the 2024 Annual Stockholders' Meeting with respect to the Items 9 to 14, except Item 13, viz:

ITEM 9. AUTHORIZATION OR ISSUANCE OF SECURITIES

ITEM 10. MODIFICATION OR EXCHANGE OF SECURITIES

ITEM 11. FINANCIAL AND OTHER INFORMATION

ITEM 12. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS

ITEM 13. ACQUISITION OR DISPOSITION OF PROPERTY

On April 24, 2024, the Board of Directors approved the sale and disposition of shares of stocks of the Corporation in Bohol Light Company, Inc. (BLCI), which is one of the acts to be ratified by the stockholders. Such sale is subject to specific and definitive terms to be decided later on by the parties.

ITEM 14. RESTATEMENT OF ACCOUNTS

D. OTHER MATTERS

ITEM 15. ACTION WITH RESPECT TO REPORTS

During the June 15, 2023 Annual Stockholders' Meeting (ASM), the performance of the Parent Company and Subsidiaries in 2022 was reported to the stockholders. As stated in the 2022 Minutes of Stockholders' Meeting, after a quorum was determined, the following agenda items were considered, resolved, and approved/ratified by the stockholders:

- a. Approval of Minutes of the 2022 Annual Stockholders' Meeting;
- b. Approval of Directors' fees/bonuses for CY2022;
- c. Approval of the appointment/reappointment of external auditors;
- d. Ratification of all previous actions of the Board of Directors and Officers done in the ordinary course of business since the last annual stockholders' meeting; and
- e. Election of Directors for 2023 - 2024.

The Minutes of the 2023 ASM will be presented for approval during the 2024 ASM and may be viewed on the Company's website at www.spcpowergroup.com. The Minutes include (1) a description of the voting procedure; (2) a description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given; (3) the matters discussed and resolutions reached; (4) a record of voting results for each agenda item; (5) the list of the directors, officers, and stockholders present.³

³ Compliance with Section 49, Revised Corporation Code: (a) 2023 Minutes of ASM; (b) list of material information on current stockholders and their voting rights, see *page 7*; (c) record of attendance indicating the attendance of each director at each of the meetings of the board and its committees and in regular or special meetings, see *Exhibit "J"*; (d) appraisals and performance report for the board and the criteria and procedure for assessment, see *page 32*; (e) disclosures on self-dealing and related party transactions, see *page 18*.

For the May 30, 2024 Annual Stockholders' Meeting, the Chairman of the Board and the Vice President for Finance and Administration will report to the stockholders the highlights of operation and financial performance of the Parent Company and its Subsidiaries for the year ended December 31, 2023 and the following matters will be considered and acted upon during the meeting:

- a. Approval of the Minutes of the 2023 Annual Stockholders' Meeting;
- b. Presentation of the Audited Financial Statements for CY2023;
- c. Approval of Directors' fees/bonuses for CY2023;
- d. Appointment/reappointment of external auditors;
- e. Ratification of all Previous Actions of the Board of Directors and Officers of the Parent Company in the ordinary course of business; and
- f. Election of Board of Directors for 2024 - 2025

The significant actions undertaken in 2023 by the Board of Directors and Officers of the Parent Company are shown in the attached **Exhibit "B"** (Items for Ratification of Past Acts of the Board of Directors and Officers Since the last ASM). Approval and ratification of the minutes, reports, and acts of the Board of Directors and Officers constitute approval of the matters therein.

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

ITEM 16. MATTERS NOT REQUIRED TO BE SUBMITTED

Non-material information and proof of transmittal to stockholders of the Notice of Meeting and of the presence of a quorum at the meeting form part of the agenda for the meeting but will not be submitted for approval to the stockholders.

ITEM 17. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS

On June 9, 2022, the Securities and Exchange Commission (SEC) approved the 2021 Amendments to the Articles of Incorporation, particularly Article II (Primary Purpose) to include the 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, among others; and, Article III (Principal Office) thereof which effectively transfers the principal office of the Corporation from Cebu to Makati City.

On May 31, 2022, the Board of Directors, consistent with the mandate of the Revised Corporation Code, the Board approved the proposed 2022 amendments to the amended By-Laws Corporation's **By-Laws**, particularly **Sections 2, 3, 4, and 7 of Article II and Section 7 of Article III** thereof. The amendments were submitted for stockholders' approval and ratification on August 5, 2022.

ITEM 18. OTHER PROPOSED ACTION

Other than the ones included in the agenda, the Corporation does not have any other matter proposed to be acted upon by the shareholders.

ITEM 19. VOTING PROCEDURE

In any matter taken up at a meeting with a quorum duly present, a majority vote of the outstanding capital stock present and represented at the meeting, shall be sufficient, unless otherwise required by law.

For the selection of directors, the nominees to receive the greatest number of votes will be elected to the Board of Directors. Cumulative voting shall apply.

After the nomination for directors is closed and the nominees are equal to or less than the number of directors to be elected, the Chairman will instruct the Corporate Secretary to cast all votes in favor of the nominees and declare all nominees to be elected. If the nominees are more than the directors to be elected, the Chairman shall instruct all shareholders and proxies present to vote by cumulative voting using the ballots. All ballots shall be returned and transmitted by electronic mail in the e-mail address provided and the Corporate Secretary will tabulate the votes as soon as possible and certify who are the duly elected directors. Stockholders may use the enclosed ballots to vote in absentia.

If any stockholder prefers the election to be done by secret ballot, such intention must be communicated to the Corporate Secretary before the meeting in order to prepare the rules of procedure that will govern the election by secret ballot. Otherwise, the stockholders will vote openly or *viva voce*. The Corporate Secretary, in the presence of the external auditor, will then tally and report on the votes, including the votes of stockholders *in absentia*. Thereafter, the presiding officer will declare the elected directors.

Voting on motions may also be done by secret ballot, if any stockholder so requests, otherwise it will be conducted by *viva voce* or by show of hands. In case of a division of the house, the votes will be tallied and reported by the Corporate Secretary in the presence of the external auditor.

Stockholders who will participate may submit their votes on agenda items requiring stockholders' action and on the nomination and election of directors, as well as their concerns, through email at SPCSECGroup@spcpower.com or info@spcpower.com on or before the close of business hours of May 27, 2024.

● Participation Through Remote Communication

Stockholders who will participate via remote communication will receive the Zoom meeting invitation and other instructions in their email account, or on their mobile phone or Viber account. They will be admitted by the meeting host/administrator of the meeting and their presence will be recorded. They can participate in the meeting, and raise questions and concerns via live video, audio, and/or chat services on Zoom platform. An instructional guide (**Exhibit "B"**) for the conduct of the ASM will also be e-mailed to the stockholders prior the meeting.

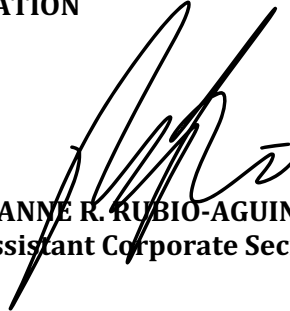
SIGNATURE

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 was signed in the City of Makati on **May 8, 2024**.

SPC POWER CORPORATION

By:

MISHELE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

A handwritten signature in black ink, appearing to read 'MAR' with a stylized flourish at the end, positioned over the printed name and title.

II. BUSINESS AND GENERAL INFORMATION

A. BUSINESS DEVELOPMENT

The Company

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

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

Under the ROMM Agreement, the Parent Company, at its own cost, rehabilitated, operated, maintained, and managed the NPPC over the Cooperation Period of 15 years commencing on the Turnover Date as defined in the ROMM Agreement. The Parent Company received from NPC, its sole customer, Operation, and Maintenance (O&M) fees and energy fees derived from conversion into electricity of fuel supplied by NPC at no cost to the Parent Company throughout the Cooperation Period. The fees were subject to an agreed minimum energy off-take (EMOT), which was the minimum guaranteed energy purchase by NPC on a take-or-pay basis. The Parent Company was also entitled to a fuel efficiency bonus if the actual net heat rate of each of the power plants was less than the corresponding guaranteed net heat rate and was liable for a penalty if the actual net heat rate was greater than the guaranteed rate. At the end of the Cooperation Period, the Parent Company transferred to the NPC full possession of the NPPC, clean and unencumbered title to any and all the improvements, works, and structures rehabilitated, constructed, improved, and introduced by the Parent Company in the NPPC.

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

On April 2, 2002, the Parent Company's common shares were listed on the Philippine Stock Exchange (PSE) with the ticker symbol: SPC.

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

After the Cooperation Period for the 55 MW Land-Based Gas Turbines (LBGTs), on January 29, 2010, the Parent Company acquired the LBGTs for strategic purposes as the LBGTs are located in the Power Complex that is occupied by the Parent Company for the operation of the CTPP and

CDPP under the ROMM Agreement until March 25, 2012, and under series of Operation and Maintenance Service Contracts (OMSCs) until September 25, 2014.

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

In 2014, the Parent Company participated in the bidding for the acquisition of NPPC (see Note 29 of the consolidated financial statements of the Parent Company and Subsidiaries). On April 15, 2016, SPC Island Power Corporation (SIPC), a wholly-owned subsidiary of the Parent Company, submitted the highest offer to PSALM in the negotiated sale of the 32-MW Power Barge (PB) 104. On June 16, 2016, the Parent Company executed an Amendment, Accession, and Assumption Agreement with PSALM and SIPC. Under the agreement, SIPC assigned all its rights and obligations as Buyer of PB 104 to the Parent Company after PSALM gave its consent pursuant to the provisions of the Asset Purchase Agreement between SIPC and PSALM. On June 30, 2016, PSALM turned over the PB 104 to the Parent Company for rehabilitation. PB 104 started commercial operations on August 1, 2018 (for Unit Nos. 1, 2, and 3) and on June 11, 2019 (for Unit No. 4).

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

On July 29, 2021, the Parent Company's Board of Directors further amended the Parent Company's Articles of Incorporation for it to embark on the exploration and development of renewable energy (RE) resources. Stockholders representing more than two-thirds of the outstanding capital stock voted on October 7 – 11, 2021 to include in the Parent Company's primary purpose to carry on the general business of exploration, development, and utilization and/or lease of natural resources, such as solar, wind, biomass, hydro, geothermal, ocean, wave and other RE sources of power or hybrid systems, for the production of electricity. The stockholders also allowed the company to own, lease, and develop real or personal properties, including land; and invest in the management of domestic corporations, partnerships, and entities to attain its primary purpose. The SEC approved the amendment on June 9, 2022.

Subsidiaries/Associates

The Parent Company has the following subsidiaries:

- i. SPC Island Power Corporation (SIPC). SIPC, a wholly owned subsidiary, was incorporated and registered with the SEC on June 26, 2001. It operates the 146.5 MW Panay Diesel Power Plant (located in Dingle, Iloilo) and the 22 MW Bohol Diesel Power Plant (located in Tagbilaran City, Bohol) which were acquired on March 25, 2009, through the assignment of the Parent Company's rights and obligations to SIPC. It also operated the Olango Diesel Power Plant (ODPP), located on the Island of Olango, Lapu-Lapu City, from September 15, 2001, to March 25, 2021. ODPP supplied all the generated electricity to Mactan Electric Company, Inc. (MECO), an associate. On February 14, 2022, SIPC, in its intention to promote education and welfare among the people in Olango Island and nearby areas, donated the ODPP to the Technical Education and Skills Development Authority (TESDA), a government agency tasked to manage and supervise technical education and skills development in the Philippines.

- ii. Cebu Naga Power Corporation (CNPC). CNPC, a wholly owned subsidiary, was incorporated on August 12, 2015, to undertake the development, ownership, construction, operation, and management of a new 2 x 150 MW CFBC coal-fired power plant to replace the old CTPP 1 and CTPP 2 in the NPPC, Colon, City of Naga, Cebu. The construction of the new power plant had been aborted due to the adverse Supreme Court decision that led to the return of the NPPC to PSALM on July 13, 2018 (see Note 29 of the Notes to Consolidated Financial Statements). CNPC has not started commercial operations.
- iii. SPC Malaya Power Corporation (SMPC). SMPC, a majority-owned subsidiary, was incorporated in the Republic of the Philippines and registered with the SEC on September 22, 2011. SMPC won the bidding processes for the Operation and Maintenance Service Contract (OMSC) of the 650 MW Malaya Thermal Power Plant (MTPP) located in Pililla, Rizal and accordingly operated the MTPP from October 25, 2011 to October 25, 2014. However, SMPC either did not win or did not participate in the subsequent biddings of the OMSC after October 25, 2014, for certain reasons. SMPC has not restarted commercial operations since October 26, 2014.
- iv. Bohol Light Company, Inc. (BLCI). BLCI, a majority-owned subsidiary, was organized on July 21, 2000, to engage in the business of supply and distribution of electricity, subject to applicable laws, rules, and regulations. On July 10, 2003, the National Electrification Commission (NEC) granted BLCI's franchise to operate electric, light, and power services for a period of 25 years retroactively from October 20, 2000, to October 19, 2025, in the area presently comprised by Tagbilaran City, Bohol.
- v. SPC Light Company, Inc. (SLCI) and SPC Electric Company, Inc. (SECI). SLCI (majority-owned) and SECI were incorporated on January 15, 2003 and October 17, 2002, respectively, primarily to design, construct, install, commission, rehabilitate, maintain, manage, operate, and invest in power generation/distribution plants and related facilities. The Parent Company has the power to govern the financial and operating policies of SECI by virtue of an agreement. SLCI and SECI have not started commercial operations.

The Parent Company also has the following major associates:

- i. KEPCO SPC Power Corporation (KSPC). KSPC, 40% owned by the Parent Company, was incorporated on June 22, 2005, primarily to build, operate, maintain, own, and manage the 2 x 100 Megawatt Circulating Fluidized Bed Combustion (CFBC) Boiler Coal-Fired Power Plant in the City of Naga, Colon, Cebu.
- ii. Mactan Electric Company, Inc. (MECO). In July 1997, the Parent Company acquired 40% of MECO which was granted by the NEC, under Presidential Decree No. 269, a franchise for 25 years from October 10, 1991, to engage in, conduct, and carry on the business of generating, buying and selling electric light for sale within the limits of the City of Lapu-Lapu and the Municipality of Cordova in the Province of Cebu until October 9, 2016. On July 17, 2016, MECO was granted a renewal of its franchise for another 25 years.

Future Prospects

The Group remains firmly committed to looking for opportunities in new markets and customer segments, both in the renewable and non-renewable energy spectrum.

As of April 11, 2024, the Group is in the early stage of undertaking the evaluation process of a pipeline of solar projects for its medium and long-term growth in capacity. However, there is no immediate assurance yet that the Group will have substantial and additional sources of income.

While in pursuit of new opportunities, the Group will continue to focus on further improving efficiencies and leveraging existing business assets to sustain profitability.

On July 29, 2021, the Parent Company's Board of Directors further amended the Parent Company's Articles of Incorporation (approved by the majority of the stockholders by written assent on October 7-11, 2021) to reflect current efforts to embark on the exploration and development of renewable energy (RE) resources. The amendment was approved by the SEC on June 9, 2022.

Competition

Increasing competition remains the primary challenge for the Group. It continuously faces a more and more competitive environment in the procurement of power supply by distribution utilities through competitive selection process (CSP), provision for ancillary services, development and financing of new power plants, and acquisition of existing power plants. Such competition may affect the extent to which and the terms on which the Group can obtain or renew power supply contracts and secure or put up more projects in the future. However, the Group believes that their capabilities and proven track record will allow them to be competitive in project evaluation, bidding, and negotiation.

To optimize plant operations, the Group not only endeavors to renew expiring contracts from existing capacities but also maximize energy trading opportunities in the spot market. Due to competition, however, spot market prices have also been volatile.

Transactions with and/or Dependence on Related Parties

In the normal course of business, the Parent Company and its subsidiaries have significant transactions with related parties which are made on an arm's length basis as of the time of the transactions. The details of these transactions are contained in Note 5 of the consolidated financial statements as of and for the year ended December 31, 2023.

Research & Development

The Group does not appropriate expenses for research and development activities based on fixed amounts or percentages. Instead, expenses for research and development activities are allocated on a per-project basis that varies depending on the nature of the project. These expenses are funded from internally generated cash flows.

Patents, Licenses, Franchises and Government Approvals

Under the EPIRA, no person or entity may engage in the generation of electricity unless such person or entity has secured a Certificate of Compliance (COC) from the ERC to operate a generation facility and has complied with the standards, requirements, and other terms and conditions outlined in the COC.

The generation units in the Group possess COCs for their generation businesses, details of which are as follows:

Date Issued	PAO No.	Issued Under the Name of	Name	Type	Location	Rated Capacity	Fuel	Terms of COC
31-Jan-2024	24-01-31-M-PAO-E-0022V	KSPC	Unit 1	Coal-fired	City of Naga, Cebu	110.50 MW	Coal	Until Jan. 31, 2025 (i)
		KSPC	Unit 2	Coal-fired		110.50 MW	Coal	Until Jan. 31, 2025 (i)
23-Aug-2022	With existing PAO application under ERC's evaluation	SIPC (PDPP)		Diesel Power Plant	Dingle, Iloilo	80.62 MW	Diesel/Bunker C	Until Apr. 24, 2024 (ii)
7-Jul-2021	2021-C2-E-613	SIPC (BDPP)		Diesel Power Plant	Dampas, Tagbilaran City	22.08 MW	Diesel/Bunker C	Until July 17, 2024 (iii)
13-Feb-2024	24-02-13-M-PAO-E-0031V	SPC (PB 104)		Diesel Power Plant	Ubay, Bohol	32.00 MW	Diesel/Bunker C	Until Feb. 18, 2025 (iv)

(i) KSPC Units 1 and 2 were granted by ERC with the first (1st) Provisional Authority to Operate (PAO) from February 20, 2022 to February 19, 2023, and second (2nd) Provisional Authority to Operate (PAO) from January 31, 2024 to January 31, 2025, pending completion of certification for renewal of COC.

(ii) SIPC PDPP was granted PAO by ERC for the period from April 25, 2023 to April 24, 2024. As of April 11, 2024, SIPC PDPP is still being evaluated by the ERC for another extension of its PAO or a conversion thereof into a COC, as may be applicable.

(iii) SIPC BDPP was granted PAO by ERC for the period from July 18, 2022 to July 17, 2024, pending compliance with PAO conditions. As of April 11, 2024, SIPC BDPP is still being evaluated by the ERC for another extension of its PAO or a conversion thereof into a COC, as may be applicable.

(iv) SPC PB104 filed an application for the renewal of COC and was granted PAO by ERC for the period from February 19, 2024 to February 18, 2025.

(v) Pursuant to the Transitory Provision (Article III, Section 10) of the Revised Rules for the Issuance of Certificates of Compliance for Generation Facilities (2023 Revised COC Rules), the plants were granted (PAO) by ERC, contingent on the validity of permits and licenses issued by the other government agencies and other required compliances. Under Article V, Section 19 of Revised COC Rules, the COC to be issued by ERC shall be effective from the date of approval, and shall remain valid, unless otherwise suspended, revoked or annulled by the ERC after due notice and hearing.

Also, under the EPIRA, the business of electricity distribution requires a national franchise that can be granted only by Congress, except for distribution utilities operating within economic zones. In addition, a Certificate of Public Convenience and Necessity (CPCN) from the ERC is also required to operate as a public utility. Distribution utilities are required to submit to the ERC a statement of their compliance with the technical specifications prescribed in the Philippine Distribution Code. The following are the expiration periods of the Group's Distribution Utilities' franchises:

Distribution Utility	Expiration Date
MECO	July 16, 2041
BLCI	October 19, 2025

The EPIRA likewise requires all suppliers of electricity to end-users in the contestable market, other than distribution utilities within their franchise areas, to obtain a license from the ERC following the ERC's rules and regulations. With the implementation of Retail Competition and Open Access (RCOA), KEPCO SPC Power Corporation was granted by the ERC a license to operate as a Retail Electricity Supplier (RES) valid from October 18, 2016, to October 17, 2021, and from October 18, 2021, to October 17, 2026.

Manpower

The Parent Company had 77 employees consisting of 25 managerial employees and 52 rank-and-file employees.

The Parent Company and its subsidiaries employed a total of 286 regular employees as of December 31, 2023.

Regular employee benefits of the Parent Company include a retirement plan and all government-mandated benefits, supplemented by group life and health insurance, medical care, rice subsidy, longevity pay, funeral and burial assistance, cash conversion of unused vacation and sick leave credits, and at the discretion of the Board, year-end bonus, various incentive and productivity awards, merit adjustments, and loyalty bonus.

There is no collective bargaining agreement covering the Parent Company employees as of December 31, 2023.

The Parent Company does not anticipate any substantial increase in manpower within the next twelve months unless new development projects and acquisitions would require an increase in the number of employees.

Properties

The consolidated net book value of property, plant, and equipment of the Parent Company and its subsidiaries amounted to P736.6 million and P734.7 million as of December 31, 2023 and 2022, respectively. The breakdown is as follows:

Distribution lines, poles, and fixtures	P92,893,204	P92,542,925
Power transformers, switches, and devices	131,433,087	74,573,887
Plant machinery and equipment	349,127,311	391,717,449
Motor vehicles	16,403,127	9,141,358
Structures	12,964,014	14,245,336
Furniture and office equipment	25,607,758	3,272,905
Land held by subsidiaries	87,752,018	87,472,343
Construction in progress	7,982,944	46,454,500
Right-of-use-assets	12,467,151	15,297,159
Total	P736,630,614	P734,717,862

Locations of the principal properties, plant, and equipment mentioned above are as follows:

Company/Subsidiary	Description	Location/Address	Condition
SIPC	Panay Diesel Power Plant/Structures	Tinocuan, Dingle, Iloilo	In use for operations
SIPC	Bohol Diesel Power Plant/Structures	Dampas, Tagbilaran City, Bohol	In use for operations
BLCI	Utility plant and equipment	Tagbilaran City, Bohol	In use for operations
Parent Company	Power Barge 104	Tapal Wharf, Ubay, Bohol	In use for operations
SIPC	Land	Dampas, Tagbilaran City, Bohol	In use for operations
SIPC	Land	Tinocuan, Dingle, Iloilo	Held for future plant expansion.
BLCI	Land	Tagbilaran City, Bohol	In use for operations
Parent Company	Office furnitures and equipment	Cebu Holdings Center, Cebu Business Park, Cebu City; and BDO Towers Paseo, 8741 Paseo de Roxas, Makati City	In use for operations

On June 16, 2016, the Parent Company executed an Amendment, Accession, and Assumption Agreement between and among PSALM and SIPC. Under the said agreement, SIPC assigned all its rights and obligations as BUYER of PB 104 to the Parent Company after PSALM gave its consent under the provisions of the Asset Purchase Agreement between SIPC and PSALM. On June 30, 2016, PSALM turned over the PB 104 to the Parent Company.

Through an Accession Agreement on August 28, 2000, BLCI acquired the assets and equipment, rights, and interests of the Consortium composed of SII, the Parent Company, and other members of the Joint Venture Agreement (JVA) with the Provincial Government of Bohol (PGB). The JVA allowed the Consortium to purchase, own, rehabilitate, operate, maintain, and manage the Bohol Provincial Electric System (PES) and for PGB to sell and transfer the franchise to operate the PES in the City of Tagbilaran, Province of Bohol, to the Consortium.

In 2006, BLCI entered into a lease agreement with Bohol Water Utilities, Inc., a sister company, for the lease of land for 20 years starting January 1, 2006, until December 31, 2025, renewable upon such terms and conditions as may be mutually agreed upon by both parties. The land is used and occupied primarily for the operation, management, and maintenance of BLCI's utility plant and equipment. On January 21, 2021, the lease agreement was terminated due to the purchase of the land by BLCI.

On March 25, 2009, SIPC obtained control and possession of the 146.5-MW Panay Diesel Power Plant (located in Tinocuan, Dingle, Iloilo) and the 22-MW Bohol Diesel Power Plant (located in Dampas, Tagbilaran City, Bohol) under an assignment of the covering Asset Purchase Agreement (APA) and Land Lease Agreement (LLA) from the Parent Company. The LLA is in furtherance of

and as the ancillary contract to the APA for the 25-year lease of parcels of land used and occupied primarily for the operation, management, expansion, and maintenance of the Purchased Assets. The LLA also covers an option to purchase the optioned assets within the leased premises that may be offered by the Lessor. In 2017, SIPC exercised its option to purchase the optioned assets covering all the lots underlying the Bohol Diesel Plant with a total area of 27,527 square meters.

The Parent Company leases a residential condominium unit at Winland Towers, Cebu City from Dentrade, Inc., a corporation majority owned by Mr. Dennis T. Villareal who is currently the President and CEO of the Parent Company. The condominium unit is used to house the Parent Company's directors and senior executive officers during their official visits to Cebu.

The Parent Company also leases an office condominium unit on the 7th Floor of BDO Towers Paseo, Makati City. This unit houses the Parent Company's Makati Office. The unit is leased from the Parent Company's affiliate, SPC Properties and Development Corporation (SPDC).

The Parent Company further leases office condominium units on the 7th Floor of Cebu Holdings Center, Cebu Business Park, and 7th Floor of BDO Towers, Makati City from the Parent Company's affiliate – SPEC Properties, Inc. for use as its Cebu administrative office and additional executive offices in Makati.

Legal Proceedings

The Group is currently involved in various legal proceedings in the ordinary conduct of their businesses. The estimate of probable costs for the resolution of possible claims is developed in consultation with outside counsels handling the Group's defense in these matters and is based upon an analysis of potential results of litigation. As of December 31, 2023, the Group believes that the results of these actions will not have a material adverse impact on the Group's financial position and results of operations.

III. OPERATIONAL & FINANCIAL INFORMATION

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

Market Information

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

Year	Quarter	Highest Close		Lowest Close	
		Price	Date	Price	Date
2024	1st	9.00	20-Feb	6.95	2-Feb
2023	1st	9.45	20-Jan	8.95	30-Mar
	2nd	9.25	22-May	8.45	22-Jun
	3rd	8.74	3-Jul	7.60	21-Sep
	4th	8.09	4-Oct	6.75	18-Dec
2022	1st	15.00	22-Feb	13.84	7-Jan
	2nd	14.68	12-Apr	8.36	15-Jun
	3rd	11.30	15-Aug	9.01	4-Jul
	4th	10.18	21-Nov	8.99	5-Oct

As of April 30, 2024, the total number of stockholders was 707 (684 under transfer agents and including 94 depository participants counted as one stockholder each).

Top 20 Stockholders

The following composed the top 20 stockholders as of March 31, 2024:

<u>Rank</u>	<u>Name</u>	<u>Nationality</u>	<u>No. of Shares</u>	<u>Percent</u>
1	KEPCO Philippines Holdings, Inc.	Korean	568,098,822	37.98%
2	Intrepid Holdings, Inc.	Filipino	371,836,647	24.86%
3	JAD Holdings, Inc.	Filipino	293,201,397	19.60%
4	KV Holdings, Inc.	Filipino	74,749,847	5.00%
5	Boxboard Containers Corporation	Filipino	41,000,000	2.74%
6	Cancorp, Inc.	Filipino	41,000,000	2.74%
7	Rowell Plastic Corporation	Filipino	38,864,638	2.60%
8	ALH Management, Inc.	Filipino	21,850,269	1.46%
9	Mali Ni	Filipino	10,000,000	0.67%
10	PCD Nominee (Fil/Non-Fil) Corp.	Fil/Non-Fil	6,539,000	0.44%
11	Dennis T. Villareal	Filipino	6,425,500	0.43%
12	Cecilia Chua Tiu	Filipino	1,000,000	0.07%
13	Alberto P. Fenix, Jr.	Filipino	855,933	0.06%
14	Ma. Theresa M. Ballesteros	Filipino	691,492	0.05%
15	Stanley Krug	American	299,196	0.02%
16	Lorenzo D. Inocando	Filipino	274,196	0.02%
17	Dennis Lawrence N. Villareal	Filipino	274,196	0.02%
18	James Roy N. Villareal	Filipino	274,196	0.02%
19	Victor Anthony N. Villareal	Filipino	274,196	0.02%
20	Cesar O. Villegas	Filipino	267,392	0.02%
21	Corazon L. Gamez	Filipino	141,305	0.01%
TOTAL			1,477,918,222	98.82%

Dividends

The cash dividends declared by the Parent Company to common stockholders in the last three years are shown in the table below:

Year	Cash Dividends Per Share	Total Amount Declared	Record Date
2024	0.60	897,931,082	February 22, 2024
2023	0.20	299,310,360	August 9, 2023
2022	0.20	299,310,361	June 15, 2022
2021	0.40	598,620,721	April 23, 2021
2021	0.60	897,931,082	June 14, 2021
2021	0.55	823,103,492	December 23, 2021

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

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

Section 42 of the Revised Corporation Code, however, requires that corporations with surplus profits in excess of 100% of their paid-up capital should declare and distribute the amount of such profits in the form of dividends, except when the retention is justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the consent of creditors is required under any loan agreement, or when it can be clearly shown that such retention is necessary under special circumstances.

Recent Sale of Unregistered Securities

Over the last three years, the Parent Company has not sold any unregistered securities.

Description of the Company's Shares

The Parent Company's securities consist entirely of common stock with a par value of ₱1.00 per share.

Corporate Governance

The Company's Manual of Corporate Governance was approved by the Board in 2002 following such requirement by the SEC for listed companies. It underwent a series of revisions, the first of which was on February 28, 2011, thereafter, on July 24, 2015. The latest amendment was on May 29, 2017. This Revised Manual on Corporate Governance was in compliance with SEC Memorandum Circular No. 19, series of 2016, which directed all Publicly-listed Companies (PLCs) to submit a new Manual on Corporate Governance, pursuant to the new Code of Corporate Governance for PLCs.

The highlights of the Revised Manual on Corporate Governance of the Corporation included among others:

1. The designation of a Compliance Officer (CO), who holds a position of Senior Vice President or its equivalent with adequate stature and authority in the Company. The CO is primarily liable to the Corporation and its shareholders and not to the Chairman or President of the Company.
2. The election of at least three (3) Independent Directors (IDs) in the Board or such a number as to constitute at least one-third of the members of the Board. Their term is limited to a maximum cumulative of nine years.
3. Creation of Board Committees which are the Board Audit Committee, Corporate Governance Committee and the Executive Committee.
4. The election of a Corporate Secretary who is a separate individual from the Compliance Officer. He is neither a member of the Board of Directors of the Company. The Corporate Secretary is primarily responsible to the Corporation and its Shareholders, and not to the Chairman or President of the Company.
5. Respect and recognition of stockholders rights such as voting rights, pre-emptive rights, power of inspection, right to information, right to dividends, and appraisal right.

Compliance with the Manual on Corporate Governance by the Board of Directors and top level management is mandatory. To ensure its observance, the Directors and top level management undergo written self- evaluation based on the Board's general responsibility and the specific duties and responsibilities of each director.

The Company has also taken measures to comply with the adopted leading practices on good corporate governance thru compliance with regulatory requirements which include but is not limited to continued training of its Directors and top level management; sustainability reporting and establishing a policy and implementing rules on related-party transactions.

Overall compliance with the Manual of Corporate Governance by the Company is very satisfactory, with no deviations observed.

The Company shall continually pursue its avowed policy to abide by principles of good governance. In so doing, the Company's good governance framework shall be reviewed annually by analyzing the Company's level of Corporate Governance and forge a way to improve its plan to achieve a status of a leading practitioner in Corporate Governance.

Management's Discussion & Analysis of -Financial Condition & 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 audited 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

A. Results of Operations

Year Ended Dec. 31, 2023 vs. Year Ended Dec. 31, 2022

The group's consolidated revenue rose to ₱4,552.4 million from ₱3,850.0 million or by 18.2% due to increasing service pass-through costs as well as the increase in volume sold of the distribution segment.

Cost of services rose significantly by 12.0% to ₱3,684.7 million in 2023 from ₱3,290.2 million in 2022, mostly as a result of rising fuel costs worldwide and the high cost of purchased power.

The gross margin increased notably by 55% from ₱559.8 million in 2022 to ₱867.8 million this year as revenues grew faster than service costs.

General and Administrative expenses increased by 18.9% from ₱249.3 million in 2022 to ₱296.3 million in 2023 due to the increase in retirement related personnel expenses, taxes and licenses and professional fees.

Equity share from earnings of investees dropped to ₱587.2 million in 2023 from ₱925.4 million in 2022, affected largely by the planned outages of KSPC attributable to the Grade A preventive maintenance schedule of its units 1 and 2 in September and October 2023 which lasted for 35 days on each unit, and the decrease in its power supply contracts. MECO, however, rose to ₱294.9 million in 2023 from ₱166.9 million in 2022 or an amount of ₱128 million mainly due to increase in its interest income and proceeds from insurance claims.

Due to higher effective interest rates and more temporary excess funds invested in short-term money market placements, interest income climbed significantly to ₱160.5 million from ₱27.8 million.

Because of this year's larger taxable income, the provision for income tax increased from ₱108.1 million to ₱141.4 million, or 30.8%.

The Consolidated total comprehensive income in 2023 amounts to ₱1.21 billion, lower by ₱80 million as compared to 2022. 48.3% of the 2023 total comprehensive income is coming from the Investee companies amounting to ₱587.2 million, followed by the power generation segment which contributed ₱540.3 million or 44.5% with the power distribution segment amounting to ₱87 million or 7.2% closing the total of 100%

The Group shows a steady double-digit return on average equity of 11.2% and 13.1% in 2023 and 2022, respectively. Earnings per share amounts to 78 centavos per share in 2023, lower by 6.9% from the 85 centavos per share in 2022.

Year Ended Dec. 31, 2022 vs. Year Ended Dec. 31, 2021

The Group registered a total comprehensive income of ₱1,294.7 million in 2022, 8.1% better than the previous year's level of ₱1,197.7 million, as all business segments delivered higher results in 2022.

The improved performance in 2022 translated to a consistent double-digit return on average equity and higher earnings per share of 13.06% and ₱0.85, respectively.

Equity shares from the earnings of the investee companies (namely, KSPC and MECO) comprised the bulk of the Group's total comprehensive income in 2022, accounting for 71% of the total. The investee companies' contribution of ₱925.4 million in 2022 was 6.6% more than the ₱867.8 million in the previous year. KSPC benefited from the resurgence of strong power demand and high spot market prices. The drop in the volume of contracted sales was made up by the stellar performance of the WESM. On the other hand, MECO posted a steady recovery from the impact of the coronavirus pandemic and typhoon Odette.

The generation business segment, which made up 27% of the group's net income, pitched in ₱349.6 million, 10.0 % higher year-on-year. The power plants had lower overall capacity utilization of 71% in 2022, versus 75% in 2021, due mainly to the impact of typhoon Odette in December 2021 spilling over the first two months of 2022. However, its contribution to the consolidated net income was higher as compared to the previous year due mainly to recoveries of fuel costs incurred in the previous year for rendering ancillary services.

The power distribution unit (namely, BLCI) accounted for the 2% balance of the pie. It recorded a turnaround in the fourth quarter of 2022 resulting in an income contribution of ₱19.8 million for the whole year of 2022, 72.8% higher than the ₱11.5 million recorded a year ago. This was attributed to partial recoveries of previously unrecovered cost of purchased power. It was also helped by the accrual of unbilled revenues in December 2022 which was nil in the same period last year due to typhoon Odette.

Consolidated revenues rose by 55.9% to ₱3,850.0 million in 2022, from ₱2,469.4 million in 2021, due mainly to higher pass-through cost of services.

The cost of services increased substantially by 68.5% to ₱3,290.2 million in 2022, from ₱1,952.5 million in 2021, due mainly to the high price of purchased power as well as increases in global fuel prices.

As revenues grew faster than the costs of services, the **gross margin** went up 8.3% to ₱559.8 million in 2022, from the previous year's ₱516.9 million.

General and administrative expenses increased by 21.2% to ₱249.3 million in 2022, from ₱05.7 million a year earlier, due mainly to: (i) marketing expenses incurred on behalf of an associate, and (ii) business development expenses for expansion projects that the Parent Company is seriously looking into.

Interest income dropped by 19.5% year-on-year, driven by lower rates for short-term investments. Furthermore, some funds set aside for power projects were placed in U.S. dollar-denominated short-term investments in 2022 as a safeguard against peso devaluation. The very low-interest income earned from the U.S. dollar- denominated short-term investments was more than compensated by huge foreign exchange gains from revaluation. Foreign exchange gains increased to ₱94.4 million in 2022, from ₱7.8 million only in 2021.

Service income was nil in 2022 as there were no technical, upgrading, and maintenance services rendered to other companies during the year.

Other income - others increased by 87% to ₱41.9 million in 2022 from ₱22.4 million only in 2021 due mainly to: (i) more sales of scraps, bunker sludge, and used oil; (ii) higher pole rentals; and (iii) higher income from penalties and surcharges as well as service and processing fees for new connections and reconnection of customers in the distribution business.

B. Financial Condition

Dec. 31, 2023 vs. Dec. 31, 2022

Maintaining a strong financial position enables the Group to seize expansion possibilities into new markets and client categories.

The Group's consolidated total assets rose to ₱12,531.2 million, increased by ₱923.5 million in 2023 as compared from previous year which amounts to ₱11,607.7 million. The primary drivers of the rise in total assets were the increase in operational cash flow and the appreciation of the carrying value of investments in associates.

Total liabilities at the end of 2023 were ₱1,223.4 million, 1.3% more than at the beginning of the year (₱1,208.2 million), mostly due to unreleased dividends and trade payables.

In line with this, **Total stockholders' equity** rose by 8.7% to ₱11,307.7 million this year, from ₱10,399.5 million at the start of the year. This increase was attributed to comprehensive income attributable to Parent Company equity holders, net of cash dividends.

A review of the major factors influencing the changes in shareholders' equity, liabilities, and assets (from December 31, 2022 balances to December 31, 2023 balances) may be found below.

Trade and other receivables declined by 6.7% to ₱649.1 million this year, from ₱695.8 million last year, due to a slightly lower revenue in the latter month of the year as compared to last year.

Materials and supplies inventory went down by 14.6% to ₱399.4 million, from the previous year's ₱467.5 million, due mainly to the lower volume of fuel inventory.

Prepayments and other current assets decreased by 17.0% to ₱83.7 million this year, from ₱100.9 million last year, due mainly to last year's deferred/unexpired insurance premiums and accumulated input tax awaiting application against output tax.

Investment in associates is 7.1% higher compared to ₱5,432.5 million in the same period last year, this is because of fresh equity share in the net earnings of associates amounting to ₱587.2 million less dividends received amounting to ₱200.0 million and share in remeasurement of employee benefits of ₱3.9 million.

Property, plant, and equipment slightly grew by 0.3% to ₱736.6 million this year, from ₱734.7 million last year. This was attributed to the new additions to property, plant, and equipment amounting to ₱94.8 million, less depreciation and adjustments amounting to ₱94.0 million.

Trade and other payables increased by 4.5% to ₱857.3 million, from ₱777.0 million due mainly to balance of dividends payable at yearend net of the decrease in trade payable as a result of lower volume of fuel inventory purchased in the latter month of the year as compared to last year.

Unappropriated retained earnings increased by ₱2,670.6 million or 38.6% to ₱9,598.0 million, from ₱6,927.4 million. The increase is reflective of the net effect of the following: (i) increase due to net income attributable to equity holders of the Parent Company amounting to ₱1,169.9 million in 2023, (ii) decrease due to interim cash dividends declared on July 26, 2023, amounting to

₱299.3 million, (ii) increase due to reversal of prior years' appropriation of retained earnings amounting to ₱1,800.0 million.

On July 26, 2023, the Board of Directors (BOD) of the Parent Company approved the reversal of prior years' appropriation of retained earnings amounting to ₱1,800.00 million as a consequence of recent developments. Please see Note 18 of the Audited Consolidated Financial Statements for further details.

C. Cash and Cash Equivalents

Cash and cash equivalents increased by 17.7% to ₱4,743.0 million as of end-December 2023, from last year's amount of ₱4,031.4 million. Net cash flows used in financing activities were lower compared to the combined net cash flows provided by operating and investing activities.

Major sources of cash and cash equivalents in 2023 were from operating activities amounting to ₱847.6 million and cash dividends received from investee companies amounting to ₱160 million.

The major applications of funds in 2023 were: (i) payment of cash dividends amounting to ₱191.0 million, and (ii) new additions to property, plant, and equipment amounting to ₱94.8 million.

Dec. 31, 2022 vs. Dec. 31, 2021

The Group ended 2022 with consolidated assets standing at ₱11,607.7 million, 12.1% higher compared to the last audited balance of ₱10,352.9 million as of the end of 2021. The increase was due largely to the rise in the carrying value of cash and cash equivalents, trade and other receivables, and materials and supplies inventory.

Total liabilities also increased but at a much slower pace. It increased by ₱277.7 million only to ₱1,208.2 million, from ₱930.5 million last year. This was traced mainly to higher trade and other payables at the end of 2022.

Stockholders' equity grew by 10.4% to ₱10,399.5 million, from ₱9,422.4 million in 2021, due mainly to an increase in the balance of retained earnings.

Financial ratios remained very favorable. The current ratio, debt-to-equity ratio, and book value per share stood up at 6.52:1, 0.12:1, and ₱6.95, respectively, from 7.21:1, 0.10 :1, and ₱6.30, in the previous year.

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

Details of changes in the balance of cash and cash equivalents are discussed in the section for **Cash Flows**.

Trade and other receivables increased by 42.1% to ₱695.8 million, from ₱489.8 million in 2021, due mainly to an increase in revenues for December 2022 that included the higher pass-through cost of fuel and purchased power as compared to December 2021 which was affected by typhoon Odette.

Materials and supplies inventory went up by 19.9% to ₱467.5 million, from ₱389.8 million at the beginning of the year. The increase is attributed to the following: i) higher volume and price of fuel inventory, (ii) higher replacement cost of inventories used during the restoration of damage caused by Typhoon Odette, and (iii) inventories recovered from the scrapping of PB 102 and PB 103.

Investment in associates decreased slightly by 1.3% to ₱5,432.5 million, from ₱5,505.2 million in 2021. The decrease reflected the net effect of the following: (i) decrease in investments due to cash dividends received from the investee companies amounting to ₱1,004.7 million, (ii) increase in investment due to fresh equity share in the earnings of investee companies amounting to ₱925.4 million, and (iii) increase due to remeasurement of employee benefits of the investee companies amounting to ₱6.5 million.

Trade and other payables rose by 44.8% to ₱777.0 million, from ₱536.7 million in 2021, due mainly to: (i) higher volume and price of purchased power by BLCI in December 2022 as compared to December 2021 and (ii) higher cost of fuel purchases in December 2022 resulting from global increases in the price of fuel.

Unappropriated retained earnings increased by 16.3% to ₱6,927.4 million, from ₱5,954.4 million. The net increase is reflective of the comprehensive income attributable to equity holders of the Parent Company amounting to ₱1,272.4 million in 2022, less cash dividends declared amounting to ₱299.3 million.

D. Cash Flows

2023 vs. 2022

Strong cash flows in 2023 gave the Group further financial strength to prepare in pursuing its long-term growth goal.

The balance of cash and cash equivalents increased by 17.7% at the end of 2023 to ₱4,743.0 million from ₱4,031.4 million at the start of the year as net cash inflows exceeding cash outflows.

In 2023, the primary sources of cash and cash equivalents were: (i) ₱847.6 million in net cash provided by operating activities; and (ii) ₱160.0 million in cash dividends received from MECO. These funds were utilized in part for (i) ₱191.0 million in cash dividend payments and (ii) ₱94.8 million in new property, plant, and equipment additions.

2022 vs. 2021

The year 2022 was characterized by robust cash flows that provided more financial muscle to start the long-term growth ambition of the Group.

Net cash inflows exceeded cash outflows resulting in a 35.1% increase in the balance of cash and cash equivalents to ₱4,031.4 million as at end-2022 from ₱2,984.1 million at the beginning of the year.

Major sources of cash and cash equivalents in 2022 were: (i) net cash provided by operating activities amounting to ₱369.6 million and (ii) cash dividends received from investee companies amounting to ₱1,004.7 million. These funds were partially used for (i) payment of cash dividends amounting to ₱317.6 million, and (ii) new additions to property, plant, and equipment amounting to ₱73.9 million.

E. Key Performance Indicators

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

Key Performance Indicators	2023	2022	2021
<u>For the years ended December 31:</u>			
Earnings per share	P0.78	P0.85	P0.80
Share in net earnings of associates	P587,156,364	P925,354,304	P867,849,896
Return on equity	11.19%	13.06%	11.99%
Return on assets	10.06%	11.80%	10.99%
Cash Flows:			
Net cash flows from operating activities	P847,577,390	P369,629,036	P300,434,967
Net cash flows from investing activities	P65,222,086	P930,799,167	P1,065,237,033
Net cash flows used in financing activities	P192,854,222	(P321,100,929)	(P2,327,504,748)
<u>As of December 31:</u>			
Balance of cash and cash equivalent at end of period	P4,743,043,034	P4,031,421,593	P2,984,110,635
Current ratio	6.75	6.52	7.21
Debt ratio	0.10	0.10	0.09
Debt-to-equity ratio	0.11	0.11	0.1
Solvency ratio	1.07	1.16	1.38

Earnings Per Share (EPS)

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

Share in Net Earnings of Associates

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

Return on Equity

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

Return on Assets

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

Cash Flows

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

Current Ratio

The current ratio is derived by dividing total current assets 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

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

Known Trends

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

Any Significant Elements of Income or Loss from Continuing Operations

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

Material Off-Balance Sheet Items

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

Material Commitments for Capital Expenditures

As of December 31, 2023, 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 operations.

Seasonal Aspects

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

Changes in and Disagreements with Auditors on Accounting and Financial Disclosure

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

External Audit and Non-audit Fees

For the annual audit of the Parent Company's and Subsidiaries' financial statements, the fees paid to the independent auditors amounted to ₱1.3 million, ₱1.4 million, and ₱1.3 million in 2023, 2022, and 2021, respectively, exclusive of VAT and out-of-pocket expenses.

For the tax advisory, fees paid to the independent auditors amounted to ₱0.2 million in 2023, 2022 and 2021.

For the financial advisory, there were no payments made to the independent auditors in 2023 and 2022, and ₱3.5 million in 2021.

There were no other fees paid to the independent auditors other than for the above-described services.

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

Financial Statements

The audited annual consolidated financial statements of the Parent Company and Subsidiaries as of and for the year ended December 31, 2023 and the unaudited interim financial statements for the quarter ended March 31, 2024 (together with the management's discussion and analysis) as set forth in SEC Form 17-A and SEC Form 17-Q are incorporated in this information statement.

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

ALL REQUESTS MAY BE SENT TO THE FOLLOWING ADDRESS:

SPC POWER CORPORATION
7TH FLOOR, BDO TOWERS PASEO
8741 PASEO DE ROXAS, MAKATI CITY
1226 PHILIPPINES

ATTENTION:

VICTOR P. LAZATIN
CORPORATE SECRETARY

MISHELLE ANNE R. RUBIO-AGUINALDO
ASSISTANT CORPORATE SECRETARY



**GUIDELINES
2024 ANNUAL STOCKHOLDERS' MEETING**

I. VALIDATION

A. Individual and Joint Stockholders

1. Copy of valid government-issued ID with full name, signature, and photograph of stockholder/s
2. In case of proxy, proof of authority and copy of valid government-issued ID of the stockholder and proxy
3. Active e-mail address and mobile number

B. Stockholders under Broker Accounts

1. A broker's certification on the stockholder's number of shareholdings and that prior written consent of the person in whose account the shares are held, was properly obtained
2. Copy of valid government-issued ID with full name, signature, and photograph of stockholder/s
3. Active e-mail address and mobile number

C. Corporate Stockholders

1. Secretary's Certificate or duly signed and notarized Board Resolution
2. Copy of valid government-issued ID with full name, signature, and photograph of authorized representative
3. Active e-mail address and mobile number

Stockholders who wish to attend the ASM must be able to comply with registration requirements to be able to participate in the meeting. Unvalidated proxies shall not be honored.

Once registration requirements are validated and verified, the meeting link, access codes, materials, and other pertinent documents will be emailed to the stockholders at the official e-mail address provided. Registration requirements may be emailed at the following e-mail address/es: SPCSECGroup@spcpower.com and info@spcpower.com.

II. REGISTRATION

Online registration will open at 9:00 a.m.

1. Attendees are advised to log-in within the registration period. After the lapse of the registration period, no one will be allowed to enter the platform.
2. Use of Display Names

Stockholders	-	(Full Name)
Proxy	-	(Full Name, SH represented)
Other attendees	-	(Full Name, Company)

Attendees will not be allowed to enter the platform if the attendee cannot be identified through his or her display name

3. Upon entering the platform, attendees (except directors) must log their names in the chat box. This will be the basis for the attendance/registration.
4. An official list of attendees will be prepared based on the validated registration requirements received by the Corporation and the actual number of attendees present during the meeting.
5. No person shall be allowed to participate in the meeting unless credentials were verified and validated.

III. MEETING PROPER

1. Manner of Voting (see also Voting Procedure in Information Statement)

Required vote: Unless otherwise required by law, on all matters to be taken up, majority vote of the outstanding capital stock present and represented at the meeting where a quorum is existing shall be sufficient. After the nomination for the election of directors is closed and the nominees are equal to, or less than, the number of directors to be elected, the Chairman will instruct the Corporate Secretary to cast all votes in favor of the nominees and declare all nominees to be elected. If the nominees are more than the directors to be elected, the Chairman shall instruct all shareholders and proxies present to vote by cumulative voting, openly, unless secret ballot is preferred.

Voting on motions shall be conducted viva voce or by show of hands, unless secret ballot is preferred. In case of a division of the house, the votes will be tallied and reported by the Corporate Secretary in the presence of the external auditor.

Stockholders who will participate via remote communication or in absentia may submit their votes on agenda items requiring stockholders' action, as well as their concerns, through the following e-mail address SPCSECGroup@spcpower.com and info@spcpower.com on or before May 27, 2024.

2. Opportunity to raise comments, objections, or questions

At the end of every agenda item, the Chairman will ask the stockholders for comments or objections. A stockholder who wish to be acknowledged must click the "raise-hand" icon or make a request in the chat box so he/she can be properly acknowledged. Comments, objections, or questions may also be made in the chat box. If not acknowledged immediately, questions, concerns, or clarifications may be raised during the Q&A portion before the end of the meeting.

3. Orderliness

Attendees are requested to mute their microphones to prevent unnecessary noise from disrupting the event. All attendees are enjoined to observe proper conduct during the entire meeting.

2024 Annual Stockholders' Meeting
Meeting ID: TBA
Passcode: TBA

References: Bylaws, Internal Procedures for Annual Stockholders' Meeting by Teleconference, and SEC Memorandum Circular No. 6, Series of 2020.

ITEMS FOR RATIFICATION

Description	Date
Approval of the Minutes of December 12, 2022 Meeting (March 30 2023) Approval of the schedule of the 2023 ASM Approval of AFS for the Year Ended December 31, 2022 Delegation of Approval of SEC Form 17-Q (for Quarter Ended March 31, 2023) to the EXECOM	March 30, 2023
Approval to avail of LBP's Pass 5 and ETPS facilities Updating of bank account signatories (for all bank accounts and in the usual or regular course of business)	June 15, 2023
Appointment of representative for Bureau of Customs	December 1, 2023
Authority to transact with IEMOP re: payments (WESM transactions)	October 25, 2023
Appointment of authorized persons for BIR reportorial requirements	August 2, 2023
Approval to open and maintain bank accounts under Chinabank	June 15, 2023
Approval to update signatories of LBP	Sept. 25, 2023
Approval to avail Omnibus Line and appoint signatories therefor	June 15, 2023
Approval to avail of HDMF Condonation Program and to designate signatories	June 15, 2023
Approval of proposed BDO resolution to maintain and open a bank account, etc. and to designate signatories	June 15, 2023
Approval of the Creation of EVP Position and Promotion of JNV as EVP	December 1, 2023
Authority to enter into Emergency Power Supply Agreement with BLCI	October 25, 2023
Updating of Bank Records	Sept. 25, 2023
Authority to sell and execute DOAS for the sale of parts of PB102-103	Sept. 25, 2023
Appointment of representative for sim registration and PIPPA General Assembly	May 3, 2023
Designation of Chinabank account for NGCP	Feb. 3, 2023
Updating of Signatories to include JNV & NDA	Feb. 3, 2023
Authority to: (i) update books of accounts & (ii) participate in ASPA bid	July 26, 2023
Updating of signatories by reason of retirement and resignation of Mr. Jaime Balisacan and Ms. Corazon L. Gamez	October 25, 2023
Approval of June 15 Minutes of Meeting	July 26, 2023
Reversal of Php1.8 billion appropriated for Occidental Mindoro and 1Bohol Power Projects (July 26)	July 26, 2023
Approval of minutes of March 30, 2023 (June 15)	June 15, 2023
Approval and confirmation of the elected officers and committee members for 2023 (June 15)	
Deferment of Appropriation of Retained Earnings (June 15)	
Deferment of Declaration of Dividends (June 15)	
Approval of minutes of Special Meeting on July 26, 2023 and Resolutions approved by referendum or written assent [creation of EVP position, IEMOP requirements, sale of PB102 and 103 parts to IZABANDA (December 19)]	Dec. 19, 2023
Approval of ASPA with NGCP (December 19)	
Updating of signatories (December 19)	
Deferment of Proposed 2024 CAPEX and OPEX Budgets (December 19)	
Reversal of existing appropriation of retained earnings amounting to Php5.6 billion due to the deferral of the 2024 OPEX and CAPEX budget (December 19)	
Approval of Year-End Directors' Fees 2023(December 19)	
Deferment of declaration of dividends (December 19)	
Approval of December 19, 2023 minutes (Feb 7)	
Approval of proposed CAPEX and OPEX budgets (Feb 7)	February 7, 2024

<p>Approval of declaration of dividends at PHP0.60 Per Share or a Total Amount of P897.93 million to all stockholders of record as of February 22, 2024 (Thursday) payable on or before March 7, 2024 (Feb 7)</p> <p>Approval to declare as additional cash dividends, out of the Corporation's earnings for the year 2023, the 2023 cash dividends that the Corporation will receive from KEPCO SPC Power Corporation (KSPC) not later than one (1) month from the Corporation's receipt thereof (Feb 7)</p>	<p>February 7, 2024</p>
<p>MSA / TSA Renewal (Feb 16)</p>	<p>February 16, 2024</p>
<p>Resolution approving the exercise of ROFR (July 26)</p> <p>Resolution appropriating funds therefor (July 26)</p> <p>Motion to declare dividends in the amount of PhP0.20 per share, or a total amount of PhP299.31 Million to all shareholders of record as of August 9, 2023 payable on or before August 23, 2023 (July 26)</p>	<p>July 26, 2023</p>
<p>Approval of the Minutes of February 7, 2024 Meeting (April 11)</p> <p>Approval of Release of Audited Financial Statements for Year Ended December 31, 2023 (April 11)</p> <p>Delegation of Approval of SEC Form 17-Q (For Quarter Ended March 31, 2024) to the Executive Committee (April 11)</p> <p>The motion to declare cash dividends in the amount P0.40 centavos per share or a total amount of 598.62 million to all stockholders of record as of April 25, 2024, payable on or before May 10, 2024 (April 11)</p> <p>Approval of short term time deposits not exceeding 95 days (April 11)</p> <p>Approval of the schedule of the annual meeting (April 11)</p>	<p>April 11, 2024</p>
<p>Approval of the sale of shares of stock owned in BLCI (April 24)</p>	<p>April 24, 2024</p>

EXH. "C"

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

SECRETARY'S CERTIFICATE

I, **MISHELLE ANNE R. RUBIO-AGUINALDO**, Assistant Corporate Secretary of **SPC POWER CORPORATION**, a corporation organized and existing under the laws of the Republic of the Philippines, with principal office at the 7th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City, hereby certify that at the regular meeting of the Board of Directors on April 11, 2024 with quorum duly present, the Board approved as follows:


"There being no objection, the vote is unanimous. Thus, the motion to hold the Annual Stockholders' Meeting of SPC Power Corporation on May 30, 2024 at 9:30AM via Zoom Video Teleconference to be hosted at the principal office located at 7F BDO Towers Paseo, Paseo de Roxas, Makati City, duly seconded, is hereby approved."

IN WITNESS WHEREOF, I have affixed my signature this 23rd day of April 2024 in Makati City, Philippines.


MISHELLE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

SUBSCRIBED and SWORN to before me in Makati City this **APR 23 2024** day of April 2024 by the Affiant who is personally known to me and to me known who exhibited her UMID CRN-0111-0482823-9 as competent proof of identity.

Doc. No. 144;
Page No. 30;
Book No. 15;
Series of 2024.


ATTY. JOEL FERRER FLORES
Notary Public for Makati City
Until December 31, 2024
Appointment No. M-115(2023-2024)
Roll Of Attorney No. 77376
MCLE Compliance VIII No.0001393
Jan. 3, 2023 until Apr. 12, 2028
PTR NO.10073945/Jan. 2, 2024/Makati City
IBP No.330740/Jan. 2, 2024/Pasig City
1107 Bataan St., Guadalupe Nuevo, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **SERGIO R. ORTIZ-LUIS JR**, Filipino, of legal age and a resident of 3RD Flr. Commerce and Industry Plaza, 1030 Campus Avenue corner Park Avenue, Mckinley Hills, Fort Bonifacio, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **SPC POWER CORPORATION** and have been its independent director since 2017.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Philippine Exporters Confederation Inc. (PHILEXPORT)	President
Employers Confederation of the Philippines (ECOP)	President
Philippine Chamber of Commerce & Industry (PCCI)	Honorary Chairman/Treasurer
Asia Pacific Chinese Media, Inc.	President
Philippine International Airways	Chairman
One Philippines Foundation, Inc.	President
National Center for Mediation	Chairman
Waterfront Philippines, Inc.	Chairman
Grand Ilocandia Resort and Development, Inc.	Chairman
Mayo Bonanza, Inc.	Chairman
Club Waterfront International, Limited	Chairman
Davao Insular Hotel Company, Inc.	Chairman
Aristocrat Manila City Holdings, Inc.	Chairman
Country Garden Agri-Tourism Dev't Inc.	Chairman
VC Securities Corporation	Vice Chairman/Director
Integrated Concepts & Solutions, Inc.	Honorary Chairman
Empire East	Independent Director
Acesite Hotel Philippines, Inc.	Director
GS1 Philippines, Inc. (Formerly Philippine Article Numbering Council)	Director
International Chamber of Commerce of the Phil	Director
The Wellex Group	Director
Manila Exposition Complex, Inc (World Trade Center)	Director
La Salle Tech Academy, Inc.	Director
Philippine Estate Corporation	Director
B.A Securities	Director
Forum Pacific, Inc. (FPI: Philippines)	Director
LikeCash Asia & Pacific Corp. (LikeCash)	Director
SPC Power Corporation	Director

Alliance Energy Power and Development Inc.	Director
MREIT Inc.	Independent Director
Philippine Ventures H2O Ventures Corporation	Independent Director
Jolliville Holdings Corporation	Independent Director
Export Development Council	Vice Chairman
The Philippine Bamboo Council	Private Sector Representative
Rotary Club of Green Meadows Foundation	Chairman
Philippine Jaycee Senate	Senator
Philippine Coastguard Auxiliary	Captain
JARDELI Club Foundation	Vice Chairman
Bayaning Pulis Foundation, Inc	Director/ Treasurer
Human Resources Development Foundation	Trustee & Treasurer
Drug Abuse Resistance Education (DARE) Phils.	Director

GOVERNMENT AFFILIATIONS:

Export Development Council	Vice Chairman
Patrol 117 (Foundation for Crime Prevention)	Commissioner
Industry Development Council	Member
The Philippine Bamboo Council	Private Sector Representative

CIVIC ORGANIZATION:

Rotary Club of Green Meadows Foundation	Chairman
Philippine Jaycee Senate	Senate
Philippine Coastguard Auxiliary	Captain
JARDELI Club Foundation	Vice Chairman
Bayaning Pulis Foundation, Inc	Director/ Treasurer
Human Resources Development Foundation	Trustee & Treasurer
One Philippine Foundation, Inc.	President
Drug Abuse Resistance Education (DARE) Phils.	Director

OTHERS:

Consulate of Romania in the Philippines	Honorary Consul General
Consular Corps of the Philippines	Past Dean
International Association of Educator for World Peace	Honorary Adviser


1. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of SPC Power Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
2. I am not related to any director/officer/substantial shareholder of SPC Power Corporation, and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code.
3. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
5. I shall inform the Corporate Secretary of SPC Power Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this _____ day 22 JAN 2024, at CITY OF MAKATI.


SERGIO R. ORTIZ-LUIS JR.
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of 22 JAN 2024 at Makati City, affiant personally appeared before me and exhibited to me his passport number P5889673B issued at DFA Manila on December 02, 2020.

Doc. No. 155 ;
Page No. 32 ;
Book No. 14 ;
Series of 2024 .


ATTY. ROMEO M. MONFORT
NOTARY PUBLIC CITY OF MAKATI
UNTIL DECEMBER 31, 2025
APPOINTMENT NO. M-032 (2024-2025)
PTR NO. 10073906 JAN. 2, 2024 MAKATI CITY
IBP NO. 391330-JAN. 3, 2024
MILE NO. VII -0027570 ROLL NO. 27932
SALO STREET, LEGASPI VILLAGE
MAKATI CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Enrison T. Benedicto, Filipino, of legal age and a resident of No. 7 E. Benedicto St., Zapatera, Cebu City, Cebu, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of SPC Power Corporation and have been its independent director since June 15, 2023.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Consulate of Belgium	Honorary Consul	2017 to present
Benedict Ventures Inc.	Managing Director	2015 to present
Enrison Holdings Inc.	Managing Director	2012 to present
Mabuhay Filcement Inc.	President and CEO	2010 to present
Enrison Land Inc.	Managing Director	2007 to present

GOVERNMENT AFFILIATIONS:

CIVIC ORGANIZATION:

OTHERS:

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of SPC Power Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of SPC Power Corporation, and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.
7. I shall inform the corporate secretary of SPC Power Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 9th day of January, 2024, at Cebu City, Philippines.

ENRISON T. BENEDICTO

Affiant

SUBSCRIBED AND SWORN to before me this JAN 09 2024 at Cebu City, affiant personally appeared before me and exhibited to me his PHL Passport No. P0352361B issued at DFA Cebu on 22 Jan 2019 valid until 21 Jan 2029.

Doc. No. 307;
Page No. 63;
Book No. 2;
Series of 2024.

ATTY. ROMULO T. TORRES
Notary Public of Cebu City
Commission No. 33

CERTIFICATION OF INDEPENDENT DIRECTOR

I, FRANCISCO L. VIRAY, Filipino, of legal age and a resident of 10 Sydney Street, Vista Real Classica, Batasan Hills, Quezon City, after having been duly sworn to in accordance with law hereby declare that:

1. I am a nominee for independent director of SPC Power Corporation and have been its independent director since November 4, 2021.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP
Shin Clark Power Holdings, Inc	President & Director
Shin Clark Power Corporation	Chairman & Director
San Roque Power Corporation	Director
Phinma Solar Corporation	Chairman & Director
South Luzon Thermal Energy Corporation	Chairman & Director

GOVERNMENT AFFILIATIONS:

CIVIC ORGANIZATION:

OTHERS:

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of SPC Power Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of SPC Power Corporation, and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of SPC Power Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 11th day of January 2024 at Makati City.


FRANCISCO L. VIRAY
Affiant

JAN 12 2024

SUBSCRIBED AND SWORN to before me this _____ day of January 2024 at Makati City, affiant personally appeared before me and exhibited to me his passport number P26111868B issued on July 19, 2019 at DFA NCR East with expiry date on July 18, 2029.

Doc. No. 92
Page No. 20
Book No. 1
Series of 2024.

ATTY. _____
Notary Public
PTR No. _____
1107 B.A. _____
Makati City

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY

SECRETARY'S CERTIFICATE

I, **MISHELLE ANNE R. RUBIO-AGUINALDO**, Assistant Corporate Secretary of **SPC POWER CORPORATION**, a corporation organized and existing under the laws of the Republic of the Philippines, with principal office at the 7th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City, hereby certify that based on records of the Corporation, and as further confirmed by the directors, no director or officer of the Corporation is connected to or working with any government agency or instrumentality.


IN WITNESS WHEREOF, I have affixed my signature this 23rd day of April 2024 in Makati City, Philippines.


MISHELLE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

APR 23 2024

SUBSCRIBED and SWORN to before me in Makati City this _____ day of April 2024 by the Affiant who is personally known to me and to me known who exhibited her UMID CRN-0111-0482823-9 as competent proof of identity.

Doc. No. 152;
Page No. 82;
Book No. 13;
Series of 2024.


ATTY. JOEL FERRER FLORES
Notary Public for Makati City
Until December 31, 2024
Appointment No. M-115(2023-2024)
Roll Of Attorney No. 77376
MCLE Compliance VIII No.0001393
Jan. 3, 2023 until Apr. 12, 2028
PTR NO.10073945/Jan. 2, 2024/Makati City
IBP No.330740/Jan. 2, 2024/Pasig City
1107 Bataan St., Guadalupe Nuevo, Makati City

COVER SHEET

A S 9 4 0 0 2 3 6 5

Sec. 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 B D O T o w e r s P a s e o

8 7 4 1 P a s e o d e R o x a s

M a k a t i C i t y

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

Mr. Niño Ray D. Aguirre

Contact Person

8810 44 74 to 77

Company Telephone Number

0 3

Month

3 1

Day

Calendar Year

SEC FORM

1 7 - Q

FORM TYPE

0 5

Month

3 0

Day

Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

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 year ended March 31, 2024
2. SEC Identification Number AS94-002365 3. BIR Tax Identification No. 003-868-048
4. SPC POWER CORPORATION
Exact name of the issuer as specified in its charter
5. Metro Manila, Philippines 6. (SEC Use Only)
Province, country, or other jurisdiction Industry Classification Code:
of incorporation
7. 7th FL, BDO Towers Paseo, 8741, Paseo de Roxas, Makati City, 1209
Address of Issuer's principal office Postal Code
8. (63 2) 8810-4474 to 77
Issuer's telephone number, including area code
9. 7th FL, Cebu Holdings Center, Archbishop Reyes Avenue, Cebu Business Park, Cebu City
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

a. Title of Each Class

b. Number of Shares of Common Stock
Outstanding and Amount of Debt
Outstanding

Common Shares (as of March 31, 2024) 1,496,551,803 shares
Total Debt (as of March 31, 2024) -

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 – March 31, 2024 (unaudited) and December 31, 2023 (audited).
- b. Consolidated Statements of Comprehensive Income – Three Months Ended March 31, 2024 and 2023 (unaudited).
- c. Consolidated Statements of Changes in Stockholders’ Equity – Three Months Ended March 31, 2024 and 2023 (unaudited).
- d. Consolidated Statements of Cash Flows – Three Months ended March 31, 2024 and 2023 (unaudited).
- e. Notes to the Consolidated Interim 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 March 31, 2024 and 2023

The Group registered a total comprehensive income of ₱113.7 million in the first quarter of 2024, 57.7% lower compared to the same period last year of ₱268.6 million as both revenue and investee companies' income contribution declined this year, translating to a return on average equity of 1.1% and an earnings per share of ₱0.07.

Equity share from the earnings of the investee companies (namely, KSPC and MECO) comprised the bulk of the Group’s total comprehensive income in the first quarter of 2024, accounting for 76.0% of the total.

The generation and distribution business segments, which made up 24.0% of the group's net income, pitched in at ₱27.1 million in the first quarter of 2024, 72.6% lower compared to ₱99.0 million in the same period last year.

Consolidated revenues declined by 10.3% to ₱820.4 million in the first quarter of this year, from ₱914.8 million in the same period last 2023, due mainly to lower pass-through cost of services.

Cost of services increased by 11.3% in the first quarter of 2024 from ₱713.8 million in the same period of 2023, due to increases in global fuel prices utilized by the generation business segment net of lower purchased power used by the distribution business segment.

As cost of services grew faster than revenue, gross margin declined by 87.2% to ₱25.6 million in the first quarter of 2024, as compared to the first quarter of 2023 amounting to ₱200.9 million.

General and administrative expenses decreased by 9.6% to ₱60.5 million in the first quarter of this year, from ₱66.9 million in the same period a year earlier, due to lower business development and personnel related expenses and taxes and licenses .

Interest Income amounts to ₱46.8 million in the first quarter of 2024, higher by 121.5% from the same period last year amounting to ₱21.1 million due to higher effective interest rates in short-term money market placements.

Foreign exchange gain from the restatement of U.S. dollar-denominated assets amounted to ₱19.1 million in the first quarter of 2024, in contrast from the same period of last year's net foreign exchange losses of ₱30.2 million. This was due to the appreciation of the peso vis-à-vis the U.S. dollar from March 31, 2024 and 2023.

Provision For Income Tax went down by 61.3% to ₱11.7 million in the first quarter of 2024, from the same period of previous year's ₱30.2 million because of this year's lower taxable income.

Financial Condition

March 31, 2024 Vs. December 31, 2023

The Group's consolidated assets at the end-March 2024 amounts to ₱11,651.2 million, lower by 7.0% than the last audited balance of ₱12,531.2 million at the end of 2023 due to the declaration and payment of cash dividends net of cash dividends received from an affiliate, decline in the carrying value of investments in associates as well as lower cash from operating activities in the first quarter of 2024.

Total liabilities decreased by 7.8% at the end of March 2024 amounting to ₱1,127.8 million as compared to the start of the year (₱1,223.4 million), mostly as a result of dividends payable payments at the end of the quarter this year.

In line with this, **total stockholders' equity** also went down by 6.9% to ₱10,523.5 million this end-March 2024, from ₱11,307.7 million at the start of the year. This decrease was attributed to comprehensive income attributable to Parent Company equity holders, net of interim cash dividends declared amounting to ₱897.9 million.

Trade and other receivables grew by 2.6% to ₱665.7 million as at end-March 2024, from ₱649.1 million in last year, due to higher production output in the latter month of the quarter.

Materials and supplies inventory went down by 3.0% to ₱387.4 million, from the previous year's ₱399.4 million, due mainly to lower volume of fuel inventory as at end-March 2024.

Prepayments and other current assets increased by 12.0% to ₱93.8 million this end-March 2024, from ₱83.7 million last year, due mainly to deferred business tax and accumulated input tax awaiting application against output tax.

Investment in associates as at end-March 2024 is 8.7% lower compared to ₱5,815.8 million last year, this is because of dividends received this quarter amounting to ₱590.3 million.

Property, plant and equipment slightly declined by 1.7% to ₱724.0 million this year at end-March 2024, from ₱736.6 million last year. This was attributed to depreciation and amortization amounting to ₱22.8 million net of new additions to property, plant and equipment amounting to ₱9.9 million.

Trade and other payables decreased by 2.4% to ₱719.8 million, from ₱737.7 million due mainly to the payment of dividends payable amounting to ₱115.3 million.

Unappropriated retained earnings decreased by ₱791.1 million or 8.2% to ₱8,806.9 million, from ₱9,598.0 million. The decrease is reflective of the net effect of the following: (i) increase due to net income attributable to equity holders of the Parent Company amounting to ₱106.8 million in the first three months of 2024, (ii) decrease due to interim cash dividends declared on Feb 7, 2024 amounting to ₱897.9 million.

Cash Flows

The Group's cash flow and liquidity remains strong and we have material headroom to fund investment and further capital management initiatives.

Cash and cash equivalents increased by 2.8% to ₱4,365.9 million as at end-March 2024, from end-March 2023's amount of ₱4,247.1 million. This was primarily on account of net cash inflows generated in 2023, net of cash flows from investing and financing activities in the three months ended March 31, 2024.

Key Performance Indicators

The following financial indicators are used, among others, to evaluate the performance of the Group as of March 31, 2024 and December 31, 2023 and for the three months ended March 31, 2024 and 2023:

Key Performance Indicators	2024	2023
A. For Three months ended March 31 2024 & 2023.		
Earnings Per Share	P0.07	P0.18
Share In Net Earnings of Associates	P86,428,425	P169,724,784
Return on Equity (total comprehensive income divided by average total equity)	1.10%	2.55%
Return on Assets (total comprehensive income divided by average total assets)	0.98%	2.29%
Cash Flows for Three months ended March 31 2024 & 2023.		
Net cash inflows generated from operating activities	P4,028,757	P259,465,330
Net cash inflows (outflows) used in investing activities	P580,837,478	(P9,611,747)
Net cash flows used in financing activities	(P981,012,957)	(P4,761,867)
Solvency ratio (total comprehensive income before depreciation and amortization divided by total liabilities)	0.12	0.24
B. As of March 31, 2024 & December 31, 2023:		
Cash and cash equivalents at end of period	P4,365,915,801	P4,743,043,034
Current ratio (total current assets divided by current liabilities)	7.09	6.75
Debt ratio (total liabilities divided by total assets)	0.10	0.10
Debt-to-equity ratio (total liabilities divided by total equity)	0.11	0.11

Further descriptions of 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 is derived by dividing total comprehensive income 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 is derived by dividing total comprehensive income 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 is derived by dividing total current assets 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 is derived by dividing total liabilities 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 is derived by dividing total liabilities 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 is derived by dividing the sum of total comprehensive income, depreciation and amortizations by the sum of long-term and short-term liabilities. This ratio provides another measurement of how likely the Group will be able to continue meeting its debt obligation. The higher the ratio, the greater the Company's ability to continue meeting its debt obligations.

Any Significant Elements of Income or Loss from Continuing Operations

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

Major Subsequent Events

The following are the major events that happened after March 31, 2024, but before the release of the Quarterly Report on May 6, 2024:

1. On April 3, 2024, the BOD of Mactan Electric Company Inc. (MECO) declared cash dividends in the amount of ₱500.0 million in favor of all shareholders of record as of April 3, 2024, payable on or before April 30, 2024.
2. On April 5, 2024, the BOD of MECO resolved to offer for subscription the amount of ₱499.0 million divided into 49,902,713 MECO shares in relation to the increase in its authorized capital stock from ₱500.0 million to ₱1,000.0 million through amendment of its Articles of Incorporation in its April 3, 2024 special BOD meeting. The stockholders of record as of April 3, 2024, including SPC with its 40% interest, may exercise their preemptive right to subscribe to the increase in proportion to their shareholdings on or before May 15, 2024.
3. The SPC Board of Directors, during its meeting on April 11, 2024, approved without objection, the declaration of cash dividend in the amount of ₱0.40 per share, or for a total amount of ₱598.62 million, to all stockholders of record as of April 25, 2024, payable on or before May 10, 2024.
4. The SPC Board in a special meeting on April 24, 2024 approved the sale of the Corporation's 29,925,000 common shares in Bohol Light Company, Inc. for ₱ 6.67 per share to Primelectric Holdings, Inc. or in the total amount of ₱ 199.5 million. The sale shall be in accordance with the terms and conditions of a Share Purchase Agreement and other definitive documents to be entered into by the parties.

Bohol Light Company Inc. is a distribution utility engaged in the distribution of electricity in Tagbilaran City, its franchise area.

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 March 31, 2024, 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 operations.

Known Trends

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:



EDGARDO S. CABRAL, JR.
Finance Manager
Date: May 6, 2024



NIÑO RAY D. AGUIRRE
VP-Finance & Treasurer
Date: May 6, 2024

SPC POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Philippine Pesos)

	Mar 31, 2024	Dec 31, 2023	Incr. / (Decr.)	
	(Unaudited)	(Audited)	Amount	Percent
ASSETS				
Current Assets				
Cash and cash equivalents	4,365,915,801	4,743,043,034	(377,127,233)	(8.0%)
Trade and other receivables - net	665,660,571	649,107,657	16,552,914	2.6%
Inventories - at cost	387,380,836	399,393,666	(12,012,830)	(3.0%)
Prepayments and other current assets	93,794,095	83,709,811	10,084,284	12.0%
Total Current Assets	5,512,751,303	5,875,254,168	(362,502,865)	(6.2%)
Noncurrent Assets				
Investment in associates	5,311,855,959	5,815,751,427	(503,895,468)	(8.7%)
Property, plant and equipment - net	724,030,384	736,630,614	(12,600,230)	(1.7%)
Deferred income tax assets	35,245,743	35,457,044	(211,301)	(0.6%)
Goodwill	32,522,016	32,522,016	-	0.0%
Intangible Assets	1,899,949	2,171,373	(271,424)	(12.5%)
Other noncurrent assets - net	32,932,425	33,371,571	(439,146)	(1.3%)
Total Noncurrent Assets	6,138,486,476	6,655,904,045	(517,417,569)	(7.8%)
TOTAL ASSETS	11,651,237,779	12,531,158,213	(879,920,434)	(7.0%)
LIABILITIES & EQUITY				
Current Liabilities				
Trade and other payables	719,799,123	737,676,850	(17,877,727)	(2.4%)
Income tax payable	18,596,019	10,919,560	7,676,459	70.3%
Current portion of lease liabilities	2,200,254	2,200,254	-	0.0%
Dividends payable	37,001,653	119,577,816	(82,576,163)	(69.1%)
Total current liabilities	777,597,049	870,374,480	(92,777,431)	(10.7%)
Noncurrent Liabilities				
Customers' deposits	196,321,926	193,914,394	2,407,532	1.2%
Asset retirement obligation	93,069,477	93,069,477	-	0.0%
Net pension liabilities	34,376,585	37,166,411	(2,789,826)	(7.5%)
Deferred income tax liabilities	19,555,870	19,725,739	(169,869)	(0.9%)
Lease liabilities - net of current portion	6,853,530	7,359,242	(505,712)	(6.9%)
Other noncurrent liability	-	1,839,924	(1,839,924)	(100.0%)
Total noncurrent liabilities	350,177,388	353,075,187	(2,897,799)	(0.8%)
Total Liabilities	1,127,774,437	1,223,449,667	(95,675,230)	(7.8%)

(Forward)

SPC POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Philippine Pesos)

	Mar 31, 2024	Dec 31, 2023	Incr. / (Decr.)	
	(Unaudited)	(Audited)	Amount	Percent
Stockholders' Equity				
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%
Additional paid-in capital	86,810,752	86,810,752	-	0.0%
Retained earnings:				
Unappropriated	8,806,870,331	9,598,002,269	(791,131,938)	(8.2%)
Other comprehensive income:				
Remeasurement of employee benefits	1,208,496	1,208,496	-	0.0%
Net unrealized valuation gains on financial asset at FVOCI	13,350,000	13,350,000	-	0.0%
Share in remeasurement of employee benefits of associates	2,941,249	2,941,249	-	0.0%
Treasury stock at cost - 72,940,097 shares	(131,008,174)	(131,008,174)	-	0.0%
Equity attributable to equity holders of Parent	10,349,664,554	11,140,796,492	(791,131,938)	(7.1%)
Equity attributable to Non-controlling interests	173,798,788	166,912,054	6,886,734	4.1%
Total Equity	10,523,463,342	11,307,708,546	(784,245,204)	(6.9%)
TOTAL LIABILITIES and EQUITY	11,651,237,779	12,531,158,213	(879,920,434)	(7.0%)

See accompanying Notes to Consolidated Financial Statements.

SPC POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Philippine Pesos)

	Three months ended Mar 31		Increase / (Decrease)	
	2024	2023	Amount	Percent
	(Unaudited)	(Unaudited)		
REVENUE	820,419,723	914,750,232	(94,330,509)	(10.3%)
COST OF OPERATIONS	794,789,096	713,825,434	80,963,662	11.3%
GROSS MARGIN	25,630,627	200,924,798	(175,294,171)	(87.2%)
GENERAL AND ADMINISTRATIVE				
EXPENSES	(60,517,592)	(66,924,702)	6,407,110	(9.6%)
OTHER INCOME (CHARGES) - Net				
Equity in net earnings of associates	86,428,425	169,724,784	(83,296,359)	(49.1%)
Interest Income	46,813,474	21,132,393	25,681,081	121.5%
Interest Expense	(161,984)	(188,464)	26,480	(14.1%)
Foreign exchange gains (losses)	19,130,926	(30,182,640)	49,313,566	(163.4%)
Others - net	8,018,052	4,210,701	3,807,351	90.4%
	160,228,893	164,696,774	(4,467,881)	(2.7%)
INCOME BEFORE INCOME TAX	125,341,928	298,696,870	(173,354,942)	(58.0%)
PROVISION FOR INCOME TAX				
Current	11,614,618	30,162,171	(18,547,553)	(61.5%)
Deferred	41,432	(49,210)	90,642	(184.2%)
	11,656,050	30,112,961	(18,456,911)	(61.3%)
NET INCOME	113,685,878	268,583,909	(154,898,031)	(57.7%)
OTHER COMPREHENSIVE INCOME	-	-	-	
TOTAL COMPREHENSIVE INCOME	113,685,878	268,583,909	(154,898,031)	(57.7%)
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent	106,799,144	263,967,835	(157,168,691)	(59.5%)
Non-controlling interests	6,886,734	4,616,074	2,270,660	49.2%
	113,685,878	268,583,909	(154,898,031)	(57.7%)
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Equity holders of the Parent	106,799,144	263,967,835	(157,168,691)	(59.5%)
Non-controlling interests	6,886,734	4,616,074	2,270,660	49.2%
	113,685,878	268,583,909	(154,898,031)	(57.7%)
EARNINGS PER SHARE (Note 3):				
Basic/diluted, for income for the period				
attributable to equity holders of the Parent	0.07	0.18	(0.11)	(59.5%)

See accompanying Notes to Consolidated Financial Statements:

SPC POWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 2024 AND 2023

	Equity Attributable to Equity Holders of the Parent										
	Capital Stock	Additional Paid-In Capital	Treasury Stock at Cost	Remeasurement of Employee Benefits	Share of Associates in OCI	Retained Earnings		Net Unrealized Valuation Gains on Financial Assets at FVOCI	Total	Non- controlling Interest	Total
						Appropriated	Unappropriated				
Balances at January 1, 2024	₱1,569,491,900	₱86,810,752	₱(131,008,174)	₱1,208,496	₱2,941,249	-	₱9,598,002,269	₱13,350,000	₱11,140,796,492	₱166,912,054	₱11,307,708,546
Total comprehensive income	-	-	-	-	-	-	106,799,144	-	106,799,144	6,886,734	113,685,878
Cash dividends	-	-	-	-	-	-	(897,931,082)	-	(897,931,082)	-	(897,931,082)
Reversal of appropriations	-	-	-	-	-	-	-	-	-	-	-
Appropriation (Note 12)	-	-	-	-	-	-	-	-	-	-	-
Balances at Mar 31, 2024	₱1,569,491,900	₱86,810,752	₱(131,008,174)	₱1,208,496	₱2,941,249	-	₱8,806,870,331	₱13,350,000	₱10,349,664,554	₱173,798,788	₱10,523,463,342
Balances at January 1, 2023	₱1,569,491,900	₱86,810,752	₱(131,008,174)	₱(3,858,148)	₱6,800,073	₱1,800,000,000	₱6,927,417,031	₱11,350,000	₱10,267,003,434	₱132,482,482	₱10,399,485,916
Total comprehensive income	-	-	-	-	-	-	263,967,835	-	263,967,835	4,616,074	268,583,909
Cash dividends	-	-	-	-	-	-	-	-	-	-	-
Balances at Mar 31, 2023	₱1,569,491,900	₱86,810,752	₱(131,008,174)	₱(3,858,148)	₱6,800,073	₱1,800,000,000	₱7,191,384,866	₱11,350,000	₱10,530,971,269	₱137,098,556	₱10,668,069,825

See accompanying Notes to Consolidated Financial Statements.

SPC POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Philippine Pesos)

	Three months ended Mar 31	
	2024	2023
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
INCOME BEFORE INCOME TAX	125,341,928	298,696,870
Adjustments for:		
Equity in Net Earnings (Losses) of Associates	(86,428,425)	(169,724,784)
Depreciation and amortization	22,797,214	21,519,274
Interest expense	161,984	188,464
Net changes in pension liability	(2,789,826)	(692,823)
Interest income	(46,813,474)	(21,132,393)
Others	(19,019,489)	29,408,468
Operating income before working capital changes	(6,750,088)	158,263,076
Decrease (increase) in:		
Trade and Other Receivables - net	(16,552,914)	114,520,521
Materials and Supplies - net of allowance	12,012,830	19,417,787
Prepayments and Other Current Assets	(10,084,285)	(9,298,475)
Increase (decrease) in:		
Trade and other payables	(19,660,162)	(44,304,340)
Customers' deposits	2,392,002	292,229
Net cash generated from operations	(38,642,617)	238,890,798
Income Tax Paid	(3,938,159)	(337,890)
Interest paid	(203,941)	(229,948)
Interest received	46,813,474	21,142,370
Net cash flows from operating activities	4,028,757	259,465,330
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash dividends received	590,323,892	19,999,978
Additions to plant, property and equipment	(9,925,560)	(21,948,508)
Decrease in other noncurrent assets	439,146	(7,663,217)
Net cash provided by (used in) investing activities	580,837,478	(9,611,747)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(980,507,245)	(4,342,485)
Payment of lease liabilities	(505,712)	(419,382)
Net cash provided by (used in) financing activities	(981,012,957)	(4,761,867)
NET EFFECT OF EXCHANGE RATE CHANGES	19,019,489	(29,408,949)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(396,146,722)	245,091,716
CASH AND CASH EQUIVALENTS AT BEG. OF PERIOD	4,743,043,034	4,031,421,593
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,365,915,801	4,247,104,360

See accompanying Notes to Financial Statements.

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%

The consolidated interim financial statements of the Group were authorized for issue by the Parent Company's Board of Directors through its Executive Committee on May 6, 2023.

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 2024.

3. Earnings Per Share

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

	Three months ended Mar 31	
	2024	2023
Net income attributable to equity holders of the parent	₱106,799,144	₱263,967,835
Weighted average number of common shares issued and outstanding	1,496,551,803	1,496,551,803
Basic/Diluted earnings per share	₱0.07	₱0.18

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

Number of shares issued	1,569,491,900
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Less weighted average number of treasury shares	72,940,097
	1,496,551,803

There are no dilutive potential common stocks issued as of March 31, 2024.

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 is 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 quarter of 2024.

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

There are no issuances, repurchases and repayments of debt and equity securities during the three months ended March 31, 2024.

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 three months ended March 31, 2024 and 2023.

The following tables present revenue and income information and certain asset and liability information regarding the business segments as of March 31, 2024 and 2023:

Mar 31, 2024

	Before Eliminations				Adjustments and Eliminations	After Eliminations/ Consolidated
	Generation	Distribution	Others	Total		
Revenue	P570,717,973	P249,701,750	-	P820,419,723	-	P820,419,723
Income before income tax	610,285,977	18,835,986	115,432	629,237,395	(503,895,467)	125,341,928
Net income	602,733,465	14,732,447	115,432	617,581,344	(503,895,467)	113,685,878
Total assets	8,778,090,409	711,691,653	66,225,974	9,556,008,036	2,095,229,743	11,651,237,779
Property, plant and equipment	451,841,234	270,921,245	-	722,762,479	1,267,905	724,030,384
Total liabilities	725,688,664	401,693,970	101,268	1,127,483,902	290,535	1,127,774,437
Depreciation and amortization	15,344,946	7,452,268	-	22,797,214	-	22,797,214

Mar 31, 2023

	Before Eliminations				Adjustments and Eliminations	After Eliminations/ Consolidated
	Generation	Distribution	Others	Total		
Revenue	P492,514,867	P422,235,365	-	P914,750,232	-	P914,750,232
Income before income tax	216,478,929	12,647,880	(154,835)	228,971,973	69,724,897	298,696,870
Net income	188,883,582	10,130,265	(154,835)	198,859,012	69,724,897	268,583,909
Total assets	8,648,244,354	856,369,841	62,963,485	9,567,577,680	2,285,473,480	11,853,051,160
Property, plant and equipment	465,964,124	268,186,966	-	734,151,090	1,267,905	735,418,995
Total liabilities	561,627,838	623,016,066	129,759	1,184,773,663	211,672	1,184,985,335
Depreciation and amortization	15,006,576	6,512,698	-	21,519,274	-	21,519,274

Adjustments and eliminations are part of detailed reconciliations presented below:

Reconciliation of Net Income

Three months ended Mar. 31

	2024	2023
Segment net income	P617,581,344	P198,859,012
Equity in net earnings of associates	86,428,425	169,724,784
Dividend Income	(590,323,892)	(99,999,888)
Group net income	P113,685,878	P268,583,909

<i>Reconciliation of Total Assets</i>	Mar 31, 2024	Dec 31, 2023
Segment assets	₱9,556,008,036	₱9,941,635,003
Inter-segment receivables	(8,348,327)	(16,682,422)
Property, plant and equipment	1,267,905	-
Investments in associates and subsidiaries	2,069,788,149	2,573,683,616
Goodwill	32,522,016	32,522,016
Group assets	₱11,651,237,779	₱12,531,158,213

<i>Reconciliation of Total Liabilities</i>	Mar 31, 2024	Dec 31, 2023
Segment liabilities	₱1,127,483,901	₱1,232,761,131
Inter-segment payables	290,536	(9,311,464)
Group liabilities	₱1,127,774,437	₱1,223,449,667

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

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 March 31, 2024 and December 31, 2023 based on contractual undiscounted payments:

Mar 31, 2024						
	Total	Current	1 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days
Financial Assets						
At amortized cost:						
Cash and cash equivalents	P4,365,915,801	P640,555,141	P3,725,360,660			
Trade and other receivables						
Receivable from customers	460,312,563	302,032,489	33,570,073	16,004,703	15,494,979	93,210,319
Dividends receivable	39,999,956	-	-	-	-	39,999,956
Current portion of PSALM deferred adjustments	-	-	-	-	-	-
Due from related parties	3,288,788	508,795	137,357	16,398	199,158	2,427,080
Others	162,059,264	92,782,032	17,698,385	7,578,259	3,849,850	40,150,738
	665,660,571	395,323,316	51,405,815	23,599,360	19,543,987	175,788,093
PSALM deferred adjustments (included in "Other noncurrent assets")	-	-	-	-	-	-
	5,031,576,372	1,035,878,457	3,776,766,475	23,599,360	19,543,987	175,788,093
At FVOCI:						
Investment in proprietary club shares	15,000,000	-	-	-	-	15,000,000
	5,046,576,372	1,035,878,457	3,776,766,475	23,599,360	19,543,987	190,788,093
Financial Liabilities						
Trade and other payables						
Trade	414,611,691	282,275,903	88,815,521	3,308,773	4,344,654	35,866,840
Nontrade	91,904,232	1,188,308	88,172	298,704	-	90,329,048
Accrued expenses	31,749,421	9,856,560	1,183,037	1,107,662	268,783	19,333,379
Due to related parties	523,939	14,149	-	-	7,148	502,642
	538,789,283	293,334,920	90,086,730	4,715,139	4,620,585	146,031,909
Customers' deposits	196,321,926	-	-	-	-	196,321,926
Lease liabilities	10,073,150	-	-	-	-	10,073,150
Dividends payable	37,001,653	37,001,653				
Other noncurrent liability	-	-				
	782,186,012	330,336,573	90,086,730	4,715,139	4,620,585	352,426,985

Dec 31, 2023						
	Total	Current	1 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days
Financial Assets						
At amortized cost:						
Cash and cash equivalents	P4,743,043,034	P798,410,969	P3,944,632,065	-	-	-
Trade and other receivables						
Receivable from customers	457,828,766	296,349,329	31,681,359	18,264,876	13,918,375	97,614,827
Dividends receivable	39,999,956	-	-	-	-	39,999,956
Current portion of PSALM deferred adjustments	31,892,013	31,892,013	-	-	-	-
Due from related parties	3,149,695	557,384	20,474	143,405	196,013	2,232,419
Others	116,237,227	39,395,814	17,110,654	11,097,177	2,645,408	45,988,174
	649,107,657	368,194,540	48,812,487	29,505,458	16,759,796	185,835,376
PSALM deferred adjustments (included in "Other noncurrent assets")	1,839,924	-	-	-	-	1,839,924
	5,393,990,615	1,166,605,509	3,993,444,552	29,505,458	16,759,796	187,675,300
At FVOCI:						
Investment in proprietary club shares	15,000,000	-	-	-	-	15,000,000
	5,408,990,615	1,166,605,509	3,993,444,552	29,505,458	16,759,796	202,675,300
Financial Liabilities						
Trade and other payables						
Trade	394,559,067	368,776,398	3,800,169	280,257	602,161	21,100,082
Nontrade	244,060,030	92,297,513	3,202,704	3,394,647	3,204,128	141,961,038
Accrued expenses	30,994,396	12,089,740	634,320	615,359	(490,310)	18,145,287
Due to related parties	530,150	20,360	-	-	7,148	502,642
	670,143,643	473,184,011	7,637,193	4,290,263	3,323,127	181,709,049
Customers' deposits	193,914,394	-	-	-	-	193,914,394
Lease liabilities	10,725,319	-	-	-	-	10,725,319
Other noncurrent liability	1,839,924	-	-	-	-	1,839,924
	876,623,280	473,184,011	7,637,193	4,290,263	3,323,127	388,188,686

Credit Risk

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

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 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.

Mar 31, 2024			
	Maximum exposure	Offset	Exposure to credit risk
At amortized cost:			
Cash and cash equivalents (excluding cash on hand)	P4,365,307,294	P(10,245,585)	P4,355,061,708
Trade and other receivables	665,660,571		665,660,571
Investment in proprietary club shares	15,000,000	-	15,000,000
	P5,045,967,865	P(10,245,585)	P5,035,722,279
Dec 31, 2023			
	Maximum exposure	Offset	Exposure to credit risk
At amortized cost:			
Cash and cash equivalents (excluding cash on hand)	P4,742,464,501	P(10,138,295)	P4,732,326,206
Trade and other receivables	649,107,657		649,107,657
PSALM deferred adjustments (included in "Other noncurrent assets")	1,839,924	-	1,839,924
At FVOCI:			
Investment in proprietary club shares	15,000,000	-	15,000,000
	P5,408,412,082	P(10,138,295)	P5,398,273,787

As of March 31, 2024 and December 31, 2023, the Group's significant concentration of credit risk pertains to its trade and other receivables and PSALM deferred adjustments amounting to P665.7 million and P650.9 million, respectively, and impaired financial assets, determined based on probability of collection, are adequately covered with allowance.

Applicable for the first quarter and year ended March 31, 2024 and December 31, 2023.

The following are the details of the Group's assessment of credit quality and the related ECLs as at March 31, 2024 and December 31, 2023:

General Approach

- *Cash and cash equivalents* - As of March 31, 2024 and December 31, 2023, 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 March 31, 2024 and December 31, 2023, there were no individually impaired accounts. No ECL is recognized for these receivables since there was 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 March 31, 2024 and December 31, 2023, the allowance for impairment losses as a result from performing collective and specific impairment test amounted to **₱44.9 million**. Management evaluated that the Parent Company's trade receivables are of high grade and of good credit quality.

Mar 31, 2024					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
Gross carrying amount	-	-	₱44,894,258	₱665,660,571	₱710,554,829
Loss allowance	-	-	(44,894,258)	-	(44,894,258)
Carrying amount	-	-	-	₱665,660,571	₱665,660,571

Dec 31, 2023					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
Gross carrying amount	-	-	₱44,894,258	₱649,107,657	₱694,001,915
Loss allowance	-	-	(44,894,258)	-	(44,894,258)
Carrying amount	-	-	-	₱649,107,657	₱649,107,657

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 March 31, 2024 and December 31, 2023, 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 March 31, 2024 and December 31, 2023, the Group considers its investment in proprietary club shares measured and carried at fair values of ₱15.0 million under Level 1 classification, respectively. The Group also considers its noncurrent receivable amounting to nil as of March 31, 2024 and ₱1.8 December 31, 2023, respectively, noncurrent liability amounting to nil million as of March 31, 2024 and ₱1.8 December 31, 2023, and customers' deposits amounting to ₱196.3 million as of March 31, 2024 and ₱193.9 million December 31, 2023, respectively, under the Level 3 classification.

During the reporting period ended March 31, 2024, 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.