



**ALSONS CONSOLIDATED RESOURCES, INC.**

**Php 3,000,000,000 Commercial Paper Program**

**First Tranche: Base offer of Php 1.20 billion (“Base Offer”) and an oversubscription option of up to Php 400.0 million (“Oversubscription Option”)**

**182- and 364-days Tenor**

**Issue Price: Discount to face value**

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Alsons Consolidated Resources, Inc. (“ACR”, the “Company” or the “Issuer”) is authorized by the Securities and Exchange Commission (“SEC”) to issue up to Php 1,600,000,000.00 worth of Commercial Paper (“CP”), as part of a Php 3,000,000,000.00 CP Program. The CP Program will be issued in one or more tranches. The First Tranche will consist of Php 1,200,000,000.00 worth of CPs (“Base Offer”) and an oversubscription of up to Php 400,000,000.00 worth of CPs (“Oversubscription Option”). Assuming full issuance of the First Tranche, the total amount available for future issuances of up to 364 days would be Php 1,400,000,000.00. In addition, any amount out of the First Tranche that will be issued for only 182 days can still be issued for up to another 182 days, subject to SEC’s review and approval. The First Tranche will have the following tenors: 182 days and 364 days for Series AA and AB, respectively. Series AA and AB of the First Tranche will carry Discount Rates of 6.9444% and 7.6906%, respectively, calculated on a true-discount basis. (See “Terms and Description of the CPs – Discount Rate”). The Company expects to use the proceeds to refinance its maturing short-term obligations and for working capital purposes.

The CPs shall be offered to the public (the “Offer”) at discount to face value and in one lump sum or in tranches through the Underwriter and the Selling Agents as may be named below subject to certain conditions in the Underwriting Agreement executed between the Issuer and the Issue Manager, Lead Underwriter and Bookrunner. The CPs are intended to be listed at the Philippine Dealing & Exchange Corp. (“PDEX”) for secondary trading of the CPs and upon such listing, all secondary trading may be coursed through eligible PDEX Trading Participants. The Issuer has been assigned a credit rating of Aa minus corp by the Philippine Ratings Services Corporation (“PhilRatings” or “PRS”) on April 17, 2024. A credit rating is not a recommendation to buy, sell, or hold the securities and may be subject to revision, suspension, or withdrawal at any time by PhilRatings.

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*Issue Manager, Lead Underwriter and Bookrunner*



*Arranger*



January 28, 2025

**THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.**

**ALSONS CONSOLIDATED RESOURCES, INC.**  
**ALSONS BUILDING, 2286 DON CHINO ROCES AVENUE**  
**MAKATI CITY 1231, PHILIPPINES**  
**+632 8982 3000**

ACR is offering the CPs in an aggregate face value of Php 3,000,000,000.00 to be issued in tranches. The First Tranche of the CP Program has an aggregate face value of up to Php 1,600,000,000.00 (the “CPs” or the “Offer”). The Offer will consist of a Base Offer of Php1,200,000,000.00 and an Oversubscription Option of up to Php400,000,000.00. The CPs, which may be issued in lump sum or in tranches, shall have an interest rate fixed prior to issuance.

After the close of the Offer and within three (3) years following the issuance of the CPs, the Company may, at its sole discretion, offer any or all of the remaining balance of the face value of the CPs covered by such registration statement, in one or more subsequent tranches under Rule 12.1.2.5 of the Implementing Rules and Regulations of the Securities Regulation Code. Such registration provides the Company with the ability to take advantage of opportunities in a volatile debt capital market, as these occur, and to issue CPs depending on its financing needs. Subsequent issuances are subject to a rating by PRS.

The CPs will be unsecured obligations of the Company and will rank *pari passu* without any preference amongst themselves and at least *pari passu* with other unsecured and unsubordinated obligations of the Company, present and future, other than obligations preferred by law. The CPs will be effectively subordinated in right of payment to all secured debt of the Company to the extent of the value of the assets securing such debt and all debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines.

The Company expects the net Offer proceeds of the First Tranche to amount to up to approximately **Php 1,122,788,559.66** if only the Base Offer is issued, and **Php 1,498,117,964.55** if the Oversubscription Option is tapped. Such proceeds will be used by the Company to refinance its maturing short-term obligations and for working capital purposes (See “Use of Proceeds” on page 41). The Issue Manager, Lead Underwriter and Bookrunner will receive 0.40% per annum of the aggregate face value of the CPs issued. Such amount shall be inclusive of the underwriting and selling agency fees, if applicable, and shall be deductible from the gross proceeds of the Offering.

The Company was incorporated on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. in March 1995 and to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. ACR’s primary purpose was consequently changed to that of an investment holding company and oil exploration was relegated as a secondary purpose. The Company’s ultimate parent company is Alsons Corporation, a company incorporated in the Philippines.

ACR's core businesses, conducted through its various subsidiaries and associates, are grouped into main categories consisting of Energy and Power, Property Development, and Other Investments.

ACR's investment in the Energy and Power business is through four holding firms, namely, Conal Holdings Corporation, Alsing Power Holdings, Inc., Alsons Renewable Energy Corporation, and Alsons Thermal Energy Corporation.

The Company is also engaged in property development through its subsidiaries, Alsons Land Corporation and Kamanga Agro-Industrial Economic Development Corporation. The property development and other investment segment is currently not active in construction and development as such. Hence, the property development and other investments is inactive in terms of ongoing construction and development projects. This means that, at the moment, the company is not engaged in building new properties, infrastructure, or related activities.

Declaration of dividends is subject to approval by the Board of Directors. Management continuously endeavors to increase ACR's share value through new projects and expansion programs while at the same time provide yearly dividends to its shareholders. On June 8, 2011, the Board of Directors adopted a dividend policy of annually declaring dividends from 20% of the previous year's unappropriated retained earnings. See "Dividends" on page 92.

Unless otherwise stated, all information contained in this Prospectus has been supplied by the Company. The Company, through its Board, having made all reasonable inquiries, accepts full responsibility for the information contained in this Prospectus and confirms that this Prospectus contains all material information with regard to the Company, its business and operations and the CPs, which as of the date of this Prospectus is material in the context of the Offer; that, to the best of its knowledge and belief as of the date hereof, the information contained in this Prospectus are true and correct and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and, that there are no other facts, the omission of which makes this Prospectus, as a whole or in part, misleading in any material respect. The delivery of this Prospectus shall not, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the date hereof.

Neither the delivery of this Prospectus nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in this Prospectus is accurate as of any time subsequent to the date hereof.

The Issue Manager, Lead Underwriter and Bookrunner confirms that it has exercised due diligence ascertaining that all material information contained in this Prospectus are true and correct and that no material information was omitted, which was necessary in order to make the statements contained in the said document not misleading as of the date indicated herein. The CPs will be underwritten on a firm basis. Please refer to the section "Plan of Distribution" on Page 45 of this Prospectus.

Market data and certain industry information used throughout this Prospectus were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither the Company nor the Issue Manager, Lead Underwriter and Bookrunner makes any representation as to the accuracy and completeness of such information.

In making an investment decision, applicants are advised to carefully consider all the information contained in this Prospectus, including the following key points characterizing potential risks in an investment in the CPs:

### **Risks relating to the Company and its business**

- Risk on Foreign Exchange Rate Fluctuations
- Risk on Interest Rate Fluctuations
- Risk on Liquidity
- Risks on creditworthiness of counterparties
- Risks relating to project cost and completion
- Risk relating to property development
- Risk on malfunctions and failures to operate
- Risk of insufficient fund to finance the project
- Risk on failure in operations of the Power plants
- Risk on assurance of successful implementation of business plans and strategies
- Reputational Risk of Directors and Officers of the Company
- Risk on foreign ownership limitations
- Regulatory Risks
- Competitive Risk
- Risk on Stranded Assets

### **Risks Relating to the Philippines**

- Slowdown in the Philippine economy
- Political or social instability
- Natural catastrophe and calamity

Risk relating to the Ukraine-Russia Conflict

### **Risks Relating to the Commercial Papers**

- Liquidity Risk – the Philippine securities markets are substantially smaller, less liquid and more concentrated than the major securities markets
- Price Risk – the CPs' market value moves (either up or down) depending on the movements in interest rates
- Retention of Ratings Risk – there is no assurance that the rating of the CPs will be retained throughout the life of the CPs

For a more detailed discussion on the risks in investing, see section on “*Risk Factors*” beginning on page 25 of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the CPs.

This Prospectus includes forward-looking statements. The Company has based these forward-looking statements largely on its current expectation and projections about future events and financial trends affecting its business and operations. Words including, but not limited to “believe”, “may”, “will”, “estimates”, “continues”, “anticipates”, “intends”, “expects” and similar words are intended to identify forward-looking statements. In light of the risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances in this Prospectus may or may not occur. The Company’s actual results could differ significantly from those anticipated in the Company’s forward-looking statements.

The contents of this Prospectus are not to be considered as legal, business or tax advice. Each prospective purchaser of the CPs receiving a copy of this Prospectus acknowledges that he has not relied on the Issue Manager, Lead Underwriter and Bookrunner or Selling Agents, as applicable, in his investigation of the accuracy of such information or his investment decision. Prospective

purchasers should consult their own counsel, accountants or other advisors as to legal, tax, business, financial and related aspects of a purchase of the CPs.

The CPs are offered solely on the basis of the information contained and the representations made in this Prospectus. No dealer, salesman or other person has been authorized by the Company or by the Arranger, or by the Issue Manager, Lead Underwriter and Bookrunner to issue any advertisement or to give any information or make any representation in connection with the Offer other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorized by the Company or by the Arranger or by the Issue Manager, Lead Underwriter and Bookrunner.

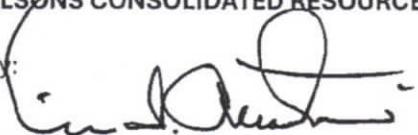
The laws of certain jurisdictions may restrict the distribution of this Prospectus and the offer and sale of the CPs. Persons into whose possession this Prospectus or any of the CPs come must inform themselves about and observe any such restrictions. Neither the Company, the Arranger, the Issue Manager, Lead Underwriter and Bookrunner and the Selling Agents, if any, nor any of its or their respective representatives are making any representation to any prospective purchaser of the CPs of the legality of any investment in the CPs by such prospective purchaser under applicable legal investment or similar laws or regulations.

The Company is organized under the laws of the Republic of the Philippines. Its principal office is located at Alsons Building, 2286 Chino Roces Avenue, Makati City 1231, Philippines, with telephone number +63 2 8982 3000. Any inquiry regarding this Prospectus should be forwarded to the Company.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED  
HEREIN ARE TRUE AND CURRENT.

ALSONS CONSOLIDATED RESOURCES, INC.

By:



NICASIO I. ALCANTARA  
Chairman and President

JAN 28 2025

PASIG CITY

SUBSCRIBED AND SWORN to before me this        day of        2025 in       ,  
Philippines, affiants exhibiting to me their respective TIN: 105-252-527,  
issued respectively on JAN 28 2025 in PASIG CITY

Doc. No 23;  
Page No 16;  
Book No I;  
Series of 2025.

  
**JOSE M. JASON J. FRANCISCO**  
Appointment No 109 (2025-2026)  
Notary Public for Pasig City  
Until December 31, 2026  
2507 Prestige Tower, F. Ortigas Jr. Road  
Ortigas Center, Pasig City  
Roll No. 62594; 04/29/2013  
PTR No. 2863354; 01/02/2025; Pasig City  
IBP Life Member No. 013055; 01/05/2015  
MCLE Compliance No. VIII-0011346; 08/05/2024

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## DEFINITION OF TERMS

ACES	Aces Technical Services Corporation
ACR or Company	Alsons Consolidated Resources, Inc.
Alsing	Alsing Power Holdings, Inc. one of the four holding firms of Alsons under its Energy and Power business
ADIC or ALDEVINCO	Alsons Development and Investment Corporation
Alsons or ACR	Alsons Consolidated Resources, Inc.
AREC	Alsons Renewable Energy Corporation, one of the four holding firms of Alsons under its Energy and Power business
ATEC	Alsons Thermal Energy Corporation, one of the four holding firms of Alsons under its Energy and Power business
Banking Day	A day (except Saturdays, Sundays and holidays) on which banks in the Philippines are open for business
BIR	Bureau of Internal Revenue
BOO	“Build-Operate-Own” agreement
BSP	Bangko Sentral ng Pilipinas, the central bank of the Philippines
BVAL	Bloomberg Valuation benchmark reference rates as reported in the Bloomberg system
Conal or CHC	Conal Holdings Corporation, one of the four holding firms of Alsons under its Energy and Power business
Corporation Code	Batas Pambansa Blg. 68, otherwise known as “The Corporation Code of the Philippines” as amended by Republic Act No. 11232, otherwise known as the “Revised Corporation Code of the Philippines”.
CP or CPs	The Commercial Papers which are evidence of indebtedness registered with the SEC with maturity of three hundred and sixty-five (365) days or less
CP Holder	A purchaser of the CPs

CP Program	The Php 3,000,000,000 registration which will be issued in one or more tranches
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CSP	Competitive Selection Process
COC	ERC Certificate of Compliance
Counsel to the Underwriter and Transaction Counsel	Acuna Francisco & Mendoza Law, the Law Firm engaged to represent and guide the Parties (RCBC Capital Corporation & MIB Capital Corporation) in the Registration and Issuance of the Commercial Papers (the “Transaction”).
Counsel to the Issuer	Atty. Jonathan F. Jimenez
DENR	Philippine Department of Environment and Natural Resources
Directors	The members of the Board of Directors of the Company
Eagle Ridge	The Eagle Ridge Golf & Residential Estate
ECA	Energy Conversion Agreement
EPC	Engineering, Procurement and Construction is a form of arrangement where the EPC Contractor is responsible for all the activities from design, procurement, construction to handover to the Owner
ERC	Energy Regulatory Commission
First Tranche	The first issuance under the Commercial Paper Program
Arranger	MIB Capital Corporation shall act as the Arranger and shall assist the Issuer in the preparations leading to a successful issuance of the CPs and shall assist in determining the terms and condition on which the Offering will be marketed.
FO	Fuel Oil
Government	The Government of the Republic of the Philippines
GRT	Gross receipts tax
Independent Counsel	Atty. Carlo Artemus V. Diaz, has been engaged to determine the validity and binding nature of the CPs and review the Taxation write up on the Registration Statement.
Issue Date	A date at which the CPs or a portion thereof shall be issued by the Issuer, which date shall be set by the Issuer in consultation with the Issue Manager, Lead Underwriter and Bookrunner. For the

	avoidance of doubt, an Issue Date shall at any time be a date which is within the validity of the SEC Permit to Sell.
Issue Manager, Lead Underwriter and Bookrunner	RCBC Capital Corporation shall act as the Issue Manager, Lead Underwriter, and Bookrunner and will be the lead coordinator in charge of organizing the issuance of the CPs.
Issuer	Alsons Consolidated Resources, Inc.
Kalaong	Kalaong Hydro Power Corporation
Listing Date	The date at which the CP shall be listed with PDEX
MPC	Mapalad Power Corporation
NPC	National Power Corporation
O&M	Operation and Maintenance
Offer	Up to Php1,600,000,000 worth of Commercial Paper pertaining to the First Tranche of the Commercial Paper Program
Offer Price	Discount to face value
Offtake Agreement / Power Supply Agreement/ Power Sales Agreement / PSA	A contract between two parties, one which generates electricity (the seller) and one which is looking to purchase electricity (the buyer)
Offtaker	Party who buys capacity and its corresponding energy prior to production by the project to lock in a long-term supply
Php or P	Philippine Pesos, the lawful currency of the Republic of the Philippines
PDEX	Philippine Dealing & Exchange Corp.
PDTC	The Philippine Depository and Trust Corporation
PEZA	Philippine Economic Zone Authority
PFRS	Philippine Financial Reporting Standards
Philratings or PRS	Philippine Ratings Services Corporation

Prospectus	This Prospectus together with all its annexes, appendices and amendments, if any
RFO	Residual Fuel Oil

Sarangani Energy/ Sarangani	Sarangani Energy Corporation
SEC	The Philippine Securities and Exchange Commission
SEC Permit to Sell	The Certificate of Permit to Offer Securities for Sale issued by the SEC authorizing the Company to offer for sale and sell the CPs to the public
Sigil/ SHPC	Sigil Hydro Power Corporation
Subsequent Issuance	Issuances subsequent to the First Tranche
SPPC	Southern Philippines Power Corporation
SRC	Republic Act No. 8799, otherwise known as "The Securities Regulation Code"
SRPI	San Ramon Power, Inc.
TTC	Toyota Tsusho Corporation
Underwriting Agreement	The agreement entered into by and between the Company and the Underwriter, indicating the terms and conditions of the Offer and providing that the Offer shall be fully underwritten by the Underwriter
VAT	Value Added Tax
WMPC	Western Mindanao Power Corporation

## EXECUTIVE SUMMARY

*The following summary does not purport to be complete and is taken from and qualified in its entirety by the more detailed information including the Company's financial statements and notes relating thereto, appearing elsewhere in this Prospectus.*

## OVERVIEW OF THE COMPANY

The Company was incorporated on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. in March 1995 and to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. ACR's primary purpose was consequently changed to that of an investment holding company and oil exploration was relegated as a secondary purpose. The Alcantara Group owns 79.97% of the outstanding common shares of ACR through Alsons Corporation (41.21%), Alsons Power Holdings Corporation (19.87%) and Alsons Development and Investment Corporation (18.89%).

ACR's core businesses, conducted through its various subsidiaries and associates, are grouped into main categories consisting of Energy and Power, Property Development, and Other Investments.

ACR's investment in the Energy and Power business is through four holding firms, namely, Conal Holdings Corporation, Alsing Power Holdings, Inc., Alsons Renewable Energy Corporation, and Alsons Thermal Energy Corporation.

The Company has three (3) operating power generation subsidiaries, namely, Western Mindanao Power Corporation ("WMPC"), Mapalad Power Corporation ("MPC"), and Sarangani Energy Corporation ("Sarangani Energy"), all of which are located in Mindanao. ACR, through its subsidiaries, is also conducting feasibility studies on renewable energy projects.

WMPC operates a 100-megawatt (MW) diesel-fired electricity generating facility in Zamboanga City as a merchant plant after its 18-year "Build-Operate-Own" (BOO) arrangement with the National Power Corporation (NPC) expired in December 2015. WMPC currently provides power to Zamboanga City thru a power sales agreement (PSA) with Zamboanga City Electrical Cooperative.

MPC rehabilitated the 103MW bunker-fired Iligan Diesel Power Plants (IDPPs) I and II, which Conal acquired from the Iligan City Government and started operating these plants on February 27, 2013. MPC currently functions as a merchant plant and serves various electric cooperatives in Mindanao.

Sarangani Energy's 210MW coal-fired power plants are located in Maasim, Sarangani Province. Its first section of 105MW began commercial operations in April 2016, while its second section of another 105MW or Phase 2 started commercial operations on October 10, 2019.

ACR has completed construction, its first renewable energy project under Siguil Hydro Power Corporation, which will operate a 14.5MW run-of-river electricity generating facility located at the Siguil River basin in Maasim, Sarangani. The issuance of the COC is expected in the fourth quarter of this year. The Company likewise began site development and clearing works for SRPI's 105MW coal-fired power

plant project, which could supply power to Zamboanga City and other parts of the Zamboanga Peninsula.

ACR also owns Southern Philippines Power Corporation. SPPC owns a 55 MW diesel-fired electricity generating facility located in Alabel, Sarangani Province, 13 kilometers east of General Santos City. SPPC's 18-year BOO arrangement with NPC expired on April 28, 2016. SPPC has no current power sales agreement but the Company is currently looking into repurposing SPPC to include engagement in renewable energy industry as one of its primary purpose.

The Company is also engaged in property development through its subsidiaries, Alsons Land Corporation and Kamanga Agro-Industrial Economic Development Corporation. The property development and other investment segment is currently not active in construction and development as such. Hence, it currently does not have any suppliers.

## **COMPETITIVE STRENGTHS**

The Company believes that its strengths lie in the following:

- In-depth knowledge of the Mindanao region
- Experienced management team
- Proven track record in developing and operating greenfield power projects
- Enhanced competitiveness and sustainable growth
- Focused strategies

Additional information on the Company's Competitive Strengths may be found in the "*The Company*" beginning on page 61.

## **BUSINESS STRATEGY**

ACR's expansion strategy is driven by the needs of the Mindanao grid and is supported by long-term offtake agreements. The Company will position its diesel plants to perform roles that are not effectively and efficiently served by coal fired power plants. In addition, ACR will develop its pipeline of hydro power projects to round up its generation mix with renewable sources.

ACR's expansion will:

- Allow it to provide a complete power solution to the Mindanao grid
- Mitigate fuel-type specific risks such as volatilities in fuel costs and regulatory concerns linked to certain fuel types
- Enhance competitiveness of ACR in the Mindanao Electricity Market
- Diversify revenue and cash flow source.

## **RISKS OF INVESTING**

Before making an investment decision, investors should carefully consider the risks associated with an investment in the CPs. These risks include:

### **Risks relating to the Company and its business**

- Risk on Foreign Exchange Rate Fluctuations
- Risk on Interest Rate Fluctuations
- Risk on Liquidity
- Risks on creditworthiness of counterparties Risks relating to project cost and completion
- Risk relating to property development
- Risk on malfunctions and failures to operate
- Risk of insufficient fund to finance its project
- Risk on failure in operations of the Power plants
- Risk on assurance of successful implementation of business plans and strategies
- Reputational Risk of Directors and Officers of the Company
- Risk on foreign ownership limitations
- Regulatory Risks
- Competitive Risk
- Risk on Stranded Assets

### **Risks Relating to the Philippines**

- Slowdown in the Philippine economy
- Political or social instability
- The occurrences of natural catastrophe and calamity
- Risk relating to the Ukraine-Russia Conflict

### **Risks Relating to the Commercial Papers**

- Liquidity Risk – the Philippine securities markets are substantially smaller, less liquid and more concentrated than major securities markets
- Price Risk – the CPs market value moves (either up or down) depending on the movements in interest rates
- Retention of Ratings Risk – there is no assurance that the rating of the CPs will be retained throughout the life of the CPs

For a more detailed discussion on the risks in investing, see section on “*Risk Factors*” beginning on page 25 of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the CPs.

### **CORPORATE INFORMATION**

The Company’s principal office is located at Alsons Building, 2286 Chino Roces Avenue, Makati City 1231, Philippines with telephone number +632 8982 3000.

## SUMMARY FINANCIAL INFORMATION

*The selected financial information set forth in the following table has been derived from the Company's Interim Financial Statements as of September 30, 2024 and 2023 (with comparative Audited Consolidated Balance sheet as of December 31, 2023). These should be read in conjunction with the financial statements and notes thereto contained in this Prospectus and the section entitled "Management's Discussion and Analysis of Financial Condition" and other financial information included herein.*

*The Company's audited financial statements were prepared by SyCip Gorres Velayo & Co. (SGV) a member practice of Ernst & Young Global, in accordance with PFRS. The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.*

### **Income Statement & Balance Sheet (September 30, 2024)**

<b>CONSOLIDATED INCOME STATEMENT DATA (in Php millions)</b>		
<b>Nine Months Ended</b>	<b>September 30 (unaudited)</b>	
	<b>2024</b>	<b>2023</b>
Revenues	Php 8,915	Php 9,995
Cost and Expenses	(Php 6,792)	(Php 7,990)
<b>Income Before Income Tax</b>	<b>Php 2,123</b>	<b>Php 2,005</b>
Provision for (Benefit From) Income Tax	Php 235	Php 229
<b>Net Income</b>	<b>Php 1,888</b>	<b>Php 1,775</b>

<b>CONSOLIDATED BALANCE SHEET DATA (in Php millions)</b>		
	<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>		
Current Assets	13,856	10,589
Noncurrent Assets	37,413	37,360
<b>Total Assets</b>	<b>51,269</b>	<b>47,950</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities	11,721	11,410
Noncurrent Liabilities	19,519	16,907
<b>Total Liabilities</b>	<b>31,241</b>	<b>28,317</b>
<b>Total Equity</b>	<b>20,028</b>	<b>19,633</b>
<b>Total Liabilities and Equity</b>	<b>51,269</b>	<b>47,950</b>

**Income Statement & Balance Sheet – Year ending 2023, 2022, & 2021**

<b>CONSOLIDATED INCOME STATEMENT DATA (in Php Millions)</b>			
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Revenues	12,423	11,989	10,054
Cost and Expenses	(8,681)	(8,622)	(6,933)
Other Income/ (Charges)	(1,176)	(1,147)	(1,635)
<b>Income Before Income Tax</b>	<b>2,567</b>	<b>2,220</b>	<b>1,486</b>
Provision for (Benefit From) Income Tax	282	345	165
<b>Net Income</b>	<b>2,285</b>	<b>1,875</b>	<b>1,321</b>

<b>CONSOLIDATED BALANCE SHEET DATA (in Php Millions)</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>				
Current Assets	10,589	11,264	11,204	9,393
Noncurrent Assets	37,360	36,533	36,552	37,022
<b>Total Assets</b>	<b>47,950</b>	<b>47,796</b>	<b>47,756</b>	<b>46,415</b>
<b>LIABILITIES AND EQUITY</b>				
Current Liabilities	11,410	9,789	9,530	8,847
Noncurrent Liabilities	16,907	19,099	20,274	21,863
<b>Total Liabilities</b>	<b>28,317</b>	<b>28,887</b>	<b>29,804</b>	<b>30,710</b>
<b>Total Equity</b>	<b>19,633</b>	<b>18,909</b>	<b>17,952</b>	<b>15,704</b>
<b>Total Liabilities and Equity</b>	<b>47,950</b>	<b>47,796</b>	<b>47,756</b>	<b>46,414</b>

## THE OFFER

*The following do not purport to be a complete listing of all the rights, obligations and privileges of the CPs. Some rights, obligations or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective note holders are enjoined to perform their own independent investigation and analysis of the Issuer and the Commercial Papers. Each prospective note holder must rely on its own appraisal of the Issuer and the proposed financing and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to participate in the proposed financing and must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective note holder's independent evaluation and analysis.*

*The following overview should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Prospectus. This overview may not contain all of the information that prospective investors should consider before deciding to invest in the CP. Accordingly, any decision by a prospective investor to invest in the CPs should be based on a consideration of this Prospectus as a whole, which provides the material rights, obligations and privileges of a CP Holder. Should there be any inconsistency between the summary below and the final documentation, the final documentation shall prevail.*

The following are the terms and conditions of the First Tranche:

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Issuer	: Alsons Consolidated Resources Inc.
Issue Manager, Lead Underwriter, and Bookrunner	: RCBC Capital Corporation
Arranger	: MIB Capital Corporation
Instrument	: SEC-Registered Commercial Paper
CP Program	: Three Billion Pesos Php 3,000,000,000.00
Issue Size	: Base Offer of Php 1,200,000,000.00 and an Oversubscription Option of up to Php 400,000,000.00.
Oversubscription Option	: In the event of an oversubscription, the Issue Manager, Lead Underwriter, and Bookrunner, in consultation with the Issuer, shall increase the Base Offer by up to Php 400,000,000.00.
Use of Proceeds	: For debt refinancing and working capital purposes
Tenor / Initial Issuance	: The tenor of the First Tranche shall be as follows: Series AA: One Hundred Eighty-Two (182) days from Issue Date Series AB: Three Hundred Sixty-Four (364) days from Issue

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	Date
Denomination	: Minimum of Pesos: Five Hundred Thousand (Php 500,000.00) face value and increments of Pesos: One Hundred Thousand (Php 100,000.00)
Issue Price	: Discount to Face Value
Issue Date	: February 10, 2025
Discount Rate for the First Tranche	: The discount rate for the First Tranche will be determined using formula: Benchmark Rate + Spread (as defined below)  Series AA: 6.9444%  Series AB: 7.6906%
Benchmark Rate	: The three-day average PHP BVAL benchmark rate of the corresponding tenor.  The corresponding benchmark rates are as follows:  Series AA: PHP BVAL 6M, or its successor benchmark rate  Series AB: PHP BVAL 1Y, or its successor benchmark rate
Spread	: The spreads for the First Tranche are as follows:  Series AA: 140 basis points  Series AB: 190 basis points
Discount Rate for Subsequent Issuance/s	: The discount rate for the subsequent issuance/s shall be set by the issuer in consultation with the underwriter which may be determined based on the corresponding Benchmark Rate plus Spread
Minimum Denomination for Secondary Trading	: Minimum of Pesos: One Hundred Thousand (Php 100,000.00) face value and increments of Pesos: Ten Thousand (Php 10,000.00)
Tenor of Subsequent Issuance/s	The tenor of succeeding issues may range from thirty (30) days up to the maximum tenor allowed by the Securities and Exchange Commission (SEC) under the relevant provisions of the Securities Regulation Code (SRC)
Interest Computation	: The Interest/Discount Rate will be calculated on a true-discount basis
Principal Repayment	: The principal amount of the CPs will be repaid in full at their respective Maturity Dates.

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<p>If such principal repayment is due on a day that is not a business day, the principal repayment date shall be made on the immediately succeeding business day. No additional interest will be paid in such case.</p>	
Status	: The CPs will constitute direct, unconditional, unsubordinated, general and unsecured obligations of the Issuer ranking at least pari passu in all respects and without preference or priority (except for any statutory preference or priority applicable in the winding-up of the Issuer) with all other outstanding unsecured and unsubordinated obligations (contingent or otherwise, present and future of the Issuer).
Form	: The CPs shall be issued scripless and will be maintained in electronic form with the Registrar to be appointed for the purpose
Taxation	<p>: Interest paid on the CPs shall be subject to a 20% final withholding tax.</p> <p>A CP Holder who is exempt from or is not subject to the aforesaid withholding tax shall be required to submit a tax exemption certificate and other applicable documents.</p>
Registrar	: Philippine Depository & Trust Corp.
Paying Agent	: Philippine Depository & Trust Corp.
Facility Agent	<p>: AB Capital and Investment Corporation – Trust Department</p> <p>The Facility Agent has no direct relations with the Issuer.</p>
Counsel to the Issuer	Atty. Jonathan F. Jimenez
Counsel to the Underwriter and Transaction Counsel	Acuna Francisco & Mendoza Law
Secondary Trading	: The CPs are intended to be listed at the Philippine Dealing & Exchange Corp. (PDEx) for secondary trading of the CPs and upon such listing, all secondary trading may be coursed through eligible PDEx Trading Participants.
Market Maker	: Unicapital, Inc.
Manner of Purchase	: The CPs will be available for sale from the Lead Underwriter and Selling Agents, if any, subject to minimum purchase amount and denomination.

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Acceptance / Rejection of the Application	: The Issue Manager, Lead Underwriter and Bookrunner reserve the right to accept or reject any application for CPs. In case of over-subscription, the Issuer and the Issue Manager, Lead Underwriter and Bookrunner reserve the right to allocate the CPs available to the investors in a manner they deem appropriate.
Delivery of CP	: Delivery of the CPs will be made upon full payment of the Offer Price to the Underwriter and/or Selling Agents
Liabilities	: The Company as the CP issuer is liable and responsible for any and all obligations arising from the sale of the CP as provided under pertinent sections of the Negotiable Instruments Law, the SRC and applicable laws of the Philippines as well as in the Underwriting Agreement and related agreements. In addition, the Issuer is responsible for complying with all reportorial requirements of the SEC in connection with the issuance of the CP.
Credit Rating	<p>: The Issuer has a rating of PRS Aa minus corp. as assigned by Philratings on April 17, 2024.</p> <p>The rating reflects the following key considerations:</p> <ul style="list-style-type: none"> <li>i. the start of full operations of the Mindanao-Visayas Interconnection Project (MVIP) and the commencement of the Wholesale Electricity Spot Market (WESM) and Retail Competition and Open Access (RCOA) in Mindanao;</li> <li>ii. the Company's ability to establish joint ventures with strong partners for particular projects;</li> <li>iii. (iii) its planned expansion projects which will further diversify its generation mix;</li> <li>iv. (iv) the Company's continued recovery marked by its notable revenue growth and improved profitability; and</li> <li>v. its satisfactory liquidity, supported by positive operating cash flows.</li> </ul>
Security	: Negative pledge on the Company's existing and future assets, except (i) to secure statutory obligations, (ii) to enable the Company to continue to enter into its usual transactions in the ordinary course of business, (iii) those imposed by law or arising out of pledges or deposits under workmen's compensation laws or other social security or retirement benefits or similar legislation, and (iv) those created for the purpose of paying current taxes, assessments or other

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governmental charges which are not delinquent or remain payable without any penalty, or the validity of which is contested in good faith by appropriate proceedings upon stay of execution of the enforcement thereof.

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Default : There are no expected events that will trigger any direct or contingent financial obligations that are material to the Company, including any default or acceleration of an obligation.

The CPs will be paid in full on the respective Maturity Dates and are not subject to any rollover provision. Non-payment of the CPs on maturity date will constitute an event of default which may also trigger cross-default provisions in the Issuer's other financial obligation.

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Other Terms and Conditions : 

1. The CPs will not be convertible to any other security or equity of the Issuer.
2. The Issuer will not set up any sinking fund for the redemption of the CPs.
3. Substitution of the CP with another type of security will not be permitted.

Other terms and conditions as may be agreed upon among the Issuer, the Issue Manager, Lead Underwriter and Bookrunner.

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## RISK FACTORS

### GENERAL RISK WARNING

*The price of securities can and does fluctuate, and any individual security may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. Past performance is not a guide to future performance.*

*There is an extra risk of losing money when securities are issued by smaller companies. There may be a big difference between the buying price and the selling price of these securities.*

*Investors deal in a range of investments each of which may carry a different level of risk.*

### PRUDENCE REQUIRED

*The risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. Investors should undertake independent research and study on the trading of these securities before commencing any trading activity. Investors may request publicly available information on the CPs and the Company from the SEC and PDE.*

### PROFESSIONAL ADVICE

*An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially high-risk securities.*

### RISK FACTORS

*An investment in the CPs described in this Prospectus involves a certain degree of risk. A prospective purchaser of the CPs should carefully consider the following factors, in addition to the other information contained in this Prospectus, in deciding whether to invest in the CPs. This Prospectus contains forward-looking statements that involve risks and uncertainties. ACR adopts what it considers conservative financial and operational controls and policies to manage its business risks. The Company's actual results may differ significantly from the results discussed in this Prospectus. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of ACR in particular, and those that pertain to the over-all political, economic, and business environment, in general. These risk factors and the manner by which these risks shall be managed are presented below. The risk factors discussed in this section are of equal importance and are only separated into categories for easy reference.*

*Investors should carefully consider all the information contained in this Prospectus including the risk factors described below, before deciding to invest in the CPs. The Company's business, financial condition and results of operations could be materially adversely affected by any of these risk factors.*

## RISKS RELATING TO THE COMPANY AND ITS BUSINESS

*The following discussion is not intended to be a comprehensive description of all applicable risk considerations and is not in any way meant to disclose all risk considerations or other significant aspects of participation in the CPs. Prospective participants are encouraged to make their own independent legal, financial, and business examination of the Company.*

Through prudent management and cautious investment decisions, ACR constantly strive to minimize risks that can weaken its financial position. However, certain risks are inherent to specific industries and are not within the direct control of the Company.

Some of the risks that the Company and its subsidiaries may be exposed to are the following:

### **1. Risk on Foreign Exchange Rate Fluctuations**

The Company's exposure is primarily associated with fluctuations in the value of the Peso against the U.S Dollar and other foreign currency. The spare parts and insurance of SPPC and WMPC are denominated in U.S. Dollars. A significant depreciation of the Peso against the US Dollar or other foreign currencies may have an adverse impact on the Company's ability to procure raw material, spare parts, adequate insurance coverage or other foreign currency-denominated items in a timely manner and at reasonable cost; and it may hinder its ability to finance expansion or maintenance projects. The combined impact of foreign exchange rate fluctuations on the Company's operations may have an adverse impact on its financial results and cashflows.

*Risk Mitigation:*

The Company also keeps a portion of its short-term investments in foreign currency to serve as a hedge in foreign exchange fluctuations since a depreciation in the peso will be offset by the appreciation in the short term foreign currency investment. The impact of foreign exchange fluctuation is very minimal because related cost such as spare part and insurance cost are passed on to customers.

### **2. Risk on Interest Rate Fluctuations**

The Company regularly access the private debt or public debt markets to partially finance its capital expenditure programs and operating and maintenance needs. Any increase in the cost of obtaining debt financing may negatively impact the Company's ability to continue or complete its capital expenditure programs and finance its operations. While the Bangko Sentral ng Pilipinas (BS) has recently cut interest rates, this doesn't guarantee that there will be no rate hikes in the near future.

*Risk Mitigation:*

The Company's interest rate risks management policy centers on reducing overall interest expense and minimizing other costs of borrowing. Changes in market interest rates would have material impact on the Company's interest-bearing obligations, specifically on those with floating interest rates.

ACR and its subsidiaries manage their interest rate risks by averaging its debt portfolio and by optimizing the mix of fixed and variable interest rates. Other measures are employed to avert risk include pre-payment of debts and re-financing of loans as the opportunities arise. Moreover, utilization of existing credit facilities has been kept to a minimum.

### **3. Risk on Liquidity**

Liquidity risk arises from the possibility that the Company encounter difficulties in raising funds to meet or settle its obligations at a reasonable price. In addition, the Company may be unable to refinance its outstanding debt, and any future financing arrangements entered into by the Company may be less favorable than the current ones.

*Risk Mitigation:*

The Company and its subsidiaries carefully manage their liquidity position to be able to finance their working capital, debt service, and capital expenditure requirements. Sufficient levels of cash and short-term money market placements are maintained to meet maturing obligations. Management regularly monitors and forecasts its cash commitments, matches debt payments with cash generated from the assets being financed, and negotiates with creditors on possible re-financing of existing loans to avail of better terms and conditions.

The Company is a regular issuer of commercial papers and has an established track record of successfully raising funds and repaying its debt obligations. Furthermore, the Company has earned a issuer rating of Aa minus from Philratings, which suggests its ability to repay its obligations. In addition, ACR's shareholders have enough funds and bank lines to fund possible shortages to finance the projects.

### **4. Risks on creditworthiness of counterparties**

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or a customer contract. This may prevent the Company from collecting earned revenues and cause it to incur financial losses.

*Risk Mitigation:*

ACR and subsidiaries transact only with companies and institutions that are in a sound financial position and have demonstrated good credit standing. The power companies' receivables are from various electric cooperatives and the collection of which has been current and up to-date except for SPPC's long-outstanding receivables from NPC amounting to Php123 million. These receivables pertain to the portion of accounts that was disputed by and was decided upon by the Energy Regulation Commission (ERC) on June 3, 2013 in favor of SPPC. On July 23, 2013, NPC elevated the case to the Court of Appeals (CA).

On August 17, 2015, CA denied NPC's motion for reconsideration and decided in favor of SPPC. On September 18, 2015, NPC elevated the case with the Supreme Court (SC). On July 4, 2016, SC rendered a decision holding NPC liable to pay SPPC for the additional 5 MW from 2005 to 2010

which affirmed ERC's requirement for both parties to reconcile settlement amount. On November 23, 2016, SC issued its decision to deny the motion for reconsideration submitted by NPC and to render the case with finality. On October 19, 2018, SPPC filed an Urgent Motion to Resolve the pending issue on the NPC's liability for interest, and SPPC's motion for issuance of writ of execution against NPC for the payment of the principal amounts owed by NPC to SPPC.

On October 19, 2018, SPPC filed an Urgent Motion to Resolve the pending issue on the NPC's liability for interest, and SPPC's motion for issuance of writ of execution against NPC for the payment of the principal amounts owed by NPC to SPPC.

On September 6, 2019, SPPC filed with ERC a Manifestation with Urgent Motion to Resolve, praying that the commission: (1) resolve and grant SPPC's Omnibus Motion for Issuance of Writ of Execution and Notice of Garnishment dated July 18, 2018; and (2) resolve the issue of NPC's liability for interest in favor of SPPC under the Energy Conversion Agreement.

On December 4, 2019, while awaiting the ERC's resolution on SPPC's motion, SPPC's Executive Vice President, Tirso G. Santillan, wrote a letter to the NPC stating that "SPPC agreed to collect the principal amount of Php68.64 million and US\$5.77 million, and waive the interests amounting to Php52.98 million and US\$3.43 million."

On December 9, 2019, the NPC, through its president and CEO Pio J. Benavidez, signified its agreement to SPPC's waiver of its claim of interest.

On December 27, 2019, SPPC filed with the ERC an Omnibus Motion to (a) Resolve and (b) Withdraw Claim for Interest.

On October 14, 2020, SPPC filed a Motion to Resolve with the Commission on Audit (COA) requesting COA to immediately resolve the Petition for Money Claim.

On November 26, 2021, the COA issued its decision partially granting SPPC's Petition for Money Claim as against the NPC and directing the parties to submit a memorandum or comment on whether or not the obligation of NPC under the ECA is among the obligations assumed by PSALM.

On December 14, 2021, SPPC filed its comment on the decision. On December 31, 2021, the NPC filed its comment on the decision. As of December 31, 2022, the issue on whether PSALM assumed the NPC's obligation to SPPC under the ECA remains pending before the COA.

On February 11, 2022, the COA issued its decision granting SPPC's Petition for Money Claim as against the NPC.

On November 29, 2023, the Company collected the full amount of the claim, resulting in the recognition of additional income amounting to Php311 million.

Receivable balances are monitored regularly and allowance provisions are reviewed to ensure limited exposure to bad debts.

## **5. Risks relating to project cost and completion**

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Possibility of cost overruns in any of the Company's projects may happen primarily due to, but not limited to, change orders, increases in cost of inputs such as labor and equipment, macroeconomic trends or geopolitical events. In addition, the Company may encounter slippage in the project schedule, which may significantly delay its returns. If any of these happen, the Company may not be able to achieve its financial targets, which are linked to the successful completion of its future and ongoing projects, and these may have material adverse impact on the projects' returns and cashflows.

*Risk Mitigation:*

The Company is confident that project schedule slippage would be minimized during the construction since the agreed subcontractors are reputable local companies with good track record.

The Company undertakes its projects under fixed-price, fixed term EPC contracts that minimize the cost and completion risk of the projects. Since possibility of cost overruns may still happen due to change orders, the project team ensures adherence to provisions and scope of work specified in the EPC Contract. Thorough review of terms of reference will be undertaken by the project team to minimize change orders. If there is a change in order, there will be disruptions in the construction. However, since EPC contractors have conducted 3D model and walk through during the pre-construction phase, the team can easily detect and resolve construction issues, thus minimizing delays.

## **6. Risk relating to property development**

The Company's real estate development business, may face business and operating risks common to all property developers, including valuation risks, increases in development costs, prolonged timetables, and business risks associated with activities like pre selling, leasing, and operation management.

*Risk Mitigation:*

ALCs portfolio and exposure are minimized in its Eagle Ridge and KAIEDC businesses as both projects are considered developed already. Azuela Cove is funded by internally generated cash, operating revenues, and pre-selling/ pre-leasing activities. In future projects, ALC intends to follow its strict adherence to a thorough business plan and market analysis exercise, product development review, and financial leverage scenarios that factor in availability of cash and equity, as well as possible contributions from pre-selling and/or pre-leasing activities to keep risk at manageable levels. The effect of this risk on the Company's financials is minimal since revenue contribution of the property business is less than 1%.

## **7. Risk on malfunctions and failures to operate**

The Company's financial performance is highly dependent on the successful operation of the power plants of its subsidiaries and are subject to several operational risks such as plant safety, fire, explosion, mechanical failure, electrical failure and instrumentation and control failure, and natural catastrophes such as typhoons, flooding, and earthquakes.

*Effects and Risk Mitigation:*

- **Fire and Explosion:**

ACR's power plant areas are exposed to the risk of fire especially its conveying system, transformers and steam turbines. Since fire would disrupt the normal operations of the Company and damage the Company's properties, ACR may encounter financial losses resulting from incidents of fire.

To mitigate this risk, the Company ensures that power plant areas have adequate fire detection and sprinkler system installed. Also, vacuum trucks are used to prevent accumulation of inputs in the conveyor areas. Sufficient spare parts are also maintained to make sure that faulty parts are replaced on time and prevent risk of malfunction, which could result in incidents of fire.

Another risk that the machines and equipment of the power plants are exposed to, particularly the boiler and switchgear, is the risk of explosion. Boiler explosion could happen if too much fuel is fed to the boiler, which then gasifies and causes an explosion. To mitigate this, the Company has a boiler protection system which will trip the plant before such condition forms. Switchgear explosion could happen if there is short circuit in the switchgear. One of the functions of switchgear is protection, which is interruption of short-circuit and overload fault currents while maintaining service to unaffected circuits. Switchgear also provides isolation of circuits from power supplies and a regular thermographic survey is done to all switchgears. Also, all of ACR's power plants are adequately insured to cover the risk of fire.

- **Plant safety:**

Power plants are much safer than they once were however this does not imply that the plant employees will not encounter hazards. With the Company's proper operation and maintenance procedures this reduces accidents and mitigates their effects. Furthermore, the power plants are strategically located in order to avoid any disturbances and ensure efficient work flow. For example, during Sarangani Phase 2 construction, the construction may pose as a disturbance to the existing operations, ACR manages this risk by proper segregation of components for Sarangani Phase 2. Also, permitting system on common facilities was jointly developed by Project Team and O&M.

- **Mechanical Failure:**

One of the main causes of disruption in daily operations in a power plant is mechanical failure of plant and equipment. Some of the causes of mechanical failure are the boiler, turbine, major pump or valve, fans, coal conveying system, and raw water supply system and these and the potential consequences of these failures can be crucial. However, with the expert engineering assistance, solution and design system, monitoring system for early indication of possible failure, and daily inspections of the equipment and ensures that there are adequate spare parts. The boiler and cooling water (CW) chemical dosing systems have redundant dosing pumps thus contracts of chemical supply are in place to always have adequate inventory at site. Moreover, the water/steam system has online analyzers for monitoring the quality 24/7 and a water

laboratory with a 365-day coverage. For example, when the lower part of Sarangani Phase 1 boiler was experiencing tube erosion causing two boiler tube leaks/forced outages, the proposed long-term solution/design change was installed allowing the boiler normal operation from annual scheduled outage to the next scheduled outage.

As for turbine failures, these are considered a very rare occurrence on steam turbines. The turbine/generator has an online vibration monitoring system and they have its own protection system. During scheduled outages, inspection of steam turbine (ST) blades will be done.

For the Boiler Feed, Condensate and Cooling Water pumps, an example of this would be Sarangani Phase 1 where it has 2 x 100% capacity. This means that if one pump has mechanical failure, the plant can still operate on 100% capacity. Pumps will have adequate spares (bearings, mechanical seals etc.), and possible repair shops have been identified.

Delays in the operations could also happen when there are mechanical failures and there are no adequate spare parts. To mitigate this, the Company ensures that its supplies and spares are adequate at all times by setting a certain period when the inventory is restocked. The inventory is always monitored and buffers are set in order to give allowance to unexpected requirements.

- Electrical Failure:

The objective of electric systems is to guarantee uninterrupted operation of a facility's lighting, process, and environmental systems. Electrical failures may interrupt the Company's processes, and thus could hinder its ability to efficiently run its operations. In the case of ACR's power plants, the areas which are highly exposed to risk of electrical failure include fan motors, feed water, condensate and cooling water pumps, Electrostatic Precipitator (ESP) and switchgear. To mitigate these types of risk the Company has maintenance and conditioning monitoring program for early detection of any electrical fault. If problem arises on ESP transformers / electrical systems, the Company has ESP vendor to inspect the site and rectify the problems.

A sample of a mitigant on electric failure risk would be Sarangani's 6kV, 480V and 220V switchgear. The company makes sure that they are mostly situated at the Main Control Room (MCR) switchgear rooms which are well ventilated, dust free and protected by FM200 system. Furthermore, Sarangani is also conducting regular thermographic inspections of all switchgear systems for early detection of any hot spots and lost connections. During the scheduled annual outages, maintenance will be done, as per Original Equipment Manufacturer (OEM) recommendations and at the same time Sarangani is planning to purchase spare switchgear equipment over the next 3 years.

- Instrumentation and Control Failure:

The plant areas which are highly exposed to risk of instrumentation and control failure include the Distributed Control System (DCS) and Programmable Logic Controller (PLC) system. This failure could also disrupt the normal operations of the Company, and thus, ACR mitigates this

risk by ensuring that adequate spares for any part of the DCS are available and that there's a dedicated DCS engineer to monitor the system's performance on a daily basis.

Instrument failures and malfunction is the most common cause of plant disturbance where a single instrument failure can cause equipment, system or plant trip. To prevent this, the company has planned maintenance & calibration program for all the instruments and control valves.

Presented below are the insurance providers of the power plants:

#### Diesel Power Plants

Type	WMPC	MPC	MPC- UBAY
Industrial All Risk	Cocogen Insurance Inc.	1. Malayan Insurance Co. Inc. 2. Cocogen Insurance Inc. 3. FPG Insurance Co. Inc.	n/a
Public Liability/ Comprehensive General Liability	Pioneer Insurance & Surety Corp.	Pioneer Insurance & Surety Corp.	n/a
Fuel Stocks	Cocogen Insurance Inc.	1. Cocogen Insurance Inc.	n/a
Political Violence/Sabotage and Terrorism	Cocogen Insurance Inc.	Cocogen Insurance Inc.	FPG Insurance Co.Inc.
Construction, Erection All Risk Policy Period	n/a	n/a	1. FPG Insurance Co., Inc. 2. Cocogen Insurance, Inc. 3. MAA General Assurance Philippines Inc.

#### Coal Power Plants

Type	Sarangani Energy
Industrial All Risk and Business Interruption	Cocogen Insurance, Inc.
Political Violence	Cocogen Insurance, Inc.
Comprehensive General Liability	FPG Insurance
Terminal Operators Liability	FPG Insurance
Marine Open Cover	Cocogen Insurance, Inc.
Transmission Line	Malayan Insurance Co., Inc.

### Hydro Power Plant

Type	SHPC
Operational All Risk Insurance	1. FPG Insurance Co., Inc. 2. Cocogen Insurance, Inc. 3. Malayan Insurance Co. Inc.

### **8. Risk of insufficient funds to finance the project**

Any loss or reduction in the Company's revenues or income, or inability to collect revenues in a timely manner, may affect the Company's ability to finance its projects.

*Risk Mitigation:*

This is mitigated by the Company's efforts, through its subsidiaries, to generate and collect revenues efficiently. The Company also ensures that their operational risks are minimized to maintain their revenues and production at a consistent level. Furthermore, the Company's collection efficiency is relatively high. This is achieved through the quality of the offtakers that it has assembled for its power projects. Additionally, incentives for prompt payment, such as a discount for early payers, and proactive and responsive customer relationship management combine to ensure efficient and timely collection of payables. ACR's power subsidiaries are exploring ways to further improve their steady revenue streams by utilizing their available uncontracted capacities providing ancillary services and replacement power.

### **9. Risk on failure in operations of the Power plants**

Failures in the operation of the power plants may impact the Company's financial performance as it may disrupt operations and may therefore entail loss in revenues.

*Risk Mitigation:*

To mitigate such risk, the Company ensures adherence to its business plans and strategies, which are further discussed in the succeeding risk item. Also, if there's any disruption in any of the power plants, the other power plants can support its operations. This prevents failure in operations, and therefore, minimizes exposure to such risk.

### **10. Risk on assurance of successful implementation of business plans and strategies**

The Company may be exposed to various operational and financial risks that could hinder the implementation of its business plans and strategies. The inability to achieve its business plans and strategies may result in a disruption in the operations of the Company thereby missing its financial targets.

*Risk Mitigation:*

Focused Strategy

ACR's expansion plans and growth aspirations are founded on a set of focused strategies that will enable it to manage the risks and challenges associated with the power generation business.

As in the past, the Company's expansion strategy is firmly anchored on the needs of the Mindanao Grid and is supported by offtake agreements to ensure the long-term sustainability of its business. Furthermore, ACR's power plants are strategically positioned to serve the key load centers of Sarangani, Zamboanga and Iligan.

ACR anticipates a surplus of baseload capacity and has managed this risk by virtually fully contracting its capacity. Any uncontracted capacity will be sold to the Mindanao WESM once it starts operating. By being adequately contracted, ACR will be less affected by the impending oversupply in the Mindanao grid.

ACR's diesel plants will also be positioned to perform roles that are not effectively and efficiently served by coal fired power plants such as service intermediate and peaking capacities, as well as provide ancillary services.

To round up its strategy, ACR has also embarked on a renewable energy expansion program that would involve the construction of several hydropower projects.

#### Development of greenfield power projects

ACR's growth story hinges on the successful construction and operation of greenfield power projects. The development of greenfield power projects involves substantial risks that could result in delays, cost overruns, or construction not being up to original plans or specifications. Such risks include the inability to secure adequate financing, inability to negotiate acceptable offtake agreements, as well as unforeseen engineering and environmental problems, among others.

Any such delays, cost overruns, or construction deviations from original plans could have a material adverse effect on the business, financial condition, results of operation and future growth prospects of ACR.

Aside from its own developed expertise and proven success in developing greenfield power projects, project risks are mitigated by the presence of committed project sponsors and partners, project contracts that have been crafted in accordance with international project finance standards, strong project management support from owner's engineer, power supply agreements and experienced O&M service providers.

### **11. Reputational Risk of Directors and Officers of the Company**

Any reputational damage involving ACR's Directors and Officers may affect the Company's performance. Reputational issues may result in loss of customers' and creditors' confidence, and since the Company's ability to continue operating efficiently depends on its relationship with its customers and creditors, such issues could result in financial losses.

#### *Risk Mitigation:*

Any reputational damage involving ACR's Directors and Officers may affect the Company's performance. This is mitigated by the fact that the founders have been in the business for several years with unblemished record, and that the independent directors and officers are selected through a stringent vetting process.

## **12. Risk on foreign ownership limitations**

The Company may be exposed to risk on foreign ownership limitations, which is set at 40% as the Company owns land directly and uses natural resources indirectly via its subsidiaries. This means that foreigners cannot own more than 40% of the Company. Should the Company hit the limit, it could no longer accept additional foreign investments. This may close off foreign investors as sources of equity funding for the Company's projects and operations.

*Risk Mitigation:*

ACR's current foreign ownership is at 0.4%, a relatively small percentage compared to the 40% limit as of September 30, 2024. The Company is constantly monitoring the ownership of ACR shares, and it has no prospects of increasing foreign ownership.

## **13. Regulatory Risks**

The Company operates in a highly regulated sector. The Company's business and financial condition may be adversely affected by amendments in the Electric Power Industry Reform Act, and its Implementing Rules and Regulations, as well as any adverse interpretations or rulings by regulators. Continued compliance with, and any amendments in, regulatory, safety, health and environmental laws and regulations may have an adverse impact on the Company's operating costs.

In addition, licenses, permits, and operating agreements necessary for the Company's operations may not be acquired, sustained, renewed or extended.

ACR's operating subsidiaries are required to comply with environmental regulations. The failure of these subsidiaries to comply with the relevant environmental regulations could result in administrative, civil and criminal proceedings initiated by the Government, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against the Company, as well as orders that could limit or halt its operations.

There can be no assurance that the Company will not become involved in litigation or other proceedings, or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, and the costs of which could be material and could materially and adversely affect the Company's cash flow, results of operations and financial condition.

*Risk Mitigation:*

To mitigate regulatory risks, ACR exerts proactive effort to make sure all existing and upcoming changes in regulations are met. The Company ensures their continued compliance with, and any amendments in, regulatory, safety, health and environmental laws and regulations, regardless of the operating costs entailed by it.

Environmental, health and safety policies are an integral part of ACR's power generation plants. The existing diesel power plants conduct regular monitoring of waste water, source emission, ambient air, noise, aquatic biota, ground and surface water, community health, hazardous waste, resource usage and conservation, solid waste generation and disposal and legal requirements compliance. It is noteworthy that WMP is a recipient of recognitions and awards for being one of the safest workplaces in the region. The power plant is monitored and verified by the Multi-Partite Monitoring Team which is composed of the stakeholders including DENR, DOST, relevant local government units, NGOs and members of academia.

For the Sarangani Energy Corporation coal plants, technology mitigates most pollutants, except carbon emission. To mitigate the effects of carbon emission, ACR instituted a carbon sink program, where ACR has committed to plant 1.8 million seedlings over 3,750 hectares of land. ACR has planted 1.17 million seedlings covering 2,600 hectares of land. ACR is the only power generation company that has an extensive forest-based carbon mitigation program

#### **14. Competitive Risk**

The Company is confronted by increased competition in the power industry, including those resulting from legislative, regulatory, and industry restructuring efforts.

The Government has sought to implement measures designed to enhance the competitive landscape of the power market, particularly for the unregulated sectors of the industry. These measures include the privatization of NPC-owned and controlled power generation assets, the establishment of the WESM and the Retail Competition and Open Access (RCOA). With increased competition, ACR could also come under pressure to review or renegotiate the terms of offtake agreements with customers, which may adversely affect ACR's financial performance and results of operations. To the extent that distribution utilities or industrial off-takers decide to purchase power from other generation companies instead of purchasing from ACR, the ability of ACR to generate the required revenues would be adversely affected.

##### *Risk Mitigation:*

The Company is confronted by increased competition in the power industry, which this could result in an uncertain revenue stream and a possible reduction in market share. To combat such risk, ACR focused on strong marketing and finding a niche in the market.

ACR ensured that its power capacities are contracted under long-term power supply agreements with various customers in the Mindanao Grid. This insulates ACR from the effects of a potential oversupply situation. Furthermore, ACR's strategy of locating its plants within the service areas of their major electric distribution company customers also improves their competitiveness as this could result in lower transmission costs for the distribution utilities.

The Company believes that its experience in developing, building, financing, and operating generating plants, its familiarity with the region, and the location of its current and future generation facilities are strong competitive advantages that mitigate threats from increased competition.

## **15. Risk on Stranded Assets**

Stranded assets are fuel supply and generation resources which once had value or generates income but has suffered from premature write-downs or devaluations. This is due to several factors such as new regulations, falling cost of renewables, litigations, transformation and innovation. These factors may pose risk to firms and affect the company. Uncertainties in the market, adoption of new health and environmental laws, future laws may also affect the Company and may restrict operations and refinancing to the Company's power plant and certain capital expenditures or operating expenditure may be difficult to fully recover hence resulting in lower income. The Company may be exposed to stranded asset risks wherein assets lose their value as a result of the transition to cheaper and cleaner sources of power.

*Risk Mitigation:*

ACR has embarked on a renewable energy expansion program that would involve the construction of several hydropower projects. The Company is also considering putting up a solar farm. This solar plant would have a capacity of at least 50 MW, and is estimated to cost less than \$750 per kW. ACR's plan is to reach a level of balanced generation mix where it can serve the complete power requirements of its customers (i.e., baseload, intermediate, peaking, back-up as well as ancillary). Apart from enhancing its market position, this strategy, will in turn diversify its revenue mix, as well as minimize potential risks that may arise.

ACR's diesel plants will also be positioned to perform roles that are not effectively and efficiently served by coal fired power plants such as service intermediate and peaking capacities, as well as provide ancillary services.

## **RISK RELATING TO THE PHILIPPINES**

***A slowdown in the Philippine economy could adversely affect the Company.***

Results of operations of the Company have generally been influenced and will continue to be influenced by the performance of the Philippine economy. Consequently, the Company's income and results of operations depend, to a significant extent, on the performance of the Philippine economy.

In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine Peso and debt restructuring, and has been significantly affected by economic volatilities in the Asia-Pacific region. The Company cannot assure prospective investors that one or more of these factors will not negatively impact Philippine consumers' purchasing power, which could materially and adversely affect the Company's financial condition and results of operations.

In addition, global financial, credit and currency markets have, since the second half of 2007, experienced, and may continue to experience, significant dislocations and liquidity disruptions. There is significant uncertainty as to the potential for a continued downturn in the U.S. and the global economy, which would be likely to cause economic conditions in the Philippines to deteriorate.

A slowdown in the Philippine economy may adversely affect consumer sentiment and lead to a reduction in demand for the Company's products. There is also no assurance that current or future Government administrations will adopt economic policies conducive to sustaining economic growth.

*Risk Mitigation*

The Company continues to adopt a conservative financial and operational set of controls and policies within the context of the prevailing business, economic, and political environment taking into consideration the interest of its customers, stakeholders, and creditors. Additionally, most agreements of the Company and its subsidiaries are long term fixed contracts which protect the company's revenue from economic slowdown.

***Political or social instability could adversely affect the financial results of the Company.***

The Philippines has experienced political and military instability. In the past decade, political instability has been observed headlined by impeachment proceedings against former presidents Joseph Estrada and Gloria Macapagal-Arroyo, and public and military protests arising from alleged misconduct by previous administrations. There is no assurance that acts of election-related violence will not occur in the future and such events have the potential to negatively impact the Philippine economy. An unstable political environment, whether due to the imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting, could negatively affect the general economic conditions and operating environment in the Philippines, which could have a material adverse effect on the Company's business, financial condition and results of operations.

*Risk Mitigation:*

The Company mitigates this risk by maintaining positive and supportive relationships with the national and local governments as well as other government entities and regulators. The Company's business is apolitical.

***The occurrence of natural catastrophes may materially disrupt the Company's operations.***

The Philippines has experienced a number of major natural catastrophes over the years, including droughts, typhoons, volcanic eruptions and earthquakes, which may materially disrupt and adversely affect the business operations of the Company.

*Risk Mitigation:*

While the Company maintains a comprehensive business insurance against natural catastrophes, there can be no assurance that it will be adequately compensated for all damages and economic losses resulting from natural catastrophes.

### ***Risk relating to the Ukraine-Russia Conflict/ Middle East Conflict***

On February 24, 2022, Russia launched an invasion of Ukraine, one of its neighbors to the southwest. The warfare is reportedly the largest conventional warfare operation in Europe since World War II. The recent invasion marked a major escalation of the tension between the two countries which began in 2014. This has led to higher fuel prices globally. Russia accounts for 12% of global oil and 24% of natural gas production. As such, the war between Russia and Ukraine can result in major oil supply disruption globally. While the Philippines does not directly buy oil directly from Russia, its trading partners such as China, South Korea, and Japan purchase oil from the latter.

On October 7, 2023, Hamas forces attacked Israel from Gaza. The Hamas-Israel conflict is due to historical claims, a humanitarian crisis, religious and cultural differences, and the involvement of Western countries, which have made it more complex. In the Philippines, this may result in an impact on the remittances sent by Overseas Filipino Workers from the Middle East, and the delivery of crude oil to the world market, considering the Philippines' heavy reliance on crude oil, which could affect the Philippine market.

#### ***Risk Mitigation:***

Despite the risk mentioned above, the increasing prices of fuel has a minimal direct impact on the Company as the costs are passed on to customers as structured in our power supply agreement. The same is true for any increase in coal prices globally, as a result of the developments between Russia and Ukraine.

## **RISKS RELATING TO THE COMMERCIAL PAPERS**

### ***Liquidity and Price Risk***

The Philippine securities markets are substantially smaller, less liquid and more concentrated than the major securities markets. The Company cannot guarantee that the market for the CPs will always be active or liquid. Even if the CPs are listed in the PDEx, trading in securities such as the CPs may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets and the overall market for debt securities among other factors. There is no assurance that the CPs may be easily disposed of at prices and volumes and at instances best deemed appropriate by their holders.

The CP's market value may move (either up or down) depending on the change in interest rates in the market. The CPs when sold in the secondary market may be worth more if interest rates drop. Conversely, if the prevailing interest rates rise, the CPs may be worth less when sold in the secondary market. In such instance, an investor faces possible loss if he decides to sell.

#### ***Risk Mitigation:***

The assigned market maker will provide an avenue for investors though such investors should be cognizant that there is no guarantee that it will be at prices that they may deem acceptable.

### ***Retention of Ratings Risk***

There is no assurance that the rating of the Issuer will be retained throughout the life of the CPs. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

*Risk Mitigation:*

To mitigate this risk, ACR addresses or monitors these underlying factors by covering them as part of its regular meetings. So long as the Company manages or improves these factors, credit rating shall remain unchanged if not upgraded.

## USE OF PROCEEDS

### A. Base Offer Only

In the event that the First Tranche of the CP Program is fully issued up to the Base Offer of Php 1.20 billion only, the Company's net proceeds from the Offer is expected to be approximately **Php 1,122,788,559.66** after deducting the applicable fees and expenses.

Expenses related to the Offer, all of which will be for the account of the Company, are broken down as follows:

#### **Estimated Net Proceeds from the CP Issuance**

<b>Series</b>	<b>Series AA</b>	<b>Series AB</b>	<b>TOTAL</b>
Tenor	182	364	Combined
Discount Rate	6.9444%	7.6906%	
Face Value	<b>600,000,000.00</b>	<b>600,000,000.00</b>	<b>1,200,000,000.00</b>
Interest Discount (and WHT)	-20,350,228.26	-43,290,050.23	-63,640,278.49
<b>Gross Proceeds:</b>	<b>579,649,771.74</b>	<b>556,709,949.77</b>	<b>1,136,359,721.51</b>
Less:			
SEC Filing and Legal Research Fees	-662,827.50	-662,827.50	-1,325,655.000
Documentary Stamp Taxes	-2,243,835.62	-4,487,671.23	-6,731,506.85
Underwriting Fees	-1,213,333.33	-2,426,666.67	-3,640,000.00
Arranger Fees	-672,000.00	-672,000.00	-1,344,000.00
Independent Counsel Fees	-100,000.00	-100,000.00	-200,000.00
Facility Agency Fees	-50,000.00	-50,000.00	-100,000.00
PDTC Registry Fees	-75,000.00	-75,000.00	-150,000.00
Listing & Maintenance Fees	-25,000.00	-25,000.00	-50,000.00
Miscellaneous Fees*	-15,000.00	-15,000.00	-30,000.00
<b>Total Expenses</b>	<b>-5,056,996.45</b>	<b>-8,514,165.40</b>	<b>-13,571,161.85</b>
<b>Net Proceeds</b>	<b>574,592,775.29</b>	<b>548,195,784.37</b>	<b>1,122,788,559.66</b>

Note: PDTC, PDEX and Miscellaneous fees are estimates.

\*Miscellaneous fees include expenses related to the printing of documents and other marketing materials.

#### **Use of Proceeds Summary**

The Company intends to use the proceeds from the Offer to refinance its maturing short-term obligations, and for working capital purposes.

To summarize, ACR plans to use the proceeds from the Issuance for the following purposes:

Use of Proceeds		
Working Capital Purposes	200,000,000.00	17.81%
Debt Refinancing	922,788,559.66	82.19%
<b>TOTAL</b>	<b>1,122,788,559.66</b>	<b>100.00%</b>

The breakdown of the short-term loans for refinancing is shown in Annex I.

#### **B. Base Offer + Oversubscription**

In the event that the First Tranche of the CP Program is fully issued, the Company's net proceeds from the Offer is expected to be approximately **Php 1,498,117,964.55** after deducting the applicable fees and expenses.

Expenses related to the Offer, all of which will be for the account of the Company, are broken down as follows:

#### **Estimated Net Proceeds from the CP Issuance**

Tenor	182	364	Combined
Indicative Discount Rate	6.9444%	7.6906%	
Face Value	<b>800,000,000.00</b>	<b>800,000,000.00</b>	<b>1,600,000,000.00</b>
Interest Discount (and WHT)	-27,133,637.68	-57,720,066.98	-84,853,704.65
<b>Gross Proceeds:</b>	<b>772,866,362.32</b>	<b>742,279,933.02</b>	<b>1,515,146,295.35</b>
Less:			
SEC Filing and Legal Research Fees	-662,827.50	-662,827.50	-1,325,655.00
Documentary Stamp Taxes	-2,991,780.82	-5,983,561.64	-8,975,342.47
Underwriting Fees	-1,617,777.78	-3,235,555.56	-4,853,333.33
Arranger Fees	-672,000.00	-672,000.00	-1,344,000.00
Independent Counsel Fees	-100,000.00	-100,000.00	-200,000.00
Facility Agency Fees	-50,000.00	-50,000.00	-100,000.00
PDTC Registry Fees	-75,000.00	-75,000.00	-150,000.00
Listing & Maintenance Fees	-25,000.00	-25,000.00	-50,000.00
Miscellaneous Fee*	-15,000.00	-15,000.00	-30,000.00
<b>Total Expenses</b>	<b>-6,209,386.10</b>	<b>-10,818,944.70</b>	<b>-17,028,330.80</b>
<b>Net Proceeds</b>	<b>766,656,976.23</b>	<b>731,460,988.32</b>	<b>1,498,117,964.55</b>

Note: PDTC, PDEX and Miscellaneous fees are estimates.

\*Miscellaneous fees include expenses related to the printing of documents and other marketing materials.

## **Use of Proceeds Summary**

The Company intends to use the proceeds from the Offer to refinance its maturing short-term obligations, and for working capital purposes.

To summarize, ACR plans to use the proceeds from the issuance for the following purposes:

Use of Proceeds		
Working Capital Purposes	200,000,000.00	13.35%
Debt Refinancing	1,298,117,964.55	86.65%
<b>TOTAL</b>	<b>1,498,117,964.55</b>	<b>100.00%</b>

The breakdown of the short-term loans for refinancing is shown in Annex II.

### **Detailed Discussion on Use of Proceeds:**

The Company intends to use the proceeds from the Offer to refinance its maturing short-term obligations (“Short-Term Obligations”), as detailed in Annexes I and II, and for working capital purposes. The working capital requirements are allocated for planned disbursements related to upcoming projects. These disbursements cover essential activities such as conducting feasibility studies, performing environmental assessments, and carrying out governance evaluations. These preparations are crucial for ensuring that each project is well-planned, compliant with regulations, and aligned with long-term sustainability and operational goals.

Some of the maturing short-term obligations listed under Annexes I and II will mature before the target issue date, but these obligations will be rolled over and will be payable on their new maturity date subsequent to the issue date. The Issuer and UW are not related to the creditors of the Short-term obligations.

In the event that the actual expenses relating to the Offer differ from the above estimates, the actual net proceeds to the Company from the Offer may be higher or lower than the expected net proceeds set forth above. Any increase or decrease in the net proceeds to the Company shall be addressed by making a corresponding increase or decrease, as the case may be, to the Company’s provision for working capital requirements.

ACR’s Short-Term Obligations were used by the Company to fund the projects of Sindangan Zambo-River Power Corporation (“Siayan”) and Bago Hydro Resources Corporation (“Bago”) (through its subsidiary, Alsons Renewable Energy Corporation (“AREC”)). The short-term obligation was given to the projects as needed. The funds were directly issued to Siayan and Bago and booked as cash advances from related party. The Company plans to finance the projects through bank financing and expects to receive the funds back from the projects upon completion. These Short-Term Obligations were infused as advances to Siayan and Bago and - for development costs starting 2020. Disbursement of funds was done on an “as needed” basis, which until now is being provided to these projects whenever needed, and until bank financing is obtained by these respective projects. The total amount infused to the projects is around Php 300 million for Siayan and Php 290 million for Bago.

Furthermore, part of the short-term obligation was also used to fund Siguil Hydro Power Corporation (“SHPC or Siguil”). This is ACR’s first renewable energy project for AREC, which is a 14.5MW run-of-river electricity generating facility located at the Siguil River basin in Maasim. SHPC completed its construction last year and total project cost of Siguil increased from 4.4 billion to Php 5.0 billion due to construction overrun owing to construction delays. The Company funded the increase in project cost, pending reimbursement from SHPC - which is expected to be paid back as soon as Siguil commences operations. Siguil’s COC is expected to be issued by the fourth quarter of 2025.

AREC, which was organized on September 18, 2014, is ACR’s vehicle for developing renewable energy (RE) projects. AREC currently holds 100% equity interest in both Siayan and Bago. Siayan is a combined 8.8MW hydro power project and 29MWp solar power project located mainly in the Municipality of Siayan, Province of Zamboanga Del Norte and Municipality of Dumingag, Zamboanga del Norte, and is expected to augment power supply in the province of Zamboanga Del Norte once completed. Siayan’s total project cost is estimated at Php 3.3 billion and is still under-development. The Bago project is a 34.8 MW hydroelectric power project located in Negros Occidental. Bago’s total project cost is estimated at Php 7.3 billion and is in the pre-development stage. Siayan and Bago are expected to begin its commercial operations in 2027.

The CP allocation below represents the Company’s best estimate of the use of proceeds at this time. While the CP proceeds have not been deployed, the Company intends to invest the funds from the issuance in short-term marketable securities until the disbursement schedule is finalized.

In the event that the net proceeds are less than the expected amount, the Company shall prioritize the settling of Short-Term Obligations with higher interest rates, while the rest can be rolled over. Alternatively, the Company may rely on its bank lines and/or operating cash flows in the event that the proceeds raised from the CP issuance are less than anticipated.

If the net proceeds are greater than the expected amount, the Company intends to invest the excess funds in short-term marketable securities.

### **Other Notes**

ACR’s primary sources of income are dividends declared by its operating subsidiaries. ACR and its subsidiaries follow a dividend policy of annually declaring dividends from 20% of the previous year’s unappropriated retained earnings.

The Company’s issuance of CP is also opportunistic. Access in the CP will depend on the interest environment during the time of issuance. The company shall inform the shareholders and obtain approval of the Commission before its implementation.

No portion of the proceeds will be used to acquire major assets or finance the acquisition of other business nor will the proceeds be used to reimburse any officer, director, employee or shareholder for service rendered, assets previously transferred, and money loaned or advanced or otherwise. In addition, no portion of the proceeds will be used by the Company’s subsidiaries.

The Issue Manager, Lead Underwriter and Bookrunner shall not receive any amount from the proceeds other than the underwriting, issue management and selling fees.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event that there is any change in the Company's disbursement plan, including force majeure, the Company will carefully evaluate the situation and may reallocate the proceeds and/or hold such funds on short term deposit whichever is better for the Company's and its shareholders' interest taken as whole. In such event, the Company will issue an announcement if there is any material change in the above proposed use of proceeds.

In the event of any significant deviation, material adjustment or reallocation in the planned use of proceeds, the Company will secure the approval of its Board of Directors for such deviation, adjustment or reallocation and promptly make the appropriate disclosures to the SEC and the PDEX thirty (30) days prior to its implementation. Furthermore, in case there will be a deviation from the planned use of proceeds, the Company will pay off other maturing short-term obligations maturing in the 1<sup>st</sup> and 2nd quarter of 2025.

## DETERMINATION OF THE OFFER PRICE

The CPs shall be issued at a discount to face value.

Below is an illustration of the computation of the Offer Price for an Issuance:

### Offer Price Computation – Base Offer Only

	Series AA	Series AB
Tenor (in Days)	182	364
Discount Rate	6.9444%	7.6906%
<b>Cost Breakdown</b>		
Face Value	600,000,000	600,000,000
Discount	-20,350,228	-43,290,050
Tax on Discount	4,070,046	8,658,010
Cost	583,719,817	565,367,960
Offer Price	97.286636%	94.227993%

### Offer Price Computation – Base Offer + Oversubscription

	Series AA	Series AB
Tenor (in Days)	182	364
Discount Rate	6.9444%	7.6906%
<b>Cost Breakdown</b>		
Face Value	800,000,000	800,000,000
Discount	-27,133,638	-57,720,067
Tax on Discount	5,426,728	11,544,013
Cost	778,293,090	753,823,946
Offer Price	97.286636%	94.227993%

## **PLAN OF DISTRIBUTION**

The Company plans to issue the CPs in one lump sum or several tranches, through the designated Issue Manager, Lead Underwriter and Bookrunner and selling agents, if any. The first tranche of the CPs shall be issued in the 1st quarter of 2025.

## **SALE AND DISTRIBUTION**

The distribution and sale of the CPs shall be undertaken by the Underwriter and Selling Agents, as applicable, who shall sell and distribute the CPs to third party buyers/investors. The allocation of the Commercial Papers to prospective investors will be done by the Underwriter in coordination with the Issuer. Nothing herein shall limit the rights of the Underwriter and each Selling Agent as applicable, from purchasing the CPs for its own account. There are no persons to whom the CPs are allocated or designated. No CPs are designated to be sold to specified persons and shall be offered to the public at large and without preference. The allocation to the investors will depend on their orders which will be subject to scaling down in case of oversubscription.

Unless otherwise terminated, the engagement of the Issue Manager, Lead Underwriter and Bookrunner and Selling Agents shall subsist so long as the SEC Permit to Sell remains valid.

For the First Tranche of its CP Program, the Company has not appointed any Selling Agent. There are no finder's fees, discounts or commissions shall be paid to the Underwriter in the distribution of the CPs.

## **OFFER PERIOD**

The Offer Period shall commence upon or immediately after issuance by the SEC of the Permit to Sell and will end 15 working days after the start of the offer period or earlier as deemed appropriate by the Issuer, in consultation with the Arranger and the Issue Manager, Lead Underwriter and Bookrunner.

## **FEES AND COMMISSIONS**

The Company will pay the Underwriter a fee of 0.40% per annum on the aggregate face value of the CPs issued, which is inclusive of the underwriting and the selling agency fees, as applicable. The fees shall be deductible from the gross proceeds of the Offer on Issue Date.

The Company shall pay the Arranger Fee amounting to Peso: One Million Two Hundred Thousand (Php 1,200,000.00), exclusive of VAT, to MIB Capital Corporation.

## **COUNTERPARTIES**

### **Issue Manager, Lead Underwriter and Bookrunner**

RCBC Capital is a licensed investment house providing a complete range of capital raising and financial advisory services. Established in 1974, RCBC Capital has over 50 years of experience in the underwriting of equity, quasi-equity and debt securities, as well as in managing and arranging the syndication of loans, and in financial advisory. RCBC Capital is a wholly owned subsidiary of the Rizal

Commercial Banking Corporation and a part of YGC, one of the country's largest fully integrated financial services conglomerates.

As the Issue Manager for the Offer, RCBC Capital agreed to perform services which include conducting of due diligence on the Company and evaluating the marketability of the Offering. They will also assist in the review of the prospectus and other required documents. In addition, RCBC Capital will coordinate the activities of all third parties appointed for the Offer and such other services as may be mutually agreed between ACR and RCBC Capital.

In addition to its appointment as Issue Manager, RCBC Capital is acting as the Lead Underwriter and Bookrunner for the Series AA and AB Commercial Papers. RCBC Capital as Lead Underwriter and Bookrunner will undertake to distribute and sell the Series AA and AB Commercial Papers on a firm basis amounting to Php 1,200,000,000. The Lead Underwriter and Bookrunner will handle the (i) bookbuilding process which includes marketing of the CPs to potential investors, (ii) allocation of the CPs to its investors, and (iii) receiving of the application form and other required documents for submission to the Registrar and Paying Agent, Philippine Depository and Trust Corp.

The Issue Manager, Lead Underwriter and Bookrunner is duly licensed by the SEC to engage in distribution of securities to the public. The Lead Underwriter and Bookrunner may, from time to time, engage in transactions with and perform services in the ordinary course of business with the Company and its related companies. There is no appointed syndicate of sub-underwriters.

The Issue Manager, Lead Underwriter and Bookrunner has no direct relations with the Company in terms of ownership. The Issue Manager, Lead Underwriter and Bookrunner has no right to designate or nominate any member of the Board of the Company.

The Issue Manager, Lead Underwriter and Bookrunner has no contract or other arrangement with the Issuer by which the former may put back to the issuer any unsold securities of the offering.

### **Arranger**

MIB CAPITAL CORPORATION (formerly Multinational Investment Bancorporation) was established in March 1972 and presently provides services such as capital raising and loan syndication/structuring, as well as fair market valuation of shares and companies.

MIB Capital is a pioneering and innovative financial institution:

- Conceived to develop and institutionalize the concept of Total Banking which makes available a wide array of financial, investment, advisory and related services to the broadest spectrum of selected clients;
- Structured as a Corporate Partnership where its officer-partners pledge their personal assets to the institution to manifest their total commitment against conflicts of interest involving their professional acts; and
- Organized under the philosophy of Self-Reliance, requiring dependence only on internal resources and productivity for the institution's growth and perpetuity.

MIB Capital Corporation, as the Arranger, will assist the company in determining the terms and conditions on which the Offering will be marketed, updating the prospectus or other disclosure documents as will be required for regulatory purposes and completion of all activities leading to a successful financial close and smooth implementation of the Offering. Lastly, MIB Capital will perform such other services as may be mutually agreed between the Company and the Arranger.

### **Facility Agent**

AB CAPITAL AND INVESTMENT CORPORATION (through its Trust and Investments Division) was appointed as the Facility Agent for ACR's Commercial Paper program. The main functions of the Facility Agent are as follows:

- Coordinate with the Issuer, Underwriter, and Registrar and Paying Agent for the purpose of performing its responsibilities set forth in the Facility Agency Agreement;
- Monitor and/or confirm, as applicable, compliance by the Underwriter and Registrar and Paying Agent, with their respective functions and responsibilities;
- Report promptly and regularly to the CP Holders any breach of representations and warranties by the Issuer, and any occurrence of an Event of Default as defined in the terms and condition of the Offer and disclosed in the Prospectus, including, without limit, any default by the Issuer of its obligations of which the Facility Agent may have written notice from the Issuer and that the CP Holders or their duly authorized representatives may obtain a report regarding the CPs at the principal office of the Facility Agent upon presentation of sufficient and acceptable identification;
- Act on behalf of the CP Holders in calling for and/or attending meetings of the CP Holders
- Receive and safely keep the duly executed original of the Master Note; and
- Provide a copy of the Facility Agency Agreement for inspection at its specified office by the CP Holders upon their request

### **WITHDRAWALS**

The Company reserves the right to withdraw the offer and sale of the CPs at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and the PDE.

The Company may also withdraw the offer and sale of the CPs at any time on or after the commencement of the Offer Period and prior to the Issue Date, if any of the following events occurs, in which case the Underwriting Agreement shall be deemed terminated, namely:

- a) (i) An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or (ii) occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or (iii) occurrence of any change in local, national or international financial, political, economic or stock market conditions, any of which renders it impracticable or inadvisable to continue with the Offer and/or listing of the CPs in the manner contemplated by the SEC pre-effective clearance, the SEC Order of Registration, or the SEC Permit to Sell Securities (the "Approvals") and by this Prospectus, or would have a material adverse effect on the Philippine economy, on the securities or other financial or currency markets

of the Philippines, or on the distribution, offer and sale of the CPs in the Philippines, rendering it, in the reasonable determination of the Issue Manager, Lead Underwriter and Bookrunner, after consultation with the Issuer, impracticable to proceed with the Offer in the manner contemplated by the Approvals and this Prospectus, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer's or Joint Lead Underwriters and Bookrunners' inability to sell or market the CPs or refusal or failure to comply with any undertaking or commitment by the Issuer, the Issue Manager, Lead Underwriter and Bookrunner, or any other entity/person to take up any CPs remaining after the Offer Period;

- b) An order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution, listing or issuance of the CPs by any court or Governmental Authority having jurisdiction on the matter, including the SEC and the PDEx;
- c) Suspension, cancellation, revocation, or termination of the Approvals;
- d) Trading in the PDEx is closed or suspended for at least three (3) consecutive trading days other than due to weekends or declared holidays, or in such manner or for such period as will render impracticable the listing and trading of the CPs on the Issue Date or such other date as may be approved by the PDEx;
- e) There is a change or impending change in any Philippine law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order issued, made, or adopted by any Governmental Authority which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; (b) the capacity and due authorization of the Issuer to offer and issue the CPs and enter into the transaction documents in connection with the Offer; (c) any of the features of the CPs, including the taxes on fees or costs in connection with the Offer, or (ii) renders illegal the performance by the Issue Manager, Lead Underwriter and Bookrunner of its obligations hereunder;
- f) Any significant, adverse, and unforeseeable change or development in the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the CPs unsuitable for offering to the public;
- g) The Issuer is compelled through an official order, decree, or ruling issued by any competent court or Governmental Authority to stop its operations, which is not remedied within five (5) Business Days from receipt by the Issuer of a formal notice of such decision by such competent court or Governmental Authority (as the case may be);
- h) The Issuer shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or the Issuer shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; and such receiver, trustee or similar officer shall be appointed; or the Issuer shall initiate or institute (by petition, application or otherwise), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation, corporate rehabilitation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted against the Issuer; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part of the Issuer's assets; or any event occurs which under the laws of the Philippines or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;
- i) A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;

- j) The commencement or the threatened commencement in writing by any entity, person or regulatory body of any public action, court proceeding, litigation, arbitration or other similar proceeding against the Issue Manager, Lead Underwriter and Bookrunner in connection with or with respect to the issuance or sale by the Issuer of the CPs or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable;
- k) Any court, arbitral tribunal, or Governmental Authority which has jurisdiction on the matter issues an order restraining or prohibiting the Issue Manager, Lead Underwriter and Bookrunner, or directing it to cease, from performing their underwriting obligations which makes it impossible for the Issue Manager, Lead Underwriter and Bookrunner to perform its underwriting obligations due to conditions beyond its control;
- l) Unavailability of PDTC's facilities used for the Offer and/or listing prior to or on the target Issue Date and such unavailability effectively prevents the ability of the Issuer and the Issue Manager, Lead Underwriter and Bookrunner to fully comply with the listing requirements of the PDEx, if the impact of such unavailability on the listing of the CPs remains unresolved after discussions between the Issuer and the Issue Manager, Lead Underwriter and Bookrunner in good faith; and
- m) Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's or the Issue Manager, Lead Underwriter and Bookrunner's inability to sell or market the CPs or refusal or failure to comply with any undertaking or commitment by the Issuer, the Issue Manager, Lead Underwriter and Bookrunner, or any other entity/person to take up any CPs remaining after the Offer Period.

Notwithstanding the acceptance of any Application, the CPs will be issued only upon listing of such CPs on the PDEx, and provided that the Underwriting Agreement shall not have been terminated or cancelled, on or before the Issue Date, in accordance with the provision of the said agreement. Subject to the right of the Company to withdraw or cancel the offer and sale of the CPs prior to the Issue Date pursuant to this section and the "*Summary of the Offer – Withdrawal of the Offer*" of this Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the CPs on Issue Date

## DESCRIPTION OF THE SECURITIES TO BE REGISTERED

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Instrument	: Registered and Listed Commercial Paper
CP Program	: Php 3,000,000,000.00
Issue Size of the First Tranche	: Base Offer of Php 1,200,000,000.00 and an Oversubscription Option of up to Php 400,000,000.00
Issue or Offer Price	: Discount to face value of the CPs
Use of Proceeds	: For debt refinancing and working capital purposes
Discount Rate for the First Tranche	: The discount rate for the First Tranche will be determined using formula: Benchmark Rate + Spread (as defined below)  Series AA: 6.9444%  Series AB: 7.6906%
Benchmark Rate	: The three-day average PHP BVAL benchmark rate of the corresponding tenor.  The corresponding benchmark rates are as follows:  Series AA: PHP BVAL 6M, or its successor benchmark rate  Series AB: PHP BVAL 1Y, or its successor benchmark rate
Spread	: The spreads for the First Tranche are as follows:  Series AA: 140 basis points  Series AB: 190 basis points
Discount Rate for Subsequent Issuance/s	: The discount rate for the subsequent issuance/s shall be set by the Issuer in consultation with the Issue Manager, Lead Underwriter and Bookrunner which may be determined based on the corresponding Benchmark Rate plus Spread
Tenor of the Initial Issuance	: Up to three hundred sixty (364) days; provided portions of the issuance of the CPs may, as determined by the Issuer in consultation with the Issue Manager, Lead Underwriter and Bookrunner, have the following tenor/term. The day count convention is Actual/360.  Series AA: 182 days Series AB: 364 days

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Tenor for Subsequent Issuance/s	: The tenor of succeeding issues may range from thirty (30) days up to the maximum tenor allowed by the Securities and Exchange Commission (SEC) under the relevant provisions of the Securities Regulation Code (SRC)
Denomination	: Minimum of Pesos: Five Hundred Thousand (Php 500,000.00) face value and increments of Pesos: One Hundred Thousand (Php 100,000.00)
Issue Date	: The CPs may be issued in either lump sum or tranches on a when and as needed basis in consultation with the Issuer upon approval by the SEC and issuance of the Permit to Sell any time within three (3) years following the RS Effectivity Date.  For the First Tranche, the Issuer intends to issue and list the CPs on February 10, 2025
Discount Computation	: The Discount Rate will be calculated on a true-discount basis.
Principal Repayment	: The principal amount of the CPs will be repaid in full at their respective Maturity Dates.  If such principal repayments are due on a day that is not a business day, the principal repayment date shall be made on the immediately succeeding business day. No additional interest will be paid in such case.
Status	: The CPs will constitute direct, unconditional, unsubordinated, general and unsecured obligations of the Issuer ranking at least pari passu in all respects and without preference or priority (except for any statutory preference or priority applicable in the winding-up of the Issuer) with all other outstanding unsecured and unsubordinated obligations (contingent or otherwise, present and future) of the Issuer.
Form	: The CPs shall be issued scripless and will be maintained in electronic form with the Registrar to be appointed for this purpose.
Taxation on the Discount	: Interest paid on the CPs shall be subject to a 20% final withholding tax.  A CP holder who is exempt from or is not subject to the aforesaid withholding tax shall be required to submit a tax exemption certificate and other applicable documents.
Registrar	: Philippine Depository & Trust Corporation

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Paying Agent	: Philippine Depository & Trust Corporation
Facility Agent	<p>: AB Capital and Investment Corporation – Trust Department</p> <p>The Facility Agent has no direct relations with the issuer.</p> <p>The Facility Agent is required under the Facility Agency Agreement to act on behalf of the CP Holders in calling for and/or attending meetings of the CP Holders.</p> <p>A meeting of CP Holders may be called at any time and from time to time pursuant to the provisions of the Schedule 2 of the Facility Agency Agreement for the purpose of taking any action authorized to be taken by or on behalf of the CP Holders of any specified aggregate principal amount of CPs under any other provisions of this Agreement or under any other applicable law.</p> <p>The Facility Agent may at any time call a meeting of the CP Holders on its own accord or upon the request by the Issuer or CP Holders holding at least twenty percent (20%) of the aggregate outstanding principal amount of the CPs to take any action specified in Clause 1 of this Schedule 2, to be held at such time and at such place as the Facility Agent shall determine. Notice of every meeting of CP Holders, setting forth the time and the place of such meeting in Metro Manila and the purpose of such meeting in reasonable detail, shall be sent to the Issuer and to each of the CP Holders and published in two (2) newspapers of general circulation in Metro Manila, Philippines not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date of the meeting; Provided, that all reasonable costs and expenses incurred by the Facility Agent for the proper dissemination of required information on the requested meeting shall be paid or reimbursed, as applicable, by the Issuer within five (5) Business Days from receipt of the duly supported billing statement.</p> <p>The above discussion is qualified by the more detailed information as contained in the Facility Agency Agreement. The said Agreement is available for inspection at the Facility Agent's office by the CP Holders upon their request.</p>
Other Material Provisions Giving or Limiting the Rights of CP Holders	<p>In a CP Holders Meeting, the presence of the Majority CP Holders personally or by proxy shall be necessary to constitute a quorum to do business at any meeting of the CP Holders.</p> <p>The Facility Agent shall, by an instrument in writing, appoint a temporary chairman and secretary of the meeting from among the CP Holders then present or represented during the</p>

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meeting, unless the meeting shall have been called by the Issuer or by the CP Holders as provided in Clause 3 of this Schedule, in which case the Issuer or the CP Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman and secretary of the meeting from among the CP Holders then present or represented during the meeting. Any meeting of the CP Holders duly called pursuant to the provisions of this Section may be adjourned from time to time for a period or periods not to exceed in the aggregate one (1) year from the date for which the meeting shall originally have been called, and the meeting so adjourned may be held on another date without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the CPs represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

To be entitled to vote at any meeting of the CP Holders, a person must be a registered holder of the CPs or a person appointed by an instrument in writing as proxy by any such CP Holder as of the date of such meeting. The only persons who shall be entitled to be present or to speak at any meeting of the CP Holders shall be the persons entitled to vote at such meeting and any representative of the Issuer and its counsel.

All matters presented for resolution by the CP Holders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the majority of the CP Holders present or represented in a meeting at which there is a quorum, except as otherwise provided in this Agreement. Any resolution of the CP Holders which has been duly approved with the required number of votes of the CP Holders as herein provided shall be binding upon all the CP Holders and the Facility Agent as if the votes were unanimous.

Notwithstanding any other provisions of this Agreement, the Facility Agent may make such reasonable regulations as it may deem advisable for any meeting of the CP Holders, in regard to proof of ownership of CPs, the appointment of proxies by registered holders of CPs, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem fit.

Wherever in this Agreement it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of CPs may take any action (including the making of any demand or request, the giving of any notice or consent, or

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the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by:

- any instrument executed by the CP Holders in person or by the agent or proxy appointed in writing;
- the duly authenticated record of voting in favor thereof at the meeting of the CP Holders duly called and held in accordance with this clause; or
- a combination of such instruments and any such record of meeting of the CP Holders.

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Secondary Trading	: The CPs are intended to be listed at the PDEx for secondary trading of the CPs and upon such listing, all secondary trading may be coursing through eligible PDEx Trading Participants. However, there can be no assurance that listing the CPs will materially affect their liquidity on the secondary market.
Minimum Denomination for Secondary Trading	: Minimum of Pesos: One Hundred Thousand (Php 100,000.00) face value and increments of Pesos: Ten Thousand (Php 10,000.00).  Secondary market trading and settlement are governed by the relevant rules of PDEx and are subject to the applicable fees of PDEx and the Registry, all of which shall be for the account of the investors.
Market Maker	: Unicapital, Inc.
Manner of Purchase	: The CPs will be available for sale from the Issue Manager, Lead Underwriter and Bookrunner and Selling Agents, if any, subject to minimum purchase amount and denomination.
Acceptance/Rejection of the Application	: The Issuer and the Issue Manager, Lead Underwriter and Bookrunner reserves the right to accept or reject any application for CPs. In case of over-subscription, the Issuer and the Issue Manager, Lead Underwriter and Bookrunner reserve the right to allocate the CPs available to the investors in a manner they deem appropriate.
Delivery of CP	: Delivery of the CPs will be made upon full payment of the Offer Price to the Issue Manager, Lead Underwriter and Bookrunner and/or Selling Agents
Liabilities	: The Company as the CP issuer is liable and responsible for any and all obligations arising from the sale of the CP as provided under pertinent sections of the Negotiable Instruments Law, the SRC and applicable laws of the Philippines as well as the

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	Underwriting Agreement and related agreements. In addition, the Issuer is responsible for complying with all reportorial requirements of the SEC in connection with the issuance of the CP.
Credit Rating	<p>: The Issuer has a rating of PRS Aa minus corp. as assigned by Philratings on April 17, 2024.</p> <p>The rating reflects the following key considerations:</p> <ul style="list-style-type: none"> <li>i. the start of full operations of the Mindanao-Visayas Interconnection Project (MVIP) and the commencement of the Wholesale Electricity Spot Market (WESM) and Retail Competition and Open Access (RCOA) in Mindanao;</li> <li>ii. the Company's ability to establish joint ventures with strong partners for particular projects;</li> <li>iii. (iii) its planned expansion projects which will further diversify its generation mix;</li> <li>iv. (iv) the Company's continued recovery marked by its notable revenue growth and improved profitability; and</li> <li>v. its satisfactory liquidity, supported by positive operating cash flows.</li> </ul>
Security	<p>: Negative pledge on the Company's existing and future assets, except (i) to secure statutory obligations, (ii) to enable the Company to continue to enter into its usual transactions in the ordinary course of business, (iii) those imposed by law or arising out of pledges or deposits under workmen's compensation laws or other social security or retirement benefits or similar legislation, and (iv) those created for the purpose of paying current taxes, assessments or other governmental charges which are not delinquent or remain payable without any penalty, or the validity of which is contested in good faith by appropriate proceedings upon stay of execution of the enforcement thereof.</p>
Default	<p>: There are no expected events that will trigger any direct or contingent financial obligations that are material to the Company, including any default or acceleration of an obligation.</p>
	<p>The CPs will be paid in full on the respective Maturity Dates and are not subject to any rollover provision. Non-payment of the CPs on maturity date will constitute an event of default which</p>

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may also trigger cross-default provisions in the Issuer's other financial obligation.

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Other Terms and Conditions : The CPs will not be convertible to any other security or equity of the Issuer.  
The Issuer will not set up any sinking fund for the redemption of the CPs.  
Substitution of the CP with another type of security will not be permitted.  
Other terms and conditions as may be agreed upon among the Issuer, the Issue Manager, Lead Underwriter and Bookrunner.

Loan Covenants : On November 23, 2020, ACR entered into a fixed rate corporate notes facility with various noteholders with aggregate principal amount of Php6,000 million divided into 2 tranches. (a) Tranche A with principal amount of Php5,215m subject to fixed interest rate of 5% and payable within 5 years from the drawdown date and (b) Tranche B with principal amount of Php 785m, subject to fixed interest rates of 6%. The proceeds of the loan were used to prepay ACR's fixed corporate notes facility, partly finance the investments in renewable energy projects and for general corporate purposes.  
In line with the covenants of the aforesaid loan, ACR shall maintain certain financial ratios such as Debt Service Coverage Ratio of not less than 1.1x and Debt-to-Equity Ratio of not more than 3.0x on the first and second year, 2.75 on the 3<sup>rd</sup> year, 2.5 on the 4<sup>th</sup> year and 2.33 on the 5<sup>th</sup> year and until the loan. ACR is in compliance with the debt covenants.  
Throughout the term of the loan, ACR is required to maintain a debt service reserve account with a balance of not less than the aggregate amount of principal and interest falling due and payable under the agreement on the immediately succeeding repayment date. As at December 31, 2023 and 2022, the remaining balance of debt reserve account amounted to Php499.8 million and Php403.8 million, respectively. Interest income earned from debt reserve account and short-term investments amounted to Php17.7 million, and Php4 million in 2023 and 2022, respectively.

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### **INTEREST OF NAMED EXPERTS AND COUNSEL**

The validity of the CPs and tax matters pertaining thereto were passed upon by Atty Carlo Artemus V. Diaz, the third-party transaction counsel. AD has no shareholdings or any interest, direct or indirect, in the Company, or any right, whether legally enforceable or not to nominate persons or to subscribe to the securities of the Company in accordance with the standards on independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court of the Philippines.

The Philippine Depository & Trust Corporation, the Registrar and Paying Agent, has no direct and indirect interest in the Company.

The financial statements of the Company for the periods ended December 31, 2023, 2022, and 2021 appearing in this Prospectus have been audited by SyCip Gorres Velayo & Co., independent auditor, as set forth in their report thereon appearing elsewhere herein. The partner-in-charge for the periods ended December 31, 2023 is Ms Djole S. Garcia, CPA and , Mr. Manolito R. Elle, CPA for 2022 and 2021.

Acuña, Francisco, & Mendoza Law (AFM Law) shall serve as the transaction counsel to the Underwriter and Arranger. AFM Law has no shareholdings or any interest, direct or indirect, in the Company, or any right, whether legally enforceable or not to nominate persons or to subscribe to the securities of the Company.

Atty. Jonathan F. Jimenez is the legal counsel for the Company.

There is no arrangement that experts shall receive a direct or indirect interest in the Company or was a promoter, underwriter, voting trustee, director, officer, or employee of Company.

## INDUSTRY OVERVIEW

*The information and data contained in this section have been taken from sources in the public domain. The Company does not have any knowledge that the information herein is inaccurate in any material respect. Neither the Company nor the Issue Manager, Lead Underwriter and Bookrunner nor any of their respective affiliates or advisors has independently verified the information included in this section.*

## OPERATING ENVIRONMENT OPERATING ENVIRONMENT

Mindanao is the second biggest island of the country.

Mindanao has a high potential for agro-industrial development. It is endowed with eight major river basins, namely: Agusan, Tagoloan, Cagayan de Oro, Tagum, Libuganon, Davao, Buayan-Malungon, Agus and the Mindanao River – all of which could supply water for irrigation and other related needs.

One-third of the Mindanao land area is devoted to agriculture. Mindanao supplies over 40 percent of the country's food requirements and contributes more than 30 percent to national food trade. It is also the country's major producer of rubber, pineapple, banana and coffee.

Mindanao can also be developed into a top tourist destination given the cultural diversity of its people and its resource-rich environment. Its tourism industry represents about 17 percent of the national tourist traffic.

Mindanao is endowed with rich mineral resources. The CARAGA and Davao regions contribute the most to the national output with more than eight percent each. Eastern Mindanao, North Central Mindanao, Zamboanga Peninsula, and Southeastern Mindanao are considered high-interest mining areas, with rich deposits of gold, copper, iron, chromium, nickel, cobalt and manganese.

Mindanao also has vast potential for renewable energy sources. Substantial volumes of agricultural residues are a potential source of biomass energy; Siargao Island and Davao Oriental are ideal sites for ocean energy generation; while Surigao is a potential site for wind power.

### Power Situation

Energy security is crucial to the continued growth of industries in Mindanao.

The experiences of the region in the early part of the decade is a testament to that. Then, it had high dependency on hydropower which at the time contributed over half of the power generated which in turn made climate change a real threat to Mindanao's energy security. In particular, increasing incidence of El Niño has reduced water levels and hampered power supply. The situation has been aggravated by the degradation of Mindanao's watersheds like Lake Lanao, which is the primary source for the Agus Hydro-Electric Power Plants. However, the relative importance of hydro to the supply mix had decreased in recent years due to the operation of new power plants that utilize other sources of energy.

## POWER GENERATION

In 2022, Mindanao's power situation remained stable, with no power shortage warnings for the third year in a row. The region's peak electricity demand rose slightly by 1.1% to 2,167 MW, showing a slow recovery of economic activities after the pandemic. Overall electricity consumption increased by 5.9% to 15,473 GWh, mainly due to growth in the industrial and commercial sectors, which went up by 8.7% and 3.9%, respectively. This increase reflects improving economic conditions and fewer pandemic-related restrictions.

Although natural disasters and delays in key projects like the Mindanao-Visayas Interconnection caused challenges, the region still had enough electricity supply. Coal remained the main source of power, providing 60.1% of the total electricity, followed by hydro power at 31.1%, which uses the region's natural water resources. In the future, the Mindanao-Visayas Interconnection Project will help balance the electricity supply and demand. As the region grows, more investments in renewable energy and energy storage will be key to ensuring reliable and sustainable power for the long term.

The security of supply in Mindanao reflects the readiness of its regions for more economic investments and opportunities. Furthermore, with the ongoing development of the Wholesale Electricity Spot Market (WESM) Mindanao and the Mindanao-Visayas Interconnection Project (MVIP), Mindanao will be able to share its capacity with Visayas, and consequently, Luzon in the near future.

### Existing Installed and Dependable Capacity, as of November 30, 2023

FUEL TYPE	PHILIPPINES			
	Capacity (MW)		Percent Share (%)	
	Installed	Dependable	Installed	Dependable
Coal	12,473	11,394	44.0	46.0
Oil Based	3,834	2,862	13.5	11.6
Diesel	2,418	2,017	8.5	8.1
Oil Thermal	650	305	2.3	1.2
Gas Turbine	767	540	2.7	2.2
Natural Gas	3,732	3,281	13.2	13.2
Renewable Energy	8,320	7,230	29.3	29.2
Biomass	585	386	2.1	1.6
Biomass	577	382	2.0	1.5
Waste to Energy (WTE)	8	3	0.0	0.0
Geothermal	1,952	1,763	6.9	7.1
Solar	1,559	1,173	5.5	4.7
Behind-the-Meter (BTM)	44	35	0.2	0.1
Ground-Mounted	1,515	1,138	5.3	4.6
Hydro	3,797	3,497	13.4	14.1
Impounding Hydro	2,164	1,985	7.6	8.0
Pumped Hydro	736	720	2.6	2.9
Run-of-River (ROR)	897	792	3.2	3.2
Wind	427	412	1.5	1.7
Onshore Wind	427	412	1.5	1.7
Off-shore Wind (OSW)	0	0	0.0	0.0
TOTAL	28,359	24,767	100.0	100.0
Energy Storage System (ESS)	413	413		
Battery ESS	364	364		
Hybrid (Diesel-Battery System)	49	49		

GRID	Capacity (MW)		Percent Share (%)	
	Installed	Dependable	Installed	Dependable
Luzon	19,792	17,441	69.8	70.4
Visayas	3,991	3,354	14.1	13.5
Mindanao	4,576	3,972	16.1	16.0
<b>TOTAL</b>	<b>28,359</b>	<b>24,767</b>	<b>100.0</b>	<b>100.0</b>

## 2023 Newly-Operational Power Plants, Mindanao

Facility Name	POWER PLANT Subtype	CAPACITY, MW		LOCATION Municipality/Province	OPERATOR
		Installed	Dependable		
LPEC	Rice Husk-Fired Biomass Power Plant	6	5.3	Barangay Commonwealth, Aurora, Zamboanga del Sur	Libertad Power and Energy Corporation (LPEC)
MALITA BESS	Battery ESS	22.8	22.8	Barangay Culaman, Malita, Davao Occidental	SMGP BESS Power Inc
<b>TOTAL</b>		<b>28.8</b>	<b>28.1</b>		

## Summary of Committed Power Projects, as of December 31, 2023

Plant Type	ANNUAL SUMMARY OF TARGET COMMERCIAL OPERATION (MW)								
	2024	2025	2026	2027	2028	2029	2030	TBD	TOTAL
COAL	600.00	350.00	485.00	270.00	700.00	-	-	-	2,405.00
OIL-BASED	181.91	-	-	-	-	-	-	-	181.91
NATURAL GAS	1,320.00	-	-	-	1,100.00	-	-	3,650.00	6,070.00
RENEWABLE ENERGY	2,167.135	2,614.84	1,838.65	102.00	-	500.00	10.23	7,232.85	
GEOThermal	81.22	-	-	42.00	-	-	-	-	123.22
HYDROPOWER	102.92	75.30	-	60.00	-	500.00	10.23	748.45	
Biomass	75.28	-	-	-	-	-	-	-	75.28
Solar	1,747.71	2,265.94	1,038.66	-	-	-	-	-	5,052.32
Wind	160.00	273.60	799.98	-	-	-	-	-	1,233.58
<b>TOTAL</b>	<b>4,269.05</b>	<b>2,964.84</b>	<b>2,323.65</b>	<b>372.00</b>	<b>1,800.00</b>	<b>500.00</b>	<b>3,660.23</b>	<b>15,889.77</b>	
ENERGY STORAGE SYSTEM (ESS)	614.00	30.00	-	-	-	-	-	1,340.00	1,984.00
BATTERY ESS	614.00	30.00	-	-	-	-	-	1,340.00	1,984.00

### Note:

1. Period Coverage is from 2024-2030, including Projects without firm commercial operations date and/or beyond 2030 tagged as To be Determined (TBD).

## SUMMARY OF INDICATIVE POWER PROJECTS IN MINDANAO as of December 31, 2023

Plant Type	ANNUAL SUMMARY OF TARGET COMMERCIAL OPERATION (MW)												
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TBD	TOTAL
COAL	-	-	-	-	120.00	-	-	-	-	-	-	-	120.00
OIL-BASED	-	-	-	-	-	-	-	-	-	-	-	-	
NATURAL GAS	-	-	-	-	-	600.00	-	-	-	-	-	-	600.00
RENEWABLE ENERGY	12.00	22.60	113.48	166.00	759.24	-	100.00	250.00	-	-	14.76	-	1,438.08
GEOThermal	-	-	-	-	-	-	-	-	-	-	-	-	
HYDROPOWER	-	-	-	-	524.20	-	-	250.00	-	-	14.76	-	788.96
Biomass	12.00	-	-	50.00	-	-	-	-	-	-	-	-	62.00
Solar	-	22.60	113.48	80.00	35.04	-	-	-	-	-	-	-	251.12
Wind	-	-	-	36.00	200.00	-	100.00	-	-	-	-	-	336.00
<b>TOTAL</b>	<b>12.00</b>	<b>22.60</b>	<b>113.48</b>	<b>166.00</b>	<b>879.24</b>	<b>-</b>	<b>700.00</b>	<b>250.00</b>	<b>-</b>	<b>-</b>	<b>14.76</b>	<b>-</b>	<b>2,158.08</b>
ENERGY STORAGE SYSTEM (ESS)	-	50.00	-	48.00	-	-	-	-	-	-	-	20.00	118.00
BATTERY ESS	-	50.00	-	48.00	-	-	-	-	-	-	-	20.00	118.00

## Significant Events

A number of natural calamities, such as earthquakes and typhoons, affected various transmission and distribution facilities in Mindanao. Fortunately, there were no recorded yellow and red alert occurrences in 2020 due to the current oversupply situation in the region. The COVID-19 pandemic and country-wide community quarantine restrictions brought significant demand reduction and prompted numerous power plants to be put on reserve shutdown. The pandemic also caused a series of delays in the target completion dated of the MVIP and the commercial operation of WESM

Mindanao. These key projects are envisioned to address the current oversupply situation and frequent manual load dropping incidents caused by the over/under nomination of customers under the current dispatch protocol in Mindanao.

## THE COMPANY

### Company Overview

ACR is a Philippines-based investment holding company. The Company is engaged in the business of exploration of oil, petroleum and other mineral products. The Company's business, conducted through its subsidiaries and associates, is grouped into various categories, such as Energy and Power, Property Development and Other Investments. ACR's investment in Energy and Power business is through four holding firms namely, Conal Holdings Corporation, Alsing Power Holdings, Inc., Alsons Renewable Energy Corporation and Alsons Thermal Energy Corporation. ACR is engaged in the Property Development business through its subsidiary, Alsons Land Corporation (ALC). ALC is engaged in an approximately 72-hole golf course development with a residential component called the Eagle Ridge Golf and Residential Estate. ACR, through ACR Mining Corporation (ACR Mining), is engaged in the acquisition of interest in Manat Mining Claims<sup>1</sup>.

### History

ACR was incorporated on December 24, 1974 as Victoria Gold Mining Corporation to engage in the business of exploration of oil, petroleum and other mineral products. The corporate name was changed to Terra Grande Resources, Inc. (Tegre) in March 1995.

In 1994, the Alcantara Group, through Alsons Power Holdings Corporation (APHC), acquired a 55.80% interest in Tegre through a swap of APHC's 50.78% stake in Northern Mindanao Power Corporation (NPMC). The Securities and Exchange Commission formally approved the stock swap on March 4, 1995 together with the increase in the Company's authorized capital stock from P1 billion to P3 billion.

The corporate name was changed to Alsons Consolidated Resources, Inc. in June 1995 to mark the entry of the Alcantara Group. The Company's primary purpose was subsequently changed to that of an investment holding company, and oil exploration was relegated to a secondary purpose.

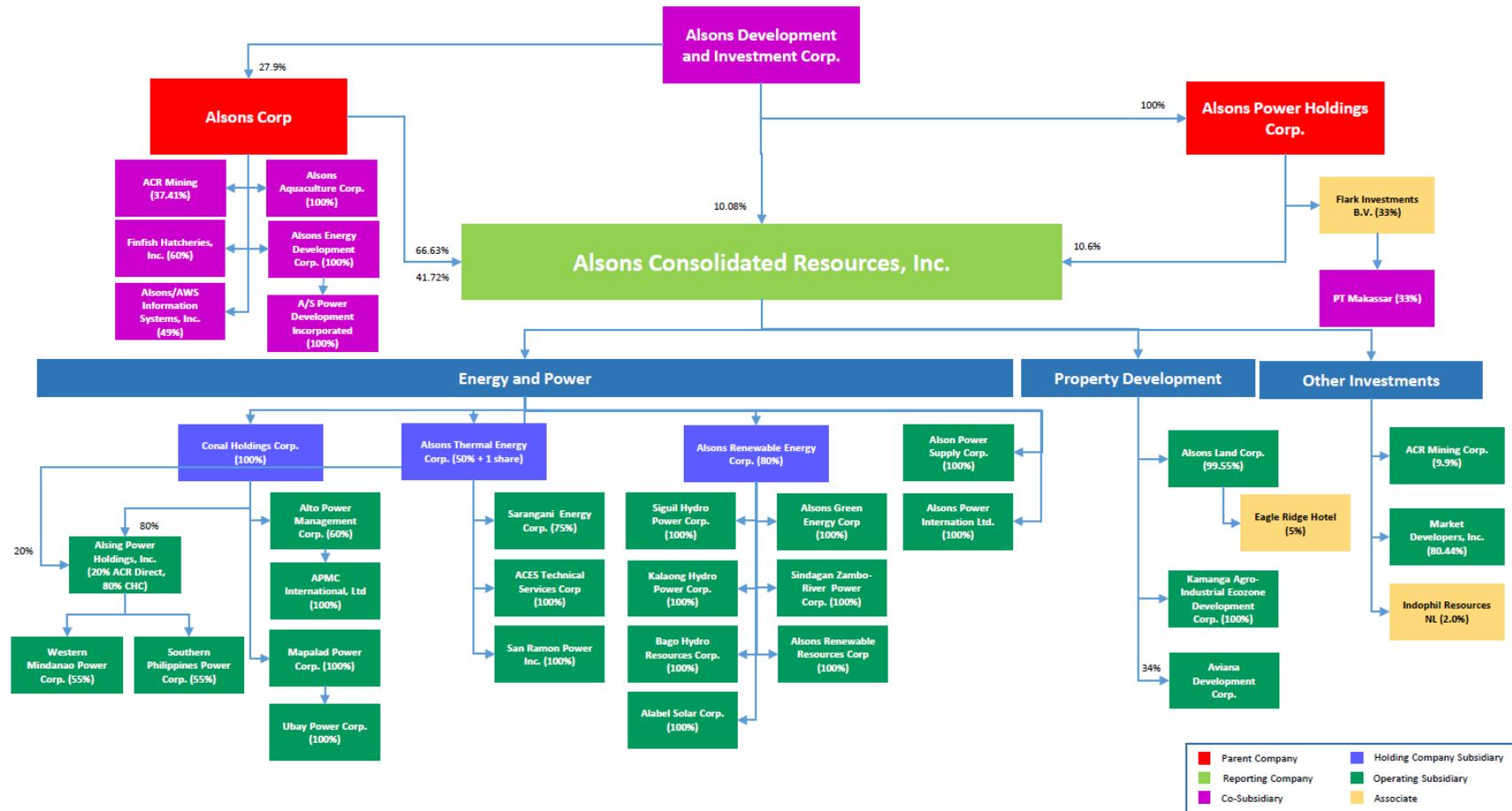
On October 10, 1996, the Company completed its reorganization through a series of stock swaps. As a result of this reorganization, some of the Alcantara Group's established businesses became majority or minority owned subsidiaries of ACR and the Company's authorized capital was further increased from P3 billion to P12 billion.

ACR's core businesses, conducted through its various subsidiaries and associates, can be grouped into the following main categories: a) Energy and Power, b) Property Development, and c) Other Investments. A description of the general nature and scope of these businesses is presented below:

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<sup>1</sup> <http://markets.ft.com/data/equities/tearsheet/profile?s=ACR:PHS>

## Corporate Structure



## Business Segments

### Energy and Power

ACR's investment in the Energy and Power business is through four holding firms namely, Conal Holdings Corporation (Conal or CHC) and Alsing Power Holdings, Inc. (Alsing), Alsons Renewable Energy Corporation (AREC) and Alsons Thermal Energy Corporation (ATEC).

*The four holding firms:*

1. Conal, incorporated on June 16, 1997, owns all of ACR's diesel plants operating power generation businesses, specifically: Alsing Power Holdings, Inc. at 80%, Alto Power Management Corporation at 60%, and Mapalad Power Corporation at 100%.
2. Alsing, incorporated on February 24, 1998, in turn, owns 55% of: Western Mindanao Power Corporation; and Southern Philippines Power Corporation. Further, ACR directly owns a 20% stake in Alsing.
3. AREC, established on September 18, 2014, serves as ACR's platform for developing renewable energy (RE) projects. AREC presently possesses 100% equity in several subsidiaries engaged in renewable energy ventures, including Sigil Hydro Power Corporation, Kalaong Hydro Power Corporation, Bago Hydro Resources Corporation, and Sindangan Zambo-River Power Corporation.
4. ATEC, formed on November 23, 2015, functions as a holding company for ACR's coal-fired thermal power assets. ACR transferred its ownership in Sarangani Energy Corporation (SEC) to ATEC on October 13, 2016.

ACR established Aces Technical Services Corporation (ACES), a wholly-owned subsidiary, on July 7, 2011, to serve as the operations and maintenance provider of SEC and San Ramon Power, Inc. (SRPI). ACR subsequently transferred its ownership in ACES to ATEC on October 12, 2016, and its ownership in SRPI on May 24, 2017.

On June 3, 2017, the Company signed an agreement with Global Business Power Corporation (GBP) for GBP to acquire a 50% less one share stake in ATEC. The Philippine Competition Commission approved the transaction on September 25, 2017, and the Deed of Absolute Sale was signed on November 27, 2017. The partnership combines ACR's distinct knowledge of the Mindanao power market, development thru long years of experience as the island's first independent power producer and with GBP's track record as the leading power producer in the Visayas. The Company believes that this endeavor will greatly benefit power consumers particularly in light of the planned interconnection of the Mindanao and Visayas grids. The partnership will also give ACR the opportunity to pursue with greater strength its energy-based projects, particularly its renewable power generating plants in Mindanao and Western Visayas. This will also allow ACR to accelerate its foray and entry in other energy-related enterprises in Southern Philippines, including the smaller islands with promising growth in power demands.

ACR also has a wholly-owned subsidiary, Alsons Power International Limited (APIL), dedicated to developing power plant projects outside the country. However, the company currently has no active operations.

*The four (4) operating power plants:*

1. WMPC operates a 100-megawatt (MW) diesel-fired electricity generating facility in Zamboanga City as a merchant plant after its 18-year “Build-Operate-Own” (BOO) arrangement with the National Power Corporation (NPC) expired in December 2015. WMPC currently provides ancillary services to the National Grid Corporation of the Philippines for the latter to maintain the power quality, reliability and security of the grid in the Zamboanga Peninsula Region.
2. MPC rehabilitated the 103MW bunker-fired Iligan Diesel Power Plants (IDPPs) I and II, which Conal acquired from the Iligan City Government and started operating these plants on February 27, 2013. MPC currently functions as a merchant plant and serves various customers in Mindanao. In 2024, the Company has completed its construction the in-island back up diesel power in Ubay, Bohol Province. The Ubay project will provide an in-island power plant that will help the island during events such as Typhoon Odette, wherein electricity supply has been cut in the region because of damages sustained by the transmission lines.
3. SEC's 210MW coal-fired power plants are located in Maasim, Sarangani Province. Its first section of 105MW began commercial operations in April 2016, while its second section of another 105MW or Phase 2 started commercial operations on October 10, 2019.
4. Siguil Hydro Power Corporation (Siguil), operates a 14.5MW run-of-river electricity generating facility located at the Siguil River basin in Maasim, Sarangani construction is completed and the issuance of the COC is expected in the fourth quarter of 2025. Siguil has Provisional Authority to Operate and is already selling energy to the spot market.

The Company also fully owns SPPC, a 55 MW diesel-fired electricity generating facility located in Alabel, Sarangani Province, 13 kilometers east of General Santos City. SPPC's 18-year BOO arrangement with NPC expired on April 28, 2016. The company is currently looking into repurposing SPPC to include engagement in renewable energy industry as one of its primary purpose.

The Company organized and incorporated Siguil and Kalaong on July 22, 2011 as wholly owned subsidiaries. Siguil and Kalaong were incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. Siguil completed its construction last year (2024) and total project cost of Siguil increased from 4.4 billion to Php 5.0 billion due to construction overrun owing to construction delays. SHPC's COC is expected to be issued by the fourth quarter of 2025.

AREC organized and incorporated Bago and Siayan on February 26, 2018 and August 21, 2018, respectively, as wholly owned subsidiaries. Bago and Siayan were incorporated primarily to develop and invest in energy projects including but not limited to the exploration, development and utilization of renewable energy resources. Bago's 42 MW Hydro Power Plant Project is in Negros Occidental while Siayan is a combined 8.8MW hydro power project and 29MWp solar power project located mainly in the Municipality of Siayan and Duminag, Zamboanga Del Norte. These projects are expected to augment power supply in the provinces of Negros Occidental and Zamboanga Del Norte, respectively, once they are completed. As at October 31, 2024, Bago and Siayan have not yet started commercial operation but is currently in advance development works.

ACR organized and incorporated SRPI on July 22, 2011 as a wholly owned subsidiary. SRPI was incorporated primarily to acquire, construct, commission, operate and maintain power-generating plants and related facilities for the generation of electricity. The Company began site development

and clearing works for SRPI's 105 MW coal fired power plant project (ZAM 100), which could supply power to Zamboanga City and other parts of the Zamboanga Peninsula. However, the Company has not started the construction of the ZAM 100 power plant. The proposals for the Engineering, Procurement and Construction (EPC) rebidding were submitted on August 30, 2018. The selected EPC contractor remains committed to the implementation of the SRPI Project, with regular updates of project requirements to maintain readiness for implementation upon the execution of the NTP (Notice to Proceed). However, the issuance of the NTP has been deferred. The Company is evaluating various options for the next steps to reach project implementation.

### **Property Development**

ACR is also engaged in the Real Estate Development and Project Management through its subsidiary, Alsons Land Corporation or ALC. ALC continues to enhance its real estate portfolio thru investments in projects with immediate development potential. These include residential, commercial, mixed-use, and township and estate projects that have trading income activities (sale), high value recurring income businesses (rentals), Joint Venture arrangements and Asset Management opportunities.

Launched in November 25, 1994, ALC was involved in the development of Eagle Ridge Residential Estates, and the Eagle Ridge Golf and Country Club, in Cavite. The latter Club boasts of 72 holes in 4 golf courses, each designed by a world-class golf legend.

ACR also entered into a Joint Venture Agreement with Ayala Land Incorporated (ALI) to develop a 26-hectare world-class estate in Lanang, Davao City, Mindanao. The estate is set to be transformed into a master-planned, mixed-use community that will include residential low to mid-rise towers, commercial lots, offices, an events venue and a waterside cove with some retail components.

ALC continues to grow its residential business when it embarked on the expansion of its Campo Verde subdivision in Batangas, a joint venture project with Sunfields Realty Development, Inc. The initial project, which is an 11-hectare property located inside the Lima Technology Center, is close to selling out. This project is an hour away from Makati via the South Luzon Expressway and the Southern Tagalog Arterial Road Tollway. Campo Verde offers three (3) distinct Spanish-themed homes that are ideal for young to growing families. The model house choices range from: Condesa, with a lot area of 90 square meters and floor area of 36 square meters; Duquesa, with a lot size of 100 square meters and a floor area of 50 square meters; and Reina, with 120 square meter-lot and a floor area of 80 square meters.

Through ALC, ACR is also developing the Kamanga Agro-Industrial Economic Zone in the Municipality of Maasim, Province of Sarangani, where the power plant of Sarangani Energy is located. This "Ecozone" is accredited with the Philippine Economic Zone Authority (PEZA) as an agricultural and light-industry zone. Enterprises will be encouraged to set up their businesses in, or relocate to, this Ecozone to enjoy incentives prescribed by law through the PEZA. Additional lots were acquired as expansion of the covered estate. On July 6, 2022, KAIEDC and a locator signed a lease agreement of industrial lots covering a 47.819 hectares for a period of 50 years with an extended option of another 25 years.

### **Other Investments**

In 2007, ACR infused capital of P195 million in ACR Mining Corporation (ACR Mining), which was acquiring 75% interest in a joint venture between Alsons Development and Investment Corporation (ALDEVINCO), and Southern Exploration (SECO). This joint venture was organized to explore and develop the Manat mining claims, which are covered by Mineral Production Sharing Agreement (MPSA) No. 094-97-XL up to the year 2022, with an area of 1,547.32 hectares. It is located in the Municipality of Nabunturan, Province of Compostela Valley, and in the Municipality of Maco, Province of Davao del Norte. Previous exploration work identified three mineralized structures:

Pagtulian, Katungbuan/Taglayag, and Magas. Detailed work on the Magas Vien Zone (MVZ) so far revealed an estimate inferred resource of 2.7 million tons containing: 2.8 g/t gold, 26 g/t silver, 0.09% copper, 0.85% lead, and 1.58% zinc. On May 24, 2015, the Board of Directors approved and declared ACR Mining as property dividend of record date of June 5, 2015. The SEC approved the Certificate of Filing the Notice of property Dividend on August 11, 2015. The Bureau of Internal Revenue issued its Certificate Authorizing Registration on February 22, 2016.

The Declaration of Mining Project Feasibility was submitted to the Mines and Geosciences Bureau on October 2012. At present, the Company continues to be under the care and maintenance activities wherein various safety, environment and health programs together with the host communities.

On February 22, 2022, the DENR issued an order approving the assignment of MPSA No. 094-97-XI from Aldevinco to ACR Mining pursuant to the March 25, 2019 Deed of Assignment.

ACRM through its letter to the DENR dated May 21, 2022, the Company requested for a reinstatement of unconsummated term of the above MPSA for about 5-7 years due to force majeure in view of the following conditions:

1. The prevailing peace and order situation Compostela Valley, now known as Davai de oro;
2. The shift in the policy direction of the government with the issuance of Executive Order No. 79 in on July 6, 2022, specifically touching on the proposed changes in the revenue schemes;
3. The adverse effect in conducting operations for more than 2 years due to the straight government response to COVID-19 pandemic, among others.

The DENR considered the lost term of MPSA 094-97-XI, granted and extended period of 5 years starting from the expiration of its first 25 years term on November 20, 2022 and such term shall expire on November 20, 2027.

Market Developers Inc., (MADE) which is in the distribution business, was incorporated on January 31, 1974. MADE has incurred significant losses in prior years resulting in capital deficiency. Because of the recurring losses, MADE decided to cease operations effective April 30, 2006 and terminated its employees. These factors indicate the existence of a material uncertainty which may cast significant doubt on the MADE's ability to continue as a going concern. MADE has no plans to liquidate but new business initiatives are being pursued which will justify resumption of its trading operations.

ACR organized and incorporated Alsons Power Supply Corporation (APSC) on October 13, 2016 primarily to provide services necessary or appropriate in relation to the supply and delivery of electricity. APSC was incorporated in the Philippines and was registered with the Philippine Securities and Exchange Commission (SEC) on November 10, 2016. The Company is a wholly owned subsidiary of ACR. APSC is engaged in providing facilities and services necessary in relation to the marketing, supply, delivery, purchase and sale of electricity, including implementation of energy efficiency programs. APSC provides services to all operating power plants of ACR.

Alto Power Management Corp. (APMC), a subsidiary of ACR, was incorporated on February 6, 1996. APMC provides the plant and operation management services to SPPC, WMPC and MPC. Also, APMC International Ltd., a wholly owned subsidiary of APMC, provided operations and maintenance management services to PT Makassar Power Indonesia until April 2016.

FGEN was already divested and did not operate. It was only used for bidding in a certain project but the company did not win.

## Business Segments Contribution to Revenues

As presented in the table below, the recurring income of ACR comes from power plant operations. Its investments in property development contributes only less than 1% of its total Revenues and is considered only a portfolio investment.

Business Segment	(Amounts in Thousand PHP)				% To Total			
	As of September 2024	2023	2022	2021	As of September 2024	2023	2022	2021
Energy and Power Property Development	P8,899,225 16,182	12,417,644 P5,103	11,967,261 21,971	10,046,854 -	100% 0%	100% 0%	100% 0%	100% 0%
Total	8,915,407	12,422,747	11,989,232	10,046,854	100%	100%	100%	100%

The Group conducts majority of its business activities in two major business segments: (1) Energy and Power, and (2) Property Development. The Group's other activities consisting of product distribution and investment holding activities are shown in aggregate as Other Investments.

Information with regard to the Group's significant business segments are shown below:

Nine-Month Period Ended September 30, 2024						
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
<b>Earnings Information:</b>						
Revenues						
External customer	P8,899,224,941	16,182,452	P -	P8,915,407,393		P8,915,407,393
Inter-segment	115,342,022	3,580,637	534,000,006	652,922,665	(652,922,665)	-
Total revenues	9,014,566,963	19,763,088	534,000,006	9,568,330,057	(652,922,665)	8,915,407,393
Finance income	50,771,445	1,478,168	25,825,968	78,067,582		78,067,582
Finance charges	(801,924,616)		(270,952,870)	(1,072,877,486)		(1,072,877,486)
Provision for income tax	230,981,061	45,092	-	231,026,153	4,039,079	235,065,232
Net income (loss)	P2,192,387,888	(P15,178,676)	P245,391,370	P2,422,600,581	(P534,576,211)	P1,888,024,370

Nine-Month Period Ended September 30, 2023						
	Energy and Power	Property Development	Other Investments	Total	Eliminations	Consolidated
<b>Earnings Information:</b>						
Revenues						
External customer	P9,978,274,251	P17,047,994	P -	P9,995,322,245		P9,995,322,245
Inter-segment	121,583,491	3,069,117	608,000,009	732,652,616	(732,652,616)	-
Total revenues	10,099,857,741	20,117,111	608,000,009	10,727,974,861	(732,652,616)	9,995,322,245
Finance income	41,033,758	4,785,220	18,640,363	64,459,341		64,459,341
Finance charges	(951,729,688)		(259,235,647)	(1,210,965,334)		(1,210,965,334)
Provision for income tax	225,255,207	21,881	-	225,277,087	4,039,079	229,316,167
Net income (loss)	P2,052,664,847	(P11,342,920)	P342,223,246	P2,383,545,173	(P608,056,267)	P1,775,488,908

	2023					
	Power And Energy	Property Development	Other Investments	Total	Adjustments And Eliminations	Consolidated
<i>(Amounts in Thousands)</i>						
<b>Earnings Information</b>						
Revenues						
External customer	₱12,529,121	₱5,103	₱—	₱12,534,224	(₱111,477)	₱12,422,747
Inter-segment	—	4,092	995,254	999,346	(999,346)	—
Total revenues	12,529,121	9,195	995,254	13,533,570	(1,110,823)	12,422,747
Interest income	53,446	4,181	29,675	87,302	—	87,302
Finance charges	1,248,877	—	406,256	1,655,133	—	1,655,133
Provision for income tax	291,264	33	(186)	291,111	(9,590)	281,521
Segment profit (loss)	2,682,409	67,443	505,369	3,255,221	(970,155)	2,285,066
<b>Other Information</b>						
Investments in associates and due from related parties	₱114,465	₱1,082,342	₱9,181,060	₱10,377,867	(₱4,705,631)	₱5,672,236
Segment assets	37,775,562	2,538,871	19,219,351	59,533,784	(11,583,902)	47,949,882
Segment liabilities	21,001,961	373,300	11,319,957	32,695,218	(4,378,299)	28,316,919
Depreciation and amortization	1,309,138	1,336	1,285	1,311,759	44,538	1,356,297
Income from finance leases	—	88,352	—	88,352	—	88,352
Income from operating leases	—	12,221	—	12,221	—	12,221
Equity in net earnings of associates	—	—	22,393	22,393	—	22,393
Capital expenditures	2,015,357	—	—	2,015,357	—	2,015,357
<b>Cash Flow Information</b>						
Net cash flows from (used in):						
Operating activities	5,911,395	(48,247)	(104,651)	5,758,497	611,802	6,370,299
Investing activities	(1,051,530)	107,908	(175,729)	(1,119,351)	(1,177,818)	(2,297,169)
Financing activities	(5,139,659)	—	204,137	(4,935,522)	491,801	(4,443,721)

	2022					
	Power And Energy	Property Development	Other Investments	Total	Adjustments And Eliminations	Consolidated
<i>(Amounts in Thousands)</i>						
<b>Earnings Information</b>						
Revenues						
External customer	₱12,168,157	₱25,118	₱—	₱12,193,275	(₱204,043)	₱11,989,232
Inter-segment	—	4,092	499,034	503,126	(503,126)	—
Total revenues	12,168,157	29,210	499,034	12,696,401	(707,169)	11,989,232
Interest income	16,544	1,013	7,225	24,782	—	24,782
Finance charges	1,291,070	—	359,332	1,650,402	—	1,650,402
Provision for income tax	341,194	21,198	1,355	363,747	(18,593)	345,154
Segment profit (loss)	1,879,488	390,468	153,344	2,423,300	(548,156)	1,875,144
<b>Other Information</b>						
Investments in associates and due from related parties	192,184	939,821	8,049,896	9,181,901	(3,686,092)	5,387,641
Segment assets	37,618,717	2,432,755	18,056,469	58,107,941	(10,311,453)	47,796,488
Segment liabilities	21,239,717	334,627	10,529,919	32,104,263	(3,217,026)	28,887,237
Depreciation and amortization	1,396,046	530	1,844	1,398,420	44,538	1,442,958
Income from finance leases	—	417,129	—	417,129	—	417,129
Income from operating leases	—	10,283	—	10,283	—	10,283
Impairment of goodwill	(165,000)	—	—	(165,000)	—	(165,000)
Equity in net earnings of associates	—	—	54,720	54,720	—	54,720
Capital expenditures	(1,397,820)	—	—	(1,397,820)	—	(1,397,820)
<b>Cash Flow Information</b>						
Net cash flows from (used in):						
Operating activities	4,482,606	(48,247)	(1,279,684)	3,154,675	1,274,752	4,429,427
Investing activities	(681,579)	107,908	915,032	341,361	(2,314,645)	(1,973,284)
Financing activities	(3,717,085)	—	372,064	(3,345,021)	817,471	(2,527,550)

The Group operates and derives principally all of its revenues from domestic operations. Thus, geographical business information relating to revenue from external customers and non-current assets are not presented.

## Material Partly- Owned Subsidiaries

The tables below show details of materially partly owned subsidiaries of ACR either directly or indirectly.

Name of Subsidiary	Principal Activity	Place of Incorporation	Proportion Ownership Interest and Voting Rights Held by Non-controlling interest		
			2024	2023	2022
ATEC	Holding		50.0%	50.0%	50.0%
Sarangani (SEC)	Power Generation	Philippines	62.5%	62.5%	62.5%
ACES	Management Services		50.0%	50.0%	50.0%
SRPI	Power Generation		50.0%	50.0%	50.0%

Accumulated balances of material non-controlling interests:

Amounts in Thousands	2024	2023	2022
Accumulated balances	Php 6,867,671	6,759,305	6,618,651

Total comprehensive income and dividends declared attributable to material non-controlling interests.

Amounts in Thousands	2024	2023	2022
Total comprehensive income	Php 808,366	1,440,654	1,174,036
Dividends declared	(700,000)	(1,300,000)	(687,500)

The summarized financial information in respect of the subsidiaries that have material noncontrolling interests (before intra-group eliminations) is set out below.

Summarized statements of financial position of ATEC, including its subsidiaries as at September 30, 2024 and December 31 2023 and 2022 are as follows:

Amounts in Thousands	2024	2023	2022
Current assets	Php 4,348,588	3,249,868	4,300,451
Noncurrent assets	23,309,318	24,203,726	25,313,395
Current liabilities	(5,419,617)	(4,026,127)	(4,426,085)
Noncurrent liabilities	(8,538,435)	(9,561,681)	(11,550,850)
Equity	13,699,854	13,865,786	13,636,911

Summarized statements of comprehensive income of ATEC, including its subsidiaries for the period ended September 30, 2024 and for the years ended December 31, 2023, and 2022. are shown below.

Amounts in Thousands	2024	2023	2022
Revenue and other income	5,208,769	9,521,595	8,752,775

Expenses	(3,734,073)	(7,019,596)	(6,663,762)
Income tax	(168,793)	(163,090)	(245,556)
Net Income	2,032,737	2,338,909	1,843,457
Other comprehensive income (loss)	-	(10,035)	15,738
Total comprehensive income	12,032,737	2,328,874	1,859,195

There are no significant restrictions on the subsidiaries to transfer funds to the Parent Company in the form of dividends, payment of advances, among others.

## Power Plants

### Overview of the Power Plants

Presented below is a table summarizing relevant information about the Power Plants.

Power Plant	Parent Company	Status	Expected Life	Date of Construction	Start of Commercial Operation	Location	Capacity (MW)
WMPC	Alsing Power Holding	Operational	18 years*	1996-1997	December 1997	Malasugat, Sangali Zamboanga City	100
MPC	Conal Holding Corp	Operational	30 years	1992-1993	February 27, 2013	Sitio Mapalad, Dalipuga, Iligan City	103
MPC – UBAY	Conal Holding Corp	Commissioning	18 years	June 6, 2023	2025	Barangay Imelda, Ubay, Bohol	83MW
SEC Phase 1	ATEC	Operating	25 years	04 June 2012 (LNTP) 28 December 2012 (NTP)	April 29, 2016	Barangay Kamanga, Maasim, Sarangani Province	105
SEC Phase 2	ATEC	Operational	25 years	14 July 2016 (LNTP) 14 October 2016 (NTP)	October 10, 2019	Barangay Kamanga, Maasim, Sarangani Province	105
Sigui	AREC		50 years	July 2019	2025	Sitio Lamlangil, Brgy. Kamanga, Maasim, Sarangani Province	14.5

\*The expected life of WMPC was extended due to major overhaul of its engine.

### Status of publicly announced new projects

1. The Sigui Hydro Power Corporation, which will operate a 14.5MW run-of-river electricity generating facility located at the Sigui River basin in Maasim, Sarangani. The issuance of the Certificate of Compliance (COC) is expected in 2025.

The other hydro projects currently in pipeline include the 8.8-MW Siayan (Sindangan) Hydro Plant in Zamboanga del Norte; and the 34.8-MW Bago Hydro plant in Negros Occidental. Both these projects are currently in advanced pre-development stages.

2. The 105MW SRPI power plant in Zamboanga City received its environmental compliance certificate from the Department of Environment and Natural Resources in March 2012. The Company has begun site preparation and clearing works. The total project cost is estimated at Php16 billion. SRPI is still negotiating with various banks to finance the project. Once in operation, the SRPI coal-fired power plant would be able to service Zamboanga City and other nearby areas. However, the issuance of the NTP has been deferred. The Company is evaluating various options for the next steps to reach project implementation.
3. In June 2023, the Company began the construction of modular gensets in Ubay, Bohol Province and has completed construction in 2024. The Ubay project will provide an in-island power plant that will help the island during events such as Typhoon Odette, wherein electricity supply has been cut in the region because of damages sustained by the transmission lines. Expected COD is on 2025.

#### **Existing patents, trademarks, copyrights, licenses, franchises, concessions and royalty agreements.**

The Company and its subsidiaries has no existing patents, trademarks, copyrights, licenses, franchises, concessions and royalty agreements.

### **Life of Power Plant**

#### **Start of Commercial Operations:**

- SARANGANI Phase 1 started commercial operation on April 29, 2016.
- SARANGANI Phase 2 started commercial operations on October 10, 2019.
- MPC started commercial operation on 2013.
- WMPC started commercial operation on 1997.
- SPPC started commercial operation on 1998.

#### **Expected Life:**

- **SARANGANI** -The design life of both units, as per the respective EPC contracts, is 35 years.
- **WMPC** - the expected life is 40 years from start of commercial operations
- **MPC** – the expected life is 20 years from 2013, based on running hours
- **SPPC**- The expected life is 20 years from 2017, based on running hours.

After the expected life of the power plants, the Company conducts a plant study in order to extend the life of the power plants, especially if the plants are still required to be operational. This study takes into account the condition of equipment and facilities, the running and operating conditions over the previous designed life of the plant, licensing conditions, among other considerations. The purpose of the study is to produce a recommendation on whether it is viable to refurbish equipment and continue the plants' operations. The company sticks to their set scheduled maintenance regime and refurbish and replace equipment, as determined by inspections, condition monitoring and obsolescence. These enhancements will then extend the useful life of a power plant.

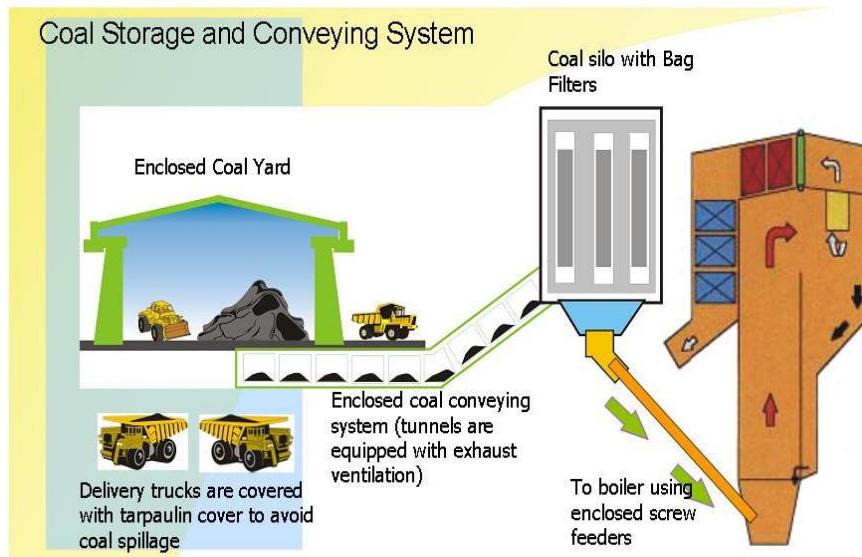
## Process Flow

From operating power plants, only Sarangani Energy is a coal-fired power plant. WMPC and MPC are all diesel power plants.

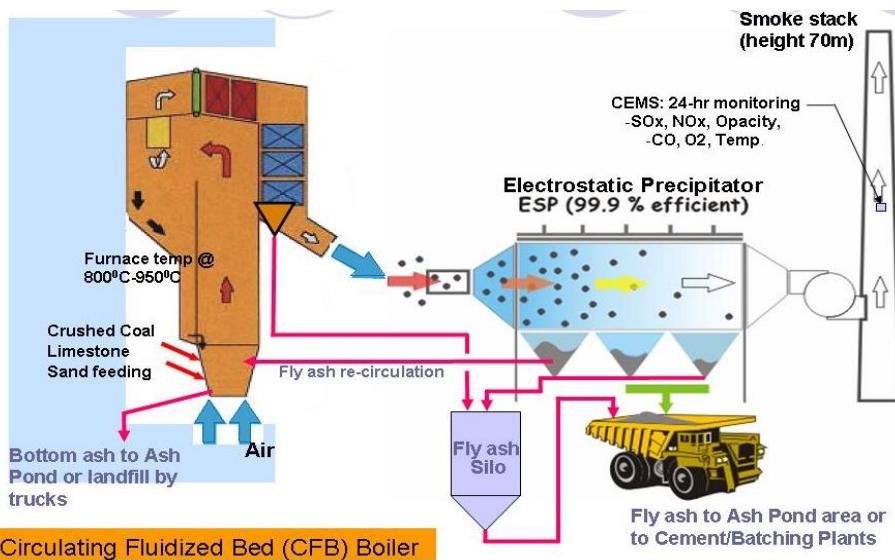
Operating Power Plants	Type of Power Plant
SARANGANI	Coal-Fired Power Plant
WMPC	Diesel Power Plant
MPC/ MPC UBAY	Diesel Power Plant
SHPC	Hydro Power Plant

### Coal Fired Thermal Power Plant<sup>2</sup>:

Coal is burnt in the boiler furnace to produce heat. Carbon in the coal and Oxygen in the air combine to produce Carbon Dioxide and heat. The heat from combustion of the coal boils water in the boiler to produce steam. The steam is then piped to a turbine. The high-pressure steam impinges and expands across a number of sets of blades in the turbine. The impulse and the thrust created rotates the turbine. The steam is then condensed and pumped back into the boiler to repeat the cycle. After, rotation of the turbine rotates the generator rotor to produce electricity based of Faraday's Principle of electromagnetic induction.



<sup>2</sup> <http://www.brighthubengineering.com/power-plants/18082-coal-fired-thermal-power-plant-the-basic-steps-and-facts/>



### Diesel-Fired Power Plant<sup>3</sup>

A diesel engine is a type of internal combustion engine. An internal combustion engine transforms the chemical energy in fuel to mechanical rotational energy. To release the chemical energy in diesel effectively, an atomized form of the fuel is made to contact with high temperature and high-pressure air. In diesel engines, this energy is effectively transferred as mechanical rotational energy. The operation of a diesel engine is all about producing high temperature and high-pressure air continuously.

Piston, connecting rod, crank and cylinder form a mechanism called slider-crank mechanism. Here the linear motion of the piston is transformed to a rotary motion at the crank.

During the motion of the piston, the topmost point it can reach is called Top dead centre (TDC) and the bottom most position the piston can reach is called as Bottom dead centre (BDC). In an IC engine, this mechanism is properly supported in an engine block. Cylinder head, valves and fuel injector are fitted above the engine block.

When the piston moves downwards, inlet valves open and fresh air from outside is sucked in, or, in other words, the engine breathes. This stroke is called as suction stroke.

During the return stroke, inlet and exhaust valves are closed and the air inside the cylinder gets compressed. During the compression stroke, the piston does work on the air. So, the temperature and pressure of the air will rise to a level which is higher than the self-ignition value of the diesel.

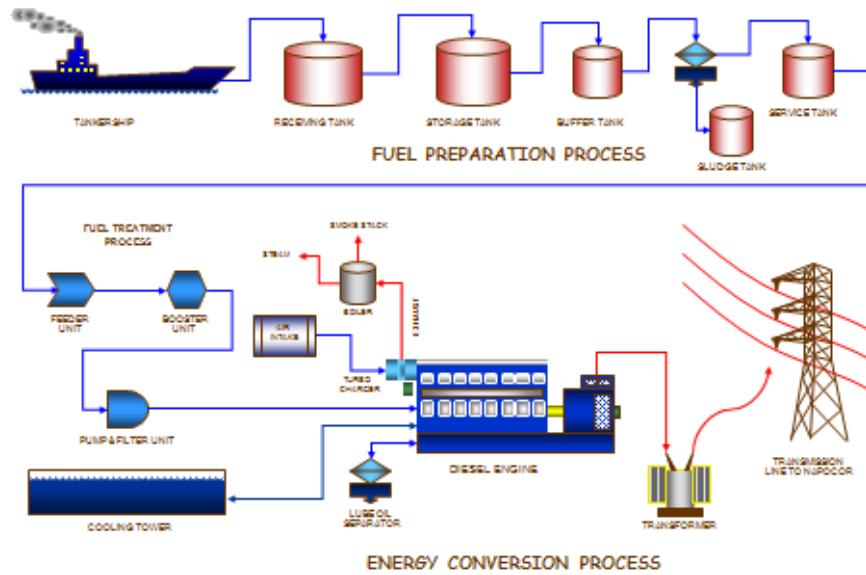
An atomized form of diesel is injected into this compressed air. The fuel gets evaporated and undergoes an uncontrolled spontaneous explosion. As a result, the pressure and temperature rise to high level values.

The high energy fluid pushes the piston downwards. The hot air does work on the piston and energy in the fluid is converted to the mechanical energy of the piston. This is the only stroke where the piston absorbs power from the fluid.

Due to inertia of the system, the piston moves upwards again. This time the exhaust valves open and the exhaust are rejected. Again, the suction stroke happens.

<sup>3</sup> <http://www.learnengineering.org/2014/10/Diesel-engine-Working.html>

This cycle, which has a total 4 strokes, is repeated over and over for continuous power production.



## Hydro Power Plant

The major components of a run of river plant include the Diversion Weir, Desander, Headtank, Penstock, Powerhouse, Turbine and Generator, Tailrace and the Switchyard and Transmission line. These major components work together to generate electricity. The first structure in a hydro power plant is the Weir. It is a non-impounding structure to raise the water level and to divert the water. Behind the weir structure is the pondage, which is a small water storage behind the weir. Water is built up in the pondage to result a higher and reliable pressure of the water being diverted for the power plant. Water is then diverted, at a rate of 6lps to the reinforced concrete box culvert or the Reinforced Concrete Box Culvert, this is designed to convey a greater amount of water versus a concrete pipe. A reinforced concrete box culvert is used instead of concrete pipes as this is designed to convey a greater amount of water. Other parts of the weir structure are the Bottom Drainage channel and the Spillway which remove excess surface water to prevent flooding and overspilling.

From the pondage, water will be diverted for the powerplant's use through the RCB going to the desander. Overflow water from the crest of the weir and excess water will go back to the river. From the weir the incoming water will pass through a sedimentation basin called the desander. The settled sediments and debris are periodically removed from the sedimentation basin. This can be done manually by dredging or mechanically through the use of equipment like a suction dredger or an excavator. From the desander, the clean water will go through water conveyance system to transport water from the intake to the to the turbine of the power plant.

The headrace includes Pipe Bridges, Siphons, and Tunnels. A pipe bridge is designed to provide a secure and elevated passage for the pipes, allowing them to traverse over the obstacle without interfering with the ground or obstructing the flow of other traffic or activities. A siphon utilizes a closed pipe to transfer the water from the higher elevation to the lower elevation without the need for external pumps or energy input. To start the siphon process, the upstream leg is initially filled with water and primed. Once the water level in the upstream leg is higher than the downstream leg, gravity takes over, and water starts flowing from the higher elevation to the lower elevation through the siphon. As the water flows down the siphon, it gains velocity and kinetic energy.

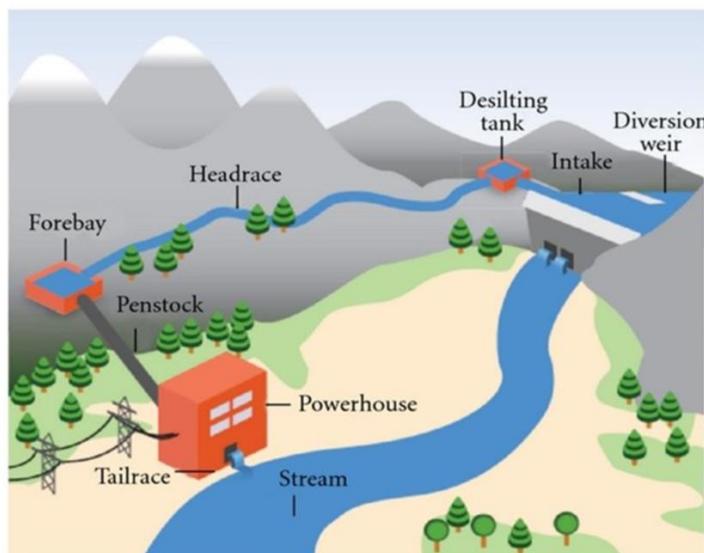
The headtank regulates and stabilizes the pressure and the water flow prior flowing to the penstock. This acts as a buffer or a surge cushion to absorb pressure variations caused by changes in water

flow rates or sudden valve closures. This will also serve as a sedimentation basin like the desander so that sediments and debris may be removed before the water enters the penstock and turbines to protect it from potential damage caused by sediment and prolongs their operational lifespan. The penstock is a crucial part of the headrace. It is a large pipe in a steep slope that carries the water under pressure from the source to the turbine. The penstock helps maintain the desired water pressure and control the flow of water going into the turbine

Here are the external and internal views of the powerhouse. The facility houses the turbine and generator where the conversion of hydraulic energy into mechanical energy for electricity generation.

As water enters the power house, hydraulic energy of flowing water converts into mechanical energy by using injectors to spray water onto a runner, causing it to rotate. As the turbine rotates, it transfers the mechanical energy to the generator, where it is converted into electrical energy through electromagnetic induction. The rotating runner is directly coupled to a turbine, which in turn is connected to a generator through the rotor, which is equipped with electromagnets. Surrounding the rotor is a stationary component called the stator, which contains copper wire windings. As the rotor spins, the changing magnetic field induces an electric current in the wire windings of the stator through electromagnetic induction.

The electric current produced in the stator windings is then converted into usable electricity by passing it through a system of transformers, which step up the voltage to a suitable level for transmission and distribution. After the water has passed through the turbine and generated mechanical energy, the tailrace carries water away from the power plant and return to the natural flow of the river ensuring the sustainability of the hydrological system. That completes the key principle on how a run-of-river power plants electricity.



## **Distribution of Power to Customers (Distribution Utilities)**

Power is generated in the power plants, following the process flow explained above. After which, power is transmitted through the grid to the Distribution Utilities. It is then the distribution utilities who will transmit the power to the end users.

## **Sources and Availability of Raw Materials and Supplies**

SPPC has not renewed Fuel Supply Agreement with Pilipinas Shell Petroleum that expired last September 1, 2019 as the plant ceased operations.

WMPC signed a Fuel Supply Agreement with Northern Star Energy Corporation on August 31, 2023 for the supply of RFO and FO Plus for 3,200KL monthly or annual quality of 38,400KL to start on August 1, 2023 until July 2026.

MPC has also signed agreement with Pilipinas Shell Petroleum Corporation on November 9, 2023 for the supply of its fuels to starting from November 1, 2023 until October 31, 2025

Wartsila Corporation of Finland supplies the engine parts and major maintenance services needed by the diesel plants.

Sarangani Energy Corporation has fuel supply and/or transport agreements with reputable coal traders and suppliers for low Sulphur coal, or sub-bituminous coal from Indonesia with gross calorific value ranging from 4200 to 5000 kCal per kilogram. Local supply is sourced from Semirara Mining and Power Corporation. The company is also procuring coal via spot market or short-term contracts with flexible pricing options with prices based on Indonesian Coal Index and or Fixed Price arrangements.

ACR is not expected to be dependent upon any one or limited number of suppliers for essential raw materials, energy or other items.

## **Related Party Transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include (a) enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the Group; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual. In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form.

All related party transactions shall be disclosed to the Group's Audit Committee ("the Committee") of the BOD and all transactions will be reviewed and approved by the Committee to ensure that a conflict of interest does not exist, a proper assessment of such transaction is made, and all necessary information is properly documented. Material related party transaction shall mean any individual related party transaction, or series of related party transactions over twelve (12) months, and with the same related party, amounting to, or exceeding, individually, or in the aggregate, the materiality threshold. Materiality threshold shall mean ten percent (10%) of the total assets of any of the parties to a transaction, based on that party's latest audited financial statements, and if the transaction is a material related party transaction, and one of the related parties is a parent of the other, the total assets shall pertain to the parent's total consolidated assets.

Transactions with related parties pertain mainly to cash advances and reimbursements of expenses.

Outstanding related party balances are generally settled in cash.

The table below shows the details of the Group's transactions with related parties.

Related Party	Advances	Due from Related Parties (Note 8)		Terms	Conditions
		2023	2022		
Major stockholders	2023 2022	₱215,700,003 ₱550,655,342	₱2,967,531,210 ₱2,751,831,207	Payable upon demand, noninterest-bearing	Unsecured, no impairment
Subsidiaries of major stockholders	2023 2022	— —	145,943,340 145,943,340	Payable upon demand, noninterest-bearing	Unsecured, no impairment
Affiliates*	2023 2022	71,402,082 120,447,378	255,465,683 184,063,601	Payable upon demand, noninterest-bearing	Unsecured, no impairment
Total	2023 2022	₱287,102,085 ₱671,102,720	₱3,368,940,233 ₱3,081,838,148		

\*Affiliates are entities with common stockholders or directors.

Compensation of key management personnel are as follows:

	2023	2022	2021
Short-term employee benefits	₱99,649,582	₱95,774,732	₱91,899,822
Post-employment benefits	5,640,730	5,391,702	5,142,674
	₱105,290,312	₱101,166,434	₱97,042,496

## Customers

### Power plant operations:

Below is the summary of the PSAs of the power plants:

Power Plant/Asset	Off-taker	Location	Contracted Capacity	No. of Years	Start Date	End Date
WMPC	NGCP Firm ASPA	GRID	30MW (Dispatchable Reserve); 15MVAR/20MW (Reactive Power Support) 100MW plant's certified net capacity (Black Start Service)	5	June 08, 2024	June 07, 2029
SEC 1	South Cotabato Electric Cooperative II (SOCOTECO 2)	General Santos	70MW	25	April 29, 2016	April 28, 2041
	Agusan del Norte Electric Cooperative (ANEKO)	Agusan del Norte	10MW	25	April 29, 2016	April 28, 2041
	Agusan del Sur Electric Cooperative (ASELCO)	Agusan del Sur	10MW	25	April 29, 2016	April 28, 2041
	Davao Del Norte Electric Cooperative, Inc. (DANEKO)	Davao del Norte	15MW	25	October 10, 2019	October 9, 2044
SEC 2	Cagayan Electric Power and Light Company, Inc. (CEPALCO)	Cagayan De Oro	20MW	25	October 10, 2019	October 9, 2044

Power Plant/Asset	Off-taker	Location	Contracted Capacity	No. of Years	Start Date	End Date
	Cotabato Electric Cooperative Inc (COTELCO)	Cotabato City	10MW	25	October 10, 2019	October 9, 2044
	Davao del Sur Electric Cooperative (DASURECO)	Davao del Sur	15MW	25	October 10, 2019	October 9, 2044
	Iligan Light and Power Inc. (ILPI)	Iligan City	15MW	25	April 29, 2016	April 28, 2041
	South Cotabato I Electric Cooperative (SOCOTECO I)	South Cotabato	10MW	25	October 10, 2019	October 9, 2044
	Zamboanga del Sur I Electric Cooperative Inc (ZAMSURECO I)	Zamboanga del Sur	5MW	25	October 10, 2019	October 9, 2044
	Zamboanga del Norte Electric Cooperative Inc. (ZANECO)	Zamboanga del Norte	5MW	25	October 10, 2019	October 9, 2044
<b>SRPI</b>	Zamboanga City Electric Cooperative Inc. (ZAMCELCO)	Zamboanga City	85MW	25	n/a	n/a
<b>MPC</b>	NGCP Firm ASPA	GRID	40MW*	5	November 26, 2023	November 25, 2028
<b>MPC- Ubay</b>	EDC	Sitio Lamlangil, Brgy. Kamanga, Maasim, Sarangani Province	83MW	10 years	TBD	TBD

In July 2022, EDC bagged a 10-year power supply deal contract that will enable it to supply electricity to the entire island of Bohol 2024 up to 2033. During the competitive selection process, EDC was declared by 1BP as the winning bidder that successfully met their power requirements – a baseload power supply from a renewable energy source and an in-island backup power to ensure that Bohol will have a steady 24/7 supply of electricity even if it gets isolated from the grid amid natural catastrophes. Under the contract, EDC will supply 1BP 50 to 83 MW of power capacity to be sourced from its Unified Leyte Geothermal Power Plant, with an accompanying backup power supply from an in-island 83MW diesel-fired power plant that CHC will build in the province of Bohol.

Alto Power Management Corp. (APMC), a subsidiary of ACR, provides the plant and operation management services to SPPC, WMPC and MPC.

#### Property development and other businesses

The Property Development and other businesses of ACR are not dependent on a single or few customers and the loss of one or a few customers will have no material adverse effect on the Company and its subsidiaries.

## Marketing Process

ACR follows the marketing process for its prospective customers

1. ACR gathers customer data which include demand, supply, load profile, forecasts, suppliers, rates.

2. ACR simulates the technical and commercial/rate impacts of the coming in of its supply. If deemed acceptable, ACR proceeds to the next step.
3. ACR offers supply with the proposed tariff to management and Board of Directors
4. Series of negotiations and meetings with customer/s is conducted
5. ACR undergoes a Competitive Selection Process (CSP)
6. Contract is awarded to the winning bidder.

## Location of the Power Plants

ACR's power plants are strategically located to cater to the power requirements of its key areas in Mindanao.

The power plants of ACR, namely WMPC, SPPC, MPC, MPC-Ubay and SHPC are strategically located to serve key load centers in Mindanao and Visayas and provide adequate generation where it is needed most. The long-term Energy Conversion Agreements of these plants assured ACR of a steady revenue stream. Today, ACR continues to operate power plants through bilateral contracts with various distribution utilities.

Mindful of the need to strategically position the baseload plants in key load centers and also recognizing the inherent advantage of expanding in areas where we are already present, the Company decided to establish the Sarangani 210MW Coal-Fired Power Plant of Sarangani Energy Corporation in Maasim, Sarangani and the Zamboanga 105MW Coal-Fired Power Plant of San Ramon Power Incorporated in Zamboanga City. These coal-fired power plants are equipped with the latest state of the art thermal power generation technology.



Beyond the baseload expansion of ACR, the Company is looking towards the future and investing in renewable energy projects. ACR has identified hydropower resources in Mindanao and Negros Occidental that can be implemented under the Renewable Energy Act.

## Properties

The Company's energy and power operations are located in three different sites. WMPC's power plant is in a 9-hectare property in Sitio Malasugat, Sangali, Zamboanga City, while SPPC's plant is situated in a 16-hectare property located in Alabel, Sarangani Province, which is 13 kilometers east of General Santos City. The WMPC and SPPC properties are fully owned by the abovementioned

subsidiaries of ACR. CHC's power plants, which are operated by MPC, are on an 8-hectare property in the Municipality of Lugait, Misamis Oriental and in the City of Iligan. These power plants were acquired from the City of Iligan by CHC on February 27, 2013. The lots on which the power plants of CHC are located were acquired by MPC from ALDEVINCO in November 21, 2013. The Sarangani Energy coal-fired power plants and the real estate assets of KAIEDC are located in Maasim Sarangani Province.

The Sarangani Energy's real estate and coal-fired power plants are mortgaged to its various lender banks.

ALC, the Company's property development company, has properties in the Province of Batangas, in the Municipality of Cabuyao in the Province of Laguna, and along Chino Roces Avenue (formerly Pasong Tamo Extension), Makati City. Its Batangas property currently has residential developments. In addition, ALC owns the property, including the improvement, of Alsons Building, where ACR maintains its corporate headquarters.

The land development of Azuela Cove is located in Lanang Davao City.

All of these properties are in good condition.

#### **Property, Plant and Equipment (Consolidated)**

<i>(Amounts in Thousand Pesos)</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Main Engine, Plant Structures, and Others	P31,527,050	P30,958,308
Plant Mechanical, Switchyard and Desulfurization Equipment	7,256,189	7,272,721
Land, Buildings and Leasehold Improvements	579,379	577,226
Machinery and Other equipment	1,614,521	1,592,231
Construction in Progress	5,003,911	3,516,353
Right of Use	79,058	82,615
<b>Total</b>	<b>46,060,109</b>	<b>43,999,754</b>
Less: Accumulated Depreciation and Amortization	(17,542,868)	(16,257,840)
<b>Net Book Value</b>	<b>28,517,240</b>	<b>27,741,914</b>

#### **Lease Commitments**

On February 1, 2017, the Group entered into a five (5)-year lease agreement for its office space for five (5) years. In 2021, the Group also entered into several lease agreements for parcels of land to be used in the operations of the hydro power plant. The lease agreements have lease terms of three (3)-50 years. The Group paid in advance the lease rentals for the duration of the lease agreements and were capitalized as part of the right-of-use assets. The depreciation expense on the right-of-use assets was capitalized as part of the construction-in progress. On June 30, 2021, the Group entered into a 10-year lease agreement with a third party for the easement and pier usage for fuel deliveries.

Set out below, are the amounts recognized in the consolidated statements of income:

	2023	2022	2021
Depreciation expense of right-of-use assets	₱10,828,531	₱17,565,091	₱25,098,432
Interest expense on lease liabilities	2,567,502	3,360,786	1,235,675
Rent expense - short-term leases (Note 23)	5,177,989	1,119,138	
	₱16,229,823	₱26,103,866	₱27,453,245
<b>Total cash outflow for leases</b>	<b>₱15,478,957</b>	<b>₱18,466,346</b>	<b>₱16,300,528</b>

Recoverable deposits related to the lease agreement amounted to Php5 million as of December 31, 2023 and 2022.

### **Future Plans to Acquire Properties**

ALC intends to purchase a commercial lot inside Azuela Cove. The acquisition cost around PHP151M, shall be funded through a combination of proceeds from pre-selling and bank loan.

### **Investment Acquisition**

On August 27, 2019, the Board of Indophil Resources Phils, Inc. (IRPI) approved the equity call to all existing shareholders amounting to P52.50 per share. On September 30, 2019, ACR participated and paid IRPI P2,977,452 for the additional 56,715 common shares.

### **Research and Development**

ACR and its subsidiaries do not allocate specific amounts or a fixed percentage for research and development. All research, if any, are done by its subsidiaries and affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

### **Employees**

As of October 31, 2024, ACR and its 50% or more directly or indirectly-owned subsidiaries had a manpower complement of 504 employees, broken down as follows: 11 executives, 39 managers, 144 supervisors and 301 associates. The Company believes that changes in manpower complement will be minimal for the next twelve months. The employees of the Company and its subsidiaries are not unionized.

### **Future Plans**

The group is has finished construction of its 14.5 – mega-watt (MW) run-of -river hydroelectric power plant at the Sigil River basin in Maasim, Sarangani Province – the company's first foray into renewable energy. The President of the Philippines personally inaugurated the plant and also attended the launching of the Sigil Hydro Power Corporation's 14.5 MW project. This hydro project is the beginning of ACR's venture into renewable energy projects. The issuance of the COC is expected in the fourth quarter of this year.

On top of the hydroelectric power plant, the Company is also considering putting up a solar farm as well. This solar plant would have a capacity of at least 50 MW and is estimated to cost less than \$750 per kW.

The Company is also looking to expand operations in Indonesia, particularly in Sulawesi province, because of its proximity to Mindanao, but the plans are still in very early stages.

For the long-term the company is slated to focus on renewables with at least seven more run-of-river hydroelectric plants in various stages of development. The next two hydro facilities in the pipeline are Siayan, a combined 8.8MW hydro power project and 29MWp solar power project in Zamboanga del Norte and the 42 MW Bago Hydro plant in Negros Occidental- the company's first power venture outside of Mindanao.

With the sharp and sustained increases in fossil fuel prices globally, renewable energy is now front and center as a source of cost-effective and stable power supply. Along with its pipeline of hydro power projects, Alsons Power is contemplating developing and implementing solar power projects. With Alsons' substantial landholdings in General Santos City and Sarangani Province, two areas with high levels of irradiation, the group is well-positioned to venture into solar power generation. The relatively short development and construction of solar power stations will allow Alsons to time the commercial operation of its solar power projects with the demands of the market, the off-take for the energy being always Alsons' main consideration in its investment in power. Under the present market conditions, Alsons Power is now looking at its first solar power station within the next year or two.

## Competition

### Power and Energy

Sarangani Energy has secured its position in the market by entering into Power Sales Agreements (PSAs) with various distribution utilities for 25 years. The remaining available capacity of the second plant is planned to be provided to a locator with the Kamanga Agro-Industrial Ecozone.

The diesel power plants of WMPC and MPC are moderately contracted. These plants offer distribution utilities ideal peaking and insurance capacities due to their competitive pricing and proven performance over years of reliable operations. SPPC, on the other hand, has no current PSA, but the company is presently exploring the repurposing of SPPC to incorporate engagement in the renewable energy industry as part of its primary focus.

### List of other Merchant plants

<b>Merchant plants</b>	<b>Capacity (MW)</b>		<b>Owner</b>
	<b>Installed</b>	<b>Dependable</b>	
Therma South, Inc. 1	150	130.0	Aboitiz Power Corporation
Therma South. Inc. II	150	130.0	Aboitiz Power Corporation
Therma Marine, Inc. I	100.3	96.0	Aboitiz Power Corporation
Therma Marine, Inc. II	100.3	96.0	Aboitiz Power Corporation
FDC Misamis Power Corporation (unit 1 & 2)	270	240	FDC Utilities

<b>Company</b>	<b>Description</b>
Aboitiz Power Corporation	<ul style="list-style-type: none"> <li>- Provides hydroelectric power generation</li> <li>- Therma South, Inc. (TSI), a wholly-owned subsidiary of Aboitiz Power, is the project company of the 300-MW Circulating Fluidized Bed (CFB) coal-fired plant in Toril, Davao City and Sta. Cruz, Davao del Sur. It supplies reliable baseload power to more than 20</li> </ul>

Company	Description
	electric cooperatives and distribution utilities all over Mindanao
FDC Utilities	<ul style="list-style-type: none"> <li>- A subsidiary of the Filinvest Development Corporation (FDC)</li> <li>- Offers utility services and focuses on power generation and potential water distribution projects.</li> <li>- Developed the FDC Misamis 3 x 135 MW Circulating Fluidized Bed (CFB) Coal Thermal Plant located in PHIVIDEC Industrial Estate, Villanueva, Misamis Oriental.</li> </ul>
SMC Global Power Holdings Corp.	<ul style="list-style-type: none"> <li>- A power generation company and provides a diversified portfolio utilizing a mix of coal, natural gas, and hydroelectric power plants.</li> </ul>

Market mobility creates the impetus for various activities in terms of development and operations of different projects. Countryside development programs, business migration into select cities and provinces are just a few of the events happening in the country. ALCs residential lots inventory in Eagle Ridge, General Trias, Cavite stand to gain in the near term as land values have increased. Nearby provinces like Cavite and Laguna already called the “bedroom communities” of Metro Manila are experiencing a surge in new developments and might soon sell out most of the residential inventory. ALC can benefit from a lack of available land in the market. Year to date sale performance saw residential lots surge compared to previous years. Immediate sale, House and lot development, and Join Venture agreements are among the opportunities for ALC in this sector specially in the Cavite and Batangas corridor.

ALC and its KAIEDC in Maasim, Saranggani are steadfast in its operations and development programs to be a world class PEZA accredited Industrial Estate. Provincial developments and the dispersal of big business in key cities and locations require power supply. For the industrial segment, location, land values, business terms, availability of affordable utility services are major considerations in site selection. KAIEDC can compete with other similar ecozones in Mindanao because of its proximity to the Sarangani Energy Corporation, a 210-MW coal-fired power plant. On July 6, 2022, KAIEDC and a locator signed a lease agreement of industrial lots covering a 47.819 hectares for a period of 50 years with an extended option of another 25 years.

**AZUELA COVE:** ALC acts as ACRs business manager in the Joint Venture Development with Ayala Land. The 26 hectares world class master planned seaside estate is in operations and continues to develop its township facilities.

The estate is set to be transformed into a master-planned, mixed-use community that will include residential low to mid-rise towers, commercial lots, offices, lifestyle commercial-retail shops, and a waterside cove with some retail components. The sustainable estate is set to be Davao's first and only prime waterside community.

Azuela Cove was formally launched and introduced to the market in 2017. Thereafter, Two ALP towers were launched in 2018 and were immediately sold out in less than a year. During the first half of 2023, the first tower was completed and started turn over activities to owners for occupancy. Last January 2024, the second tower opened its doors for turn over of units to owners for occupancy. Seven years after its launch, AZUELA COVE boasts of two completed and Ready For Occupancy (RFO) Ayala Land Premier Towers, a major Supermarket- GAISANO, a vibrant retail cluster with cafes and restaurants, a beautiful and manicured softscape complemented by a well designed internal street and roadway facilities. Last year, the promenade boardwalk was opened to the public to give visitors the opportunity to stroll and enjoy the waterside facilities of Azuela.

A shift in the market forces has prompted a slowdown in sales for the Eagle Ridge Estates. There are many provinces near Metro Manila that buyers are looking at, Eagle Ridge Residential Estates sales have been sluggish for several years. With the infrastructure developments such as the Cavite-Laguna Expressway and LRT Line 6, General Trias is becoming more accessible. We expect that the remaining available inventories will be in comparable with the economic and affordable housing developments of Filinvest, Camella Homes, and Amaia in the region.

## Competitive Strengths

The key strengths of ACR as compared to competitors are the following:

1. In-depth knowledge of the Mindanao Region
2. Experienced Management Team
3. Expertise in power plant development and operation
4. Enhanced competitiveness and sustainable growth
5. Focused Strategies

### *1. In-depth knowledge of the Mindanao region*

The Alcantara group has been operating in Mindanao for over 60 years engaging in forestry and wood processing, property development, power generation, cement, product distribution, agriculture, aquaculture, insurance, utilities. ACR benefits from this extensive business network by being able to build established relationships and acquire in-depth local knowledge of its operating environment and principal shareholders.

### *2. Experienced Management Team*

One of the strengths of the Company is its seasoned management team. The management team has relevant and extensive experience in the operation and management of power assets both here and abroad. They have deep understanding of the power industry and an extensive experience in the development and operation of greenfield power projects. Through their extensive experience, they have demonstrated successes in raising and negotiating financing for the power projects, and negotiating construction, supply and the offtake agreements. They have also established strong relationships with various stakeholders.

## Key Executives

Key Executives	Profiles
<b>Nicasio I. Alcantara</b> Chairman and President	<ul style="list-style-type: none"><li>• Holds various managing and operating position in the Alcantara group</li><li>• Former Chairman and CEO in Petron Corporation</li><li>• MBA from Sta. Clara University, California, USA</li></ul>
<b>Editha I. Alcantara</b> Director, Vice-Chairman and Treasurer	<ul style="list-style-type: none"><li>• Holds various positions or directorships in Alcantara Group, Philippine Business for the Environment, Miriam College, and Philippine Wood Producers Association</li><li>• MBA from Boston College</li></ul>

## Key Executives in Power Division

Key Executives in power division	Profiles
<b>Antonio Miguel B. Alcantara</b> Chief Executive Officer of Power Business Unit	<ul style="list-style-type: none"> <li>Worked under the business development group's Power Business Unit since 2010.</li> <li>Bachelor of Science in Business Administration degree major in Finance and Marketing at Northeastern University in Boston, MA.</li> <li>Master in Business Administration at Babson College, F.W Olin Graduate School of Business in Wellesley, MA where he graduated as Magna Cum Laude</li> </ul>
<b>Joseph C. Nocos</b> Senior Vice President Business Development and Marketing	<ul style="list-style-type: none"> <li>Over 26 years of experience in the power industry and has been with ACR since 1992</li> <li>Head of development for all of ACR's power plants in Mindanao and abroad, and markets power to off takers and evaluates new investments.</li> <li>Bachelor of Arts degree in Economics from Ateneo de Manila University.</li> </ul>

### 3. Expertise in power plant development and operation

ACR has been in the power generation business for more than 25 years, and has demonstrated success in developing, financing and operating power projects both here and abroad. ACR has also established knowledge of the market and strong longstanding relationships with power customers.

#### Power Plant Development & Operation

	<ul style="list-style-type: none"> <li>*From 1992 to 2006, developed and operated the 103MW diesel power plant (then named NMPC) in Iligan City under a BOT arrangement with NPC</li> <li>* Since 2013, reacquired from the Iligan City government and has successfully rehabilitated and restored the diesel power plant to full operation</li> </ul>
	<ul style="list-style-type: none"> <li>* Since 1997, has been operating the 100MW diesel-fired plant in Zamboanga City under a BOO arrangement with NPC</li> <li>* Has historically exceeded the required level of availability as set under the ECA contract of 85%</li> </ul>
	<ul style="list-style-type: none"> <li>* Since 1998, has been operating the 55MW diesel-fired plant in Sarangani Province under a BOO arrangement with NPC</li> <li>* Has historically exceeded the required level of availability as set under the ECA contract of 85%</li> </ul>

 <b>ALTO Power Management Corporation</b>	<p>*APMC has also provided management or consultancy services to power plants in Vietnam, Pakistan and Indonesia</p>
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### Sarangani Energy Corporation

- Project Overview

- The Sarangani Project is a two-phased coal power project with total rated net capacity of 211.5MW
- The project is located at the 58-hectare Kamanga Agro-Industrial Economic Zone in Maasim, Sarangani
- Notice to Proceed (NTP) for Sarangani Phase 1 was issued in January 2013 and COD was achieved on April 29, 2016
- Limited Notice to Proceed (LNTP) for Sarangani Phase 2 was issued in July 2016 and started commercial operation on October 10, 2019
- Sarangani is 75% owned by ATEC and 25% owned by TTC

- Technical Overview

PARAMETERS	DETAILS
Gross Capacity	Sarangani Phase 1: 118.5MW Sarangani Phase 2: 118.5MW
Net Capacity	Sarangani Phase 1: 106.8MW Sarangani Phase 2: 106.5MW
Net plant heat rate	Sarangani Phase 1: 10,663.5 kJ/kwh Sarangani Phase 2: 10,435.0 kJ/kwh
Average Availability	88.1%
Coal Storage Capacity	60 days (covered / open)

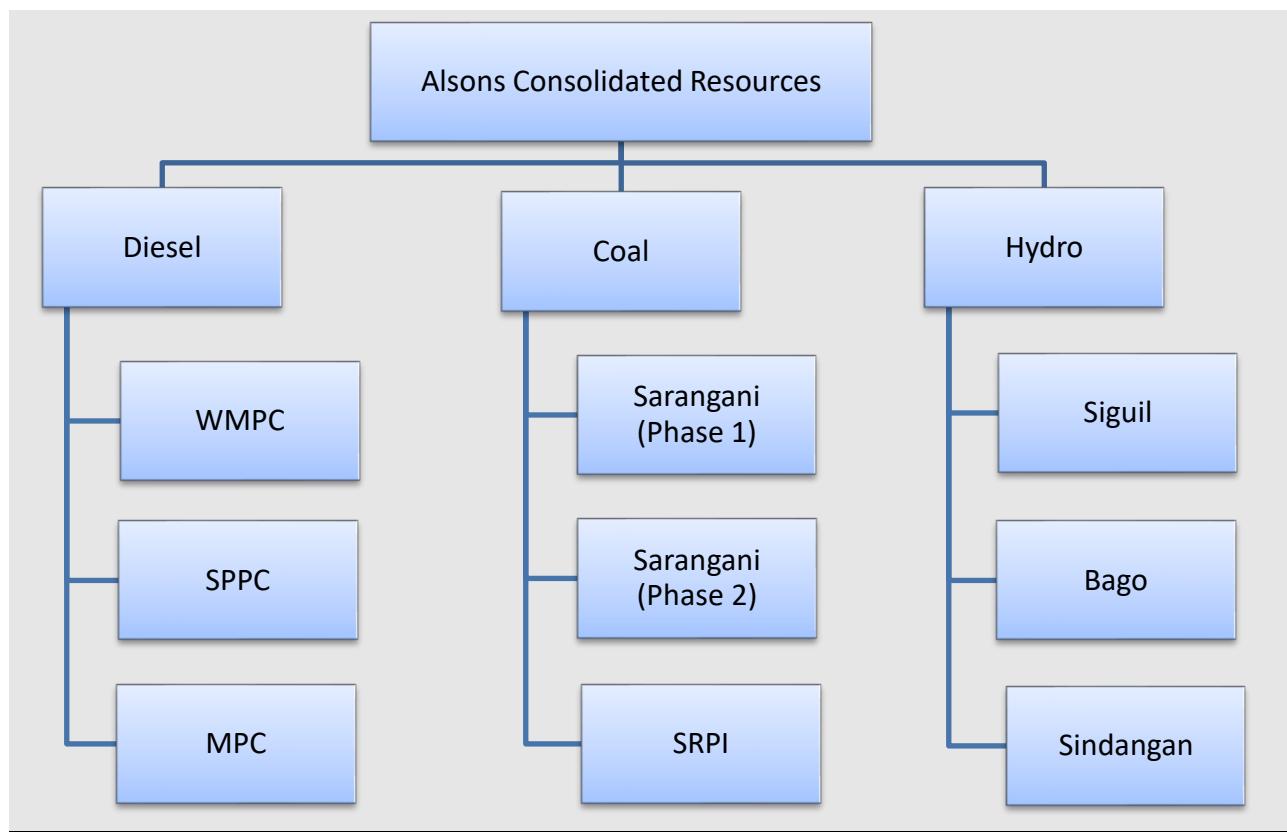
ACR's new power projects are grounded on:

- Committed project sponsors and partners – similar to its existing power plants, ACR and TTC will expand their partnership to the new coal-fired plants
- Project contracts (EPC contract, the Fuel Supply and Transportation Agreement, and the Operation & Maintenance Agreement) that have been crafted in accordance with international project finance standards
- Strong project management support from ÅF Consult, a Finnish engineering company with vast experience in thermal power construction and operation
- Power Supply Agreements mitigating offtake risks
  - Sarangani Phase 1 has PSAs covering 100% of capacity for a tenor of 25 years
  - Sarangani Phase 2 has PSAs covering 76% of capacity for a tenor of 25 years
  - SRPI has signed a 25-year PSA with Zamboanga City Electric Cooperative, Inc. (ZAMCELCO) for 80% of its capacity
- Experienced Operation & Maintenance (O&M) Firm
  - The Sarangani and SRPI plants' O&M will be supervised by PIC Marubeni

#### 4. Enhanced competitiveness and sustainable growth

ACR's expansion to a balanced generation mix will allow it to:

- Provide a complete power solution to Mindanao grid
- Mitigate fuel-type specific risks such as volatilities in fuel costs and regulatory concerns linked to certain fuel types
- Enhance competitiveness of ACR in the Mindanao Electricity Market
- Diversify revenue and cash flow source



## 5. Focused Strategies

ACR's expansion strategy is driven by the needs of the Mindanao Grid and is supported by long-term offtake agreements.

- 1990s: Intermediate, peaking, and back up
- 2000s: Baseload
- Future: Renewables

ACR will position the diesel plants to perform roles that are not effectively and efficiently served by coal fired power plants.

- Intermediate and peaking capacity
- Back up capacity
- Ancillary service

ACR to develop its pipeline of hydro power projects to round up its generation mix with renewable sources

ACR's expansion will:

- Allow it to provide a complete power solution to the Mindanao grid
- Mitigate fuel-type specific risks such as volatilities in fuel costs and regulatory concerns linked to certain fuel types
- Enhance competitiveness of ACR in the Mindanao Electricity Market
- Diversify revenue and cash flow source.

## **Business Strategy**

ACR aims to maximize returns from its existing portfolio of oil-fired assets and to capitalize on underserved and growing baseload demand through the development of advanced coal-fired power stations. Management views that growth will be driven according to the needs in relation to the Mindanao grid.

ACR's existing plants play an important role in the Mindanao grid due to their strategic location, wherein there is great demand for electricity. ACR likewise has the operating versatility in meeting baseload and peak demand requirements in Mindanao.

ACR highlights that its Bunker C – fired diesel plants will be essential in carrying out ACR's business strategies. It will perform/cover tasks that will not be served by its coal-fired plants. These diesel capacities will be sold to cover intermediate and peaking supply, as well as provision of back-up power and ancillary services.

## **Plans and Programs**

ACR has three (3) operating power plants in Mindanao. Majority of its power plants are Bunker C – fired diesel and coal fuel types, with a total power capacity of about 468 MW in operation. Around 300 MW are still under construction and development. ACR expects its power capacities to further expand once all of its projects are completed.

While other power generation companies have recently entered Mindanao, ACR believes that its reliable and efficient service would be its primary strength to secure long-term PSAs. Sarangani Energy's 210MW coal-fired power plants are located in Maasim, Sarangani Province. Its first section of 105MW began commercial operations in April 2016, while its second section of another 105MW or Phase 2 started commercial operations on October 10, 2019.

ACR has plans of investing in renewable energy. The Group has identified hydropower resources in Mindanao and Visayas that may be implemented under the Renewable Energy Act. Apart from hydro-powered projects, the group is also looking into solar-power projects in Mindanao and is also planning to participate in the retail electricity supply business.

ACR has also completed construction of its first renewable energy project under Siguil Hydro Power Corporation, which will operate a 14.5MW run-of-river electricity generating facility located at the Siguil River basin in Maasim, Sarangani. The issuance of the COC is expected in the fourth quarter of this year.

ACR's plan is to reach a level of balanced generation mix where it can serve the complete power requirements of its customers (i.e., baseload, intermediate, peaking, back-up as well as ancillary). Apart from enhancing its market position, this strategy, will in turn diversify its revenue mix, as well as minimize potential risks that may arise.

## Dividends

Declaration of dividends is subject to approval by the Board of Directors.

Dividends on preferred shares amounting to nil in 2023 and Php2 million 2022, and P4 million in 2021 were applied against the Company's subscriptions receivable from Alsons Corporation.

### Historical Dividend Declarations

Year	Date of Declaration	Per Share	Amount	Date of Payment
2024	May 30, 2024	Php0.02	Php125,830,000	July 24, 2024
2023	June 19, 2023	Php0.02	Php125,830,000	July 24, 2023
2022	May 26, 2022	0.020	125,830,000	July 23, 2022
2021	May 20, 2021	0.020	125,830,000	July 23, 2021

Dividend Policy:

Management continuously endeavors to increase ACR's share value through new projects and expansion programs while at the same time provide yearly dividends to its shareholders. On June 8, 2011, the Board of Directors adopted a dividend policy of annually declaring dividends from 20% of the previous year's unappropriated retained earnings.

## Government Approvals and Permits

All Government approvals and permits issued by the appropriate Government agencies or bodies which are material and necessary to conduct the business and operations of the Company, were obtained by the Company and its subsidiaries and are in full force and effect.

For the lists of the Company's approvals regulatory permits, please refer to Annex III on page 149.

## Effects of Existing or Probable Government Regulations on the Company's Business

Republic Act No. 9136, the EPIRA of 2001, and the covering Implementing Rules and Regulations (IRR) provide for the significant changes in the power sector which include among others:

- i. The unbundling of the generation, transmission, distribution and supply and other disposable assets, including its contracts with IPP and electricity rates;
- ii. Creation of a Wholesale Electricity Spot Market (WESM) within one year; and
- iii. Open and non-discriminatory access to transmission and distribution systems.

The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effectivity of the EPIRA. It provides: (i) cross ownership restrictions between transmission and generation companies and between transmission and distribution companies; and (ii) a cap of 50% of its demand that a distribution utility is allowed to source from an associated company engaged in generation except for contracts entered into prior to the effectivity of EPIRA; and (iii) specifically relating to generation companies, a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity. Based on the assessment of management, the operating subsidiaries have complied with the applicable provisions of the EPIRA and its IRR.

Corporate Recovery and Tax Incentives for Enterprise (CREATE) which aims to recalibrate to make it more relevant and responsive to the needs of businesses negatively affected by the COVID-19 pandemic, and to improve the ability of the Philippines to attract highly desirable investments that will serve the public interest. The CREATE bill seeks to lower corporate income taxes and to rationalize fiscal incentives.

The corporate income tax will be immediately reduced from the current 30 percent to 20 percent for domestic corporations with total assets not exceeding Php100 million, excluding land, and total net taxable income of not more than Php5 million. The corporate income tax of all other corporations, meanwhile, will be lowered to 25 percent. The bill would also lower the minimum corporate income tax (MCIT) from 2 percent to one percent effectively July 2021 until June 30, 2023.

On the fiscal incentives, the total period of incentives availment has been increased to a maximum of 17 years. The length of the period of incentives takes into account the location and type of the registered activity.

Highly-desirable projects with a minimum investment capital of Php50 billion or those that can generate at least 10,000 employees, can enjoy a superior incentive package for up to 40 years which includes ITH for a maximum of 8 years. The sunset period for existing registered business enterprises (RBE) enjoying Income tax holiday (ITH) can continue to enjoy the same within the remaining ITH period while firms enjoying 5% GIT can continue to enjoy the same for 10 years. Existing RBEs may re-apply for the fiscal incentives under the CREATE bill after the lapse for the sunset period.

Approval of fiscal incentives for new projects or activities with investment capital of P 1 billion and below shall be deleted to their respective Investment Promotion Program Agencies (IPA). Fiscal incentives application for projects or activities with investment capital exceeding Php1 billion shall be subject to the approval of the Fiscal Incentives Review Board (FIRB).

Duty exempted on certain importations, VAT exemptions on importations, and VAT zero-rating on local purchases shall still apply.

The reduction of income taxes rates will provide positive impact to existing businesses and attract foreign investors to Kamanga Agro-Industrial Ecozone.

### **Cost and Effect of Compliance with Environmental Laws**

ACR engages only in projects and activities that comply with environmental laws. Its power subsidiaries follow the regulations embodied in the EPIRA. All its plants meet the exhaust emission standards set by Department of Environment and Natural Resources (DENR). Compliance with existing environmental laws has corresponding costs, which include expenditures for the following:

- a. renewal fees for the DENR permit/license to operate;
- b. exhaust emission tests and monitoring (costs covered by the environmental guarantee fund);
- c. environmental monitoring fund (SPPC P500,000 and WMPC P598,000); and,
- d. environmental guaranty fund (SPPC P500,000 and WMPC P508,000).

The Company meets all governmental, environmental, health and safety requirements. The Company's operating units are regularly inspected and have not experienced significant governmental, environment, health or safety problems. For the past three years, the total amounts spent in complying with environmental laws by the subsidiaries are as follows (1) Php 1,598,473 in 2023; (2) Php 1,859,568 in 2022; and (3) Php 771,967 in 2021.

## Legal Proceedings

Southern Philippines Power Corporation, a subsidiary of the Company, and owner of a diesel-fired power plant, has a receivable from the National Power Corporation, which NPC disputed. The parties brought their dispute to the Energy Regulatory Commission (“ERC”) for arbitration. On June 3, 2013, the ERC decided in favor of SPPC, and NPC appealed the ERC decision to the Court of Appeals (“CA”), which affirmed the ERC decision. On August 17, 2015, the CA denied NPC’s motion for reconsideration. On September 18, 2015, NPC petitioned the Supreme Court to review the ERC and CA decisions. On July 16, 2016, the SC rendered a decision holding NPC liable to pay SPPC for the capacity and other fees arising from the additional 5 MW nominated by SPPC from 2005 to 2010. On November 23, 2016, the SC denied NPC’s motion for reconsideration, rendering the ERC decision final. On October 19, 2018, SPPC filed an Urgent Motion to Resolve the pending issue on the NPC’s liability for interest and SPPC’s motion for issuance of writ of execution against NPC for the payment of the principal amounts owed by NPC to SPPC. On September 6, 2019, SPPC filed with ERC a Manifestation with Urgent Motion to Resolve, praying that the commission: (1) resolve and grant SPPC’s Omnibus Motion for Issuance of Writ of Execution and Notice of Garnishment dated July 18, 2018; (2) resolve the issue of NPC’s liability for interest in favor of SPPC under the Energy Conversion Agreement. On December 9, 2019, the NPC, through its president and CEO Pio J. Benavidez, signified its agreement to SPPC’s waiver of its claims of interest. On December 27, 2019, SPPC filed with the ERC an Omnibus Motion to (a) Resolve and (b) Withdraw claim of interest. On October 14, 2020, the Company filed a Motion to Resolve with the Commission on Audit (COA) requesting to immediately resolve the Petition for Money Claim.

On November 26, 2021, the COA issued Decision No. 2021-345, the dispositive portion of which states:

“WHEREFORE, premises considered, the Petition for Money Claim of Southern Philippines Power Corporation (SPPC) against the National Power Corporation (NPC) for payment of contractual obligations under the Energy Conversion Agreement (ECA) for the period 2005 to 2010 amounting to USD 5,774,269.75 and P68,644,041.22, is hereby PARTIALLY GRANTED, subject to the usual accounting and auditing rules and regulations.”

In the same Decision, the COA directed SPPC, NPC and PSALM to file their respective Comment regarding PSALM’s liability, hence the Decision is partially granted. This means NPC’s liability is adjudged by COA as far as the matter is concerned, however, PSALM’s liability is still subject to the final determination of COA.

On April 12, 2022, SPPC met with NPC to discuss implementation of the Decision. NPC reiterated its position that PSALM has assumed all NPC liabilities under ECA, as provided in Section 49 of the EPIRA.

On June 9, 2022, SPPC filed a Motion for Issuance of the COA Order of Execution with the COA and on July 28, 2022, SPPC again met with NPC’s representatives and asked if the liability can be included in NPC’s budget in 2023. NPC stated it can only include budget requests for operations related to its missionary electrification. All other liabilities are budgeted by PSALM. NPC reiterated position on PSALM’s liability and committed to file a Motion to Resolve to request the COA to state PSALM is liable for the SPPC Claim. On September 15, 2022, COA responded to SPPC’s Motion to Resolve by confirming that the comments of all the Parties are already being deliberated by the Commission proper.

On March 8, 2023, COA issued its decision, upholding SPPC’s position by resolving that PSALM is solidarily liable with NPC for the Money Claim filed by SPPC, allowing SPPC to collect the amount claimed against both NPC and PSALM. PSALM filed its motion for reconsideration of the COA decision on June 1, 2023. SPPC, to preserve its rights, filed an opposition to PSALM’s Motion for Reconsideration. As of March 15, 2024, COA has not yet resolved PSALM’s Motion for Reconsideration.

Pending the resolution of PSALM's Motion for Reconsideration, on November 28, 2023, NPC paid SPPC PhP68,644,041.22, representing the Philippine Peso Fee Payment Portion. The US Dollar Fee Payment Portion, amounting to USD5,774,269.75, was settled by NPC on November 29, 2023.

On April 24, 2024, SPPC filed a Petition for Money Claim against NPC and PSALM before the COA for the payment of the fees under the ECA for the balance period of August 26, 2010 to April 25, 2016. On May 27, 2024, the COA issued an Order requiring the NPC and PSALM to file their respective Answers to SPPC's Petition. SPPC received PSALM's Answer on June 18, 2024 which alleged that the Petition for Money Claim filed by SPPC is premature since it was filed before the COA without any final decision from the ERC, CA or SC which supports SPPC's claim for compensation for the period of August 2010 to August 2016. It further contended that the doctrines of res judicata and estoppel do not apply to the present petition, and that SPPC's claim is not one of the liabilities assumed by PSALM. NPC adopted PSALM's arguments in its Answer dated 20 June 2024. It further asserted that while it has issued a Certification of Non-payment to SPPC, the said Certification should not be construed as an assumption of liability, and assuming that it is liable for the present claim, the same should be paid by PSALM, it being the entity that has taken ownership of all existing NPC assets, liabilities and IPP contracts. SPPC filed its Reply to PSALM's Answer on July 03, 2024 and its Reply to NPC's Answer on July 09, 2024.

## **Bankruptcy Proceedings**

The Company has not contemplated any plan for bankruptcy, receivership, or similar proceedings. Neither is there any material reclassification, merger, consolidation, nor sale of any significant amount of assets in the ordinary course of business.

## **Market Information**

All the common shares of the company are listed in the Philippine Stock Exchange.

The following are the high and low market prices of the Company's shares for the past three years:

### **Market Price of ACR Shares**

<b>Year</b>		<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>
2024	High	0.61	0.61	0.57	0.51
	Low	0.51	0.50	0.435	0.44
2023	High	0.92	0.85	0.80	0.63
	Low	0.76	0.71	0.61	0.54
2022	High	1.19	1.06	0.97	0.85
	Low	0.98	0.88	0.85	0.76
2021	High	1.42	1.40	1.35	1.20
	Low	1.23	1.24	1.15	1.03

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ACR's common shares were traded at Php 0.45 per share as of December 9, 2024.

## Stockholders

As of October 31, 2024, ACR has 6,291,500,000 common shares outstanding. The top twenty (20) stockholders of the Company, as recorded by Prime Stock Transfer Services, Inc., the Company's stock transfer agent, are as follows:

### Stockholders with 500,000 Shares and Above

Name	No. of Shares Held	% To Total
ALSONS CORPORATION	2,592,524,072	41.21%
ALSONS POWER HOLDINGS CORP.	1,249,999,599	19.87%
ALSONS DEVELOPMENT AND INVESTMENT CORPORATION	1,188,524,026	18.89%
PCD NOMINEE CORPORATION (FILIPINO)	1,182,853,212	18.80%
PCD NOMINEE CORPORATION (NON-FILIPINO)	47,177,839	0.75%
SEC ACCOUNT NO. 2 FAO: VARIOUS CUSTOMERS OF GUOCO	2,090,000	0.03%
ALL ASIA CAPITAL TRUST & INVESTMENT DIVISION A/C#95-001	1,830,000	0.03%
EBC SECURITIES CORPORATION	1,030,000	0.02%
CRISOSTOMO, EMILY A.	1,000,000	0.02%
CRUZ JR., FELIPE A.	1,000,000	0.02%
GO, NORA T.	1,000,000	0.02%
FIRST INTEGRATED CAPITAL SECURITIES, INC. (555300)	900,000	0.01%
FIRST INTEGRATED CAPITAL SECURITIES, INC. (555200)	795,000	0.01%
ANSALDO, GODINEZ & CO., INC.	755,000	0.01%
GO, GEORGE	750,010	0.01%
AACTC FAO TRINITY INVESTMENT	680,000	0.01%
YAU, ESTEBAN	600,000	0.01%
TIA, ROY C.	513,000	0.01%
S. J. ROXAS & COMPANY, INC.	507,000	0.01%
CO, ANTONIO	500,000	0.01%
MENDOZA, MARITES &/OR ALBERTO MENDOZA	500,000	0.01%
ROQUEZA, RICARDO S.	500,000	0.01%
SAN JOSE, ROBERTO	500,000	0.01%
VEGA, LUIS V. &/OR ELISEO C. OCAMPO JR.	500,000	0.01%

\*percentages were rounded off.

### Submission of Matters to a Vote of Security Holders

During the calendar year covered by this report, no business matter was submitted to a vote of security holders through solicitation of proxies or otherwise.

### The Board of Directors

The Company's Board of Directors is responsible for the overall management and direction of the Company. The Board meets regularly or as often as required, to review and monitor the Company's financial position and operations. Each Board member serves for a term of one year or until his successor is duly elected and qualified.

The following are the Directors and Officers of the Company and their business experience for the last five years.

#### Board of Directors

Office	Name	Nationality
Director, President, Chairman of the Board	Nicasio I. Alcantara	Filipino
Director, Vice-Chairperson and Treasurer	Editha I. Alcantara	Filipino
Director	Tirso G. Santillan, Jr.	Filipino
Director	Tomas I. Alcantara	Filipino
Director	Alejandro I. Alcantara	Filipino
Director	Ramon T. Diokno	Filipino
Director	Honorio A. Poblador III	Filipino
Director	Arturo B. Diago, Jr.	Filipino
Independent Director	Jacinto C. Gavino, Jr.	Filipino
Independent Director	Jose Ben R. Laraya	Filipino
Independent Director	Thomas G. Aquino	Filipino

**Nicasio I. Alcantara**, 82, Filipino, became the Chairman of the Board of Directors Effective March 1, 2021. He previously led ACR as Chairman and President from 1995 to 2001. He was Chairman and Chief Executive Officer of Petron Corporation from 2001 to 2009. He currently holds leadership positions and board directorships in several companies including ACR Mining Corporation where he serves as Chairman and Phoenix Petroleum where he sits as an independent director. He has over 45 years of involvement in both public and private companies, and in diverse industries that include manufacturing, banking and finance, property, information technology, agriculture, power and energy, financial services, agriculture and diversified holdings. Mr. Alcantara is also a director of Seafront Resources Corporation, Philodril Corporation and Site Group International Limited.

He obtained his Business Administration degree from the Ateneo de Manila University and his Master's in Business Administration from Sta. Clara University, California U.S.A.

**Tomas I. Alcantara**, 78, Filipino, became the Chairman of the Board of Directors and the President of the Company in August 2001 to February 28, 2021. He opted to retire as the Company's chairman effective March 1, 2021. over generation.

He holds a Bachelor of Science degree in Economics from the Ateneo de Manila University and a Master's in Business Administration (MBA) from Columbia University, and he attended the Advanced Management Program of the Harvard Business School. He is presently the Director of the other companies in the Alcantara Group (since August 2001).

Mr. Alcantara is also the Chairman of the Alsons Adtx Information Systems, Inc. (since August 2001). He is a Trustee of the European IT Service Center Foundation (since August 2002) and of the Foundation for Revenue Enhancement (August 2004). He has been a Director of Holcim Philippines, Inc. since July 2003, Philweb Corporation (May 2002) and DBP-Daiwa Capital Markets Phils., Inc. (July 1995).

Mr. Alcantara served as Undersecretary for the Industry and Investment Group of the Department of Trade and Industry, the Vice Chairman and Managing Head of the Board of Investments from July 1986 to March 1995, and the Special Envoy of the Philippine President to Asia Pacific Economic Cooperation forum in 1996. He was also the Chairman of the Board of Directors and the President of Holcim Manufacturing Corporation (formerly Alsons Cement Corporation) from May 1997 to July 2003 and has served as a director of that company since 1997. He was a Member of the Advisory Board of Rizal Commercial Banking Corporation (RCBC) from April 1997 to June 2007. Mr. Alcantara served as a Director of Philippine Reclamation Authority (formerly Public Estate Authority) from 2003

to April 2006 and Chairman of the Manila Economic and Cultural Office from March 2001 to August 2010.

**Editha I. Alcantara**, 76, Filipino, has served as a Director of the Company since March 8, 1995. She holds a Business Administration degree from Maryknoll College and an MBA from Boston College. Ms. Alcantara became the President of C. Alcantara and Sons, Inc. in 1992 after serving as the Treasurer of that company. Presently, she is a director (since 1980) and the Treasurer (since October 2000) of other companies in the Alcantara Group.

She is also a Director of the Philippine Wood Producers Association (since May 16, 1980), and has served as a Trustee for the Philippine Business for the Environment, Inc. since July 1995 and as a Trustee of Miriam College since December 1998.

**Tirso G. Santillan Jr.**, 80, Filipino, became a Director of the Company in June 11, 1996. He has also been the Executive Vice-President since April 27, 1995 and retired from his position effective March 31, 2024. He holds a Bachelor of Arts degree in Engineering and a Master's in Business Management degree from the Ateneo de Manila University.

Additionally, he has been the Managing Partner of Private Capital of Asia Ltd. since June 1991. Mr. Santillan worked with the First Pacific Group from February 1987 to May 1991.

**Alejandro I. Alcantara**, 70, Filipino, has served as a Director of the Company since July 2003. He graduated from the Ateneo de Davao with a degree in Economics. Mr. Alcantara has been a Director and the President of Aquasur Resources Corporation since 1993 and has served in the same capacity with Finfish Hatcheries, Inc. since 1995. He has also served as the Executive Vice President and General Manager of Sarangani Agricultural Company, Inc. since 1986 and of Alsons Aquaculture Corporation since 1998. He also became a Director and the Treasurer of the Federation of Cattle Raisers Association of the Philippines from 1997 to December 2009.

**Ramon T. Diokno**, 77, Filipino, rejoined the Company as a Director in March 18, 2009. Previously, he served the Company as a Director from June 19, 2002 to June 29, 2006 and as its Chief Financial Officer from January 16, 2001 to June 30, 2006. He holds an Economics and Accountancy degree from the De La Salle University and a Master's of Science in Management degree from the Massachusetts Institute of Technology.

Mr. Diokno is also the Chief Financial Officer of Lepanto Consolidated Mining Co and its wholly-owned subsidiaries. He is currently also a Director of Alsons Insurance Brokers Corporation.

**Jacinto C. Gavino, Jr.**, 75, Filipino, has served as Independent Director of the Company since May 2005. He has been a full-time Faculty of the Asian Institute of Management (AIM) since 1990 and he presently holds the Fr. James F. Donelan, SJ, Professional Chair Business Ethics. He is on the core faculty of the Washington SyCip Graduate School of Business (WSGSB). He was also the Associate Dean of the Master's in Management Program from 1993 to 1995, and Associate Dean for Research from 1995 to 1999.

He is currently a Director of Productronica Holdings, Inc. (2003), Aurotech Corporation (2000), Green Chemicals Corporation (2006), RNuable Energy Corporation (2011) and Sarangani Agricultural Co., Inc. (2005). He also serves as a Trustee of Fundacion Santiago (2002) and the Center for Family Ministries at the Loyola School of Theology (2006). He also does consultancy work for various businesses and non-profit organizations.

Professor Gavino holds a Bachelor of Science degree in Electrical Engineering from the University of the Philippines (1971), a master's in business administration degree from the Ateneo de Manila

University (1984), and a Doctorate in Public Administration from the University of the Philippines (1993). He also taught in the Ateneo de Manila University, Maryknoll College, and the University of the Philippines.

**Jose Ben R. Laraya**, 85, Filipino, has served as Independent Director of the Company since March 1995. He holds a Commerce degree from De La Salle College and an MBA from the University of the Philippines. He also attended the Advanced Management Program at Harvard Business School. Currently, he serves as Chairman of the Board of Directors of Ultrex Management and Investments Corporation (1992) and Laraya Holdings, Inc. (2007). He also serves as President of Trully Natural Food Corporation (2004), and a Director of La Frutera, Inc. (1997).

Previously, he served as Vice-Chairman of the Philcom Corporation from October 1996 to February 1999, President of National Steel Corporation from September 1980 to February 1989, Dole Asia from February 1989 to June 1992, and APC Group, Inc. from September 1995 to February 1999.

**Honorio A. Poblador III**, 79, Filipino, has served as a Director of the Company since March 8, 1995. He holds a Political Science degree from the Ateneo de Manila University. Currently, he serves as Chairman of the Board of Directors of Asuncion Realty Corporation (since 1995), Chairman of the Board of Directors and President of Asmaco, Inc. and President of Asian Aesthetic Excellence, Inc. and Mayriad Human Resources and Services, Inc.

He is also a Director of Philippine Communications Satellite Corporation, Philippine Overseas Telecommunications Corporation, and Elnor Investment Corp. (since 1983), Philcomsat Holdings Corporation (1998), the Philodrill Corporation (1997), F&C Realty Corporation and POB Corporation (2003).

**Arturo B. Diago, Jr. 74**, Filipino, became a director of the Company in August 2017 after the resignation of Mr. Nicasio I. Alcantara in July 2017. Mr. Diago has been the Treasurer of Cyan Management Corporation since 1988, Teleperformance, Inc. since 1996, Lacturan Holdings, Inc. since 1997, Mantrade Development Corporation since 2003 and Canlubang Golf Corporation since 2007. Mr. Diago has been the Vice-President-Comptroller of MG Exeo Network, Inc. since 1991. He has been an Executive Vice President and Treasurer of Directories Philippines Corporation since 1989. He served as the Chief Officer for Administrative and Corporate Service of Pilipino Telephone Corporation until December 31, 2000. Mr. Diago served as the President of Lodestar Investment Holdings Corp. since May 2006. He held various positions in the Alcantara Group of Companies involved in manufacturing, marketing and shipping operations. He has been the Vice Chairman of Asian Media Development Group, Inc. since 2003. Mr. Diago serves as a Director of Directories Philippines Corporation and MG Exeo Network Inc., among other corporations. He has been a Director of Alsons Consolidated Resources, Inc. since August 24, 2017. He serves as a Director of Cebuana Lhuillier Bank, Cybersoft Information Technology, Inc., 911 Alarm, Inc. and Vinnell Belvoir Corp. He served as a Director of Lodestar Investment Holdings Corp. from March 10, 2006 to December 2007 and its Globalport 900, Inc. (a/k/a MIC Holdings Corp.). Mr. Diago served as a Director of PLDT Communications and Energy Ventures, Inc. (Former Name: Pilipino Telephone Corporation) from April 24, 1991 to May 9, 2011. He obtained his master's degree in business management from the Asian Institute of Management and his Bachelor of Science Degree in Commerce from the De La Salle University. He also attended the Strategic Business Economics Program of the Center for Research and Communication (now University of Asia and the Pacific).

**Dr. Thomas G. Aquino**, 75, Filipino, became an Independent Director of the Company on May 20, 2011. He is a Senior Fellow at the Center for Research and Communication of the University of Asia and the Pacific (UA&P). He was formerly the Senior Undersecretary of Philippine Department of Trade and Industry. He supervised the country's foreign trade promotions, trade negotiations under World Trade Organization and the ASEAN Free Trade Agreements as well as bilateral trade talks with the country's major economic trading nations. He served as overall lead negotiator for the country's

first free trade agreement, namely the Philippine-Japan Economic Partnership Agreement and was country representative to the High-Level Task Force on ASEAN Economic Integration. For public service, Dr. Aquino was conferred the Presidential Service Award (or Lingkod Bayan) for extraordinary contribution of national impact on public interest, security and patrimony and was recipient of the Gawad Mabini Award with the rank of Grand Cross (or Dakilang Kamanong) for distinguished service to the country both at home and abroad by the President of the Republic of the Philippines.

Before entering public service, Dr. Aquino held important roles in the fields of economics and business in the private sector as Vice President for Business Economics and Director of the Strategic Business Economics Program of UA&P. He returned to private practice as strategy consultant to companies and economic policy adviser to government entities. He is the Chairman of NOW Corporation and Independent Director of a Brown Company, both publicly listed at the Philippine Stock Exchange. He obtained his Doctorate in Management from IESE Business School, University of Navarre (Spain) in 1980, an MS in Industrial Economics from presently the University of Asia and the Pacific in 1972 and an AB in Economics from the School of Economics, University of the Philippines in 1970.

He obtained a Doctorate in Management from IESE Business School, University of Navarre (Spain) in 1980, an MS in Industrial Economics from the University of Asia and the Pacific in 1972 and an AB in Economics from the School of Economics, University of the Philippines in 1970.

### **The Executive Officers**

The following Company Executive Officers do not own more than 2% of ACR:

<b>Officer</b>	<b>Name</b>	<b>Nationality</b>
Director, President, Chairman of the Board	Nicasio I. Alcantara	Filipino
Director, Vice-Chair and Treasurer	Editha I. Alcantara	Filipino
Chief Investment and Strategy Officer	Antonio Miguel B. Alcantara	Filipino
Corporate Secretary	Ana Maria Margarita A. Katigbak	Filipino
Assistant Corporate Secretary, Data Protection Officer and Compliance Officer	Jonathan F. Jimenez	Filipino
Deputy Chief Financial Officer	Philip Edward B. Sagun	Filipino

**Antonio Miguel B. Alcantara**, 40, Filipino was appointed as the Chief Executive Officer of Power Business Unit effective April 1, 2024. Prior to this appointment, he was the Company's Chief Investment and Strategic Officer of Company since February 1, 2021 where he helped developed and implement strategic investment opportunities and business direction that ensure financial growth of the Group. He led the acquisition of the 103MW Diesel Fired Power Plant in Northern Mindanao (Mapalad Power Corporation) where he currently serves as Director. Mr. Alcantara has also worked under the business development group's Power Business Unit since 2010. Mr. Alcantara obtain his degree in Bachelor of Science in Business Administration degree major in Finance and Marketing at Northeastern University in Boston, MA. He obtained his master's in business administration at Babson College, F.W Olin Graduate School of Business in Wellesley, MA where he graduated as Magna Cum Laude.

**Ana Maria Margarita A. Katigbak**, 55, Filipino, has been the Corporate Secretary of the Company since June 24, 2021, replacing Atty. Roberto B. San Jose. She received her BACL and law degree from the University of the Philippines. She is a member of the Philippine Bar and a senior partner of

Castillo Laman Tan Pantaleon and San Jose Law Offices. In addition to serving as a Corporate Secretary for the Company, she also serves as a Director of Mabuhay Holdings Corporation since 2007.

**Jonathan F. Jimenez**, 59, Filipino, was appointed as the Assistant Corporate Secretary of the Company on May 26, 2022. He is a member of the Philippine bar and a Juris Doctor (Law) graduate from the Ateneo de Manila University in 1992. Atty. Jimenez has a long-standing career of 23 years in the Alcantara Group. He first joined the Alcantara Group in October 1998 where he was Legal Counsel of Lima Land, Inc. for 15 years. In October of 2013, he transferred to Alsons Land Corporation prior to moving to Conal Corporation in March 2014 as Legal Counsel and now serves as the Corporate Secretary of the group's other companies.

**Philip Edward B. Sagun**, 50, Filipino, was appointed as the Deputy Chief Financial Officer of the Company in May 2019. In February 2015, he joined the Alcantara Group as AVP Corporate Finance and Treasury.

Prior to joining the company, Mr. Sagun held important roles in the banking sector as First Vice President for Philippine Bank of Communications, Associate Director in Australia New Zealand (ANZ) Bank and Vice President and Treasury Head of the First Philippine Electric Corp. He is a Chartered Management Accountant and an Affiliate in Development Bank Management. He obtained his Bachelor of Arts degree in Social Science from Ateneo De Manila University and holds a master's degree in finance at the University of the Philippines.

### **Independent Directors**

The following are the Company's Independent Directors. They are neither officers nor substantial shareholders of ACR:

1. Jacinto C. Gavino, Jr.
2. Jose Ben R. Laraya
3. Thomas G. Aquino

### **Significant Employee**

There are no persons other than the Executive Officers that are expected by the Company to make a significant contribution to the business.

### **Family Relationships**

Mr. Nicasio I. Alcantara, Mr. Tomas I. Alcantara, Mr. Alejandro I. Alcantara, and Ms. Editha I. Alcantara are siblings, while Mr. Antonio Miguel B. Alcantara is the son of Mr. Alejandro I. Alcantara. Aside from these disclosed relationships, there are no family relationships up to 4th degree of consanguinity or affinity.

### **Compensation of directors and executive officers**

A Director's compensation consists of a per diem of P30,000 for every meeting of the Board of Directors' and P15,000 for every meeting of the Executive Committee and Corporate Governance Committee and the Audit Committee.

The aggregate amounts paid by the Company to its Directors and Executive Officers as a group were Php 2,610,000, Php 2,565,000 and Ph 3,300,000 for the years 2023, 2022 and 2021 respectively. For 2022, the Company estimates that it will pay an aggregate amount of 3,600,000 as compensation to its Directors and Executive Officers.

**Summary of Compensation of Directors and Executive Officers**

<b>Name and Principal Position</b>	<b>Year (With 2024 Estimates)</b>	<b>Salary (Php)</b>	<b>Bonus (Php)</b>	<b>Other Annual Compensation Income (Php)</b>
Nicasio I. Alcantara, Director, Chairman and President	2024	-	-	P315,000
	2023	-	-	180,000
	2022	-	-	180,000
	2021	-	-	180,000
				210,000
Tomas I. Alcantara, Director	2024	-	-	315,000
	2023	-	-	120,000
	2022	-	-	180,000
	2021	-	-	240,000
Editha I. Alcantara Director, Vice Chair and Treasurer	2024	-	-	390,000
	2023	-	-	270,000
	2022	-	-	255,000
	2021	-	-	315,000
Tirso G. Santillan, Jr. Director, Executive Vice President	2024	-	-	315,000
	2023	-	-	210,000
	2022	-	-	180,000
	2021	-	-	255,000
Jose Ben R. Laraya Director	2024	-	-	390,000
	2023	-	-	285,000
	2022	-	-	255,000
	2021	-	-	315,000
Ramon T. Diokno Director	2024	-	-	315,000
	2023	-	-	285,000
	2022	-	-	255,000
	2021	-	-	270,000
Alejandro I. Alcantara	2024	-	-	240,000
	2023	-	-	180,000
	2022	-	-	180,000
	2021	-	-	240,000
Arturo B. Diago, Jr.	2024	-	-	240,000
	2023	-	-	180,000
	2022	-	-	180,000
	2021	-	-	240,000
Jacinto C. Gavino, Jr.	2024	-	-	315,000
	2023	-	-	285,000
	2022	-	-	255,000
	2021	-	-	300,000

Name and Principal Position	Year (With 2024 Estimates)	Salary (Php)	Bonus (Php)	Other Annual Compensation Income (Php)
Honorio H. Poblador, III	2024	-	-	240,000
	2023	-	-	180,000
	2022	-	-	180,000
	2021	-	-	240,000
Thomas G. Aquino	2024	-	-	315,000
	2023	-	-	285,000
	2022	-	-	255,000
	2021	-	-	270,000
All other Officers as a group unnamed	2024	-	-	240,000
	2023	-	-	150,000
	2022	-	-	210,000
	2021	-	-	420,000

Other Annual Compensation received from ACR represents per diems given for every attendance in a Board, an Executive Committee (Excom) meeting and Audit Committee meeting.

The Company and the Executive Officers are not involved in any of the following transactions:

1. Standard arrangement and any material arrangements;
2. Employment contract (between the registrant and named Executive Officers);
3. Compensatory plan or arrangement;
4. Outstanding warrants or options;
5. Adjustments or amendments on the stock warrants or options.

The members of the Compensation Committee of the Company are as follows:

1. Nicasio I. Alcantara - Chairman
2. Honorio A. Poblador III - Member
3. Jose Ben R. Laraya - Member (Independent Director)
4. Tirso G. Santillan, Jr. - Member

### **Warrants and Options Outstanding**

There are no warrants or options granted by the Company to any of its Directors or Executive Officers.

### **Pending Legal Proceedings**

None of the directors and officers were involved in any bankruptcy proceedings as of October 31, 2024 and during the past five years. Neither have they been convicted by final judgment in any criminal proceedings or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily 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 of administrative bodies to have violated a securities or commodities law. Moreover, there are no pending criminal cases involving the Company, and its directors and officers.

### **Significant employees**

There are no persons other than the executive officers that are expected by the Company to make a significant contribution to the business.

### **Voting Trust Holders of 5% or More**

No person holds five percent (5%) or more of the issued and outstanding shares of stocks of the Company under a voting trust or similar agreement.

### **Change in Control**

There are no changes in controlling interest of the Company during the period covered by this report.

## **Certain Relationships and Related Transactions**

During the last three (3) years, the Company was not a party to any transaction in which a director or Executive Officer of the Company, any nominee for election as a director, or any security holder owning more than 5% of any class of the Company's issued and outstanding shares and/or his/her immediate family member, had a material interest thereon.

In the normal conduct of business, the following are some of the Company's transactions with its affiliates and related parties disclosed in the audited financial statements.

- I. On October 9, 2015, the Company subscribed to 22 million redeemable preferred shares of Aldevinco, a shareholder of the Company, through a conversion of the Company's advances to Aldevinco amounting to P2.2 billion. The redeemable preferred shares have a par value of P100 per share with cumulative dividend of 4% per annum and are non-participating. The Company accounts for its investment in these redeemable preferred shares as part of AFS investment in the Financial Statements.
- II. On March 21, 2013, Aldevinco and ACIL (collectively referred to as AG) and Ayala Land, Inc. (ALI) entered into a joint venture agreement, wherein ALI would own 60% and AG would own 40% of the outstanding capital stock of a Joint Venture Corporation (JVC), Aviana Development Corporation (ADC), which shall develop the Lanang Landholdings in Davao. On September 17, 2013, ADC was incorporated, and ACR subscribed to, and now owns, 34% of ADC's outstanding capital stock.

There were no transactions to which the Company was a party during the past two (2) fiscal years where a Director, Executive Officer, nominee for Director, or stockholder owning more than 10% of the outstanding shares of the Company had a direct interest.

The Company retains the law firm of Castillo Laman Pantaleon and San Jose for legal services, where Atty. Ana A. Katigbak is a Partner. In 2023 and 2022, ACR paid this law firm fees of P360,000.00 for each year. No special engagement was made during the years covered. The Company believes that the legal fees are reasonable for the services rendered.

With the Company's issuance of the voting preferred shares, the Company's ultimate parent company is Alsons Corporation or AC, which owns 68.63% of all the common and the preferred shares. The Company's outstanding common shares, which are all listed in the Philippine Stock Exchange, are owned and controlled by the following Companies: Alsons Corporation – 41.21%; Alsons Power Holdings Corporation – 19.87%; and Alsons Development and Investment Corporation – 18.89%.

## Security Ownership of Certain Record and Beneficial Owners

As of October 31, 2024, the Company knows of no one who beneficially owns in excess of 5% of its common stock except as set forth below:

### Beneficial Owners of Voting Securities

Title of Class	Name and address of Record Owner	Relationship with Issuer	Name of beneficial owner and relationship with record owner	Citizenship	Number of share held	%
Common	ALSONS CORPORATION (AC) Alsons Building 2286, Don Chino Roces Avenue, Makati City	Affiliate	Alsons Corporation	Filipino	2,592,524,072	41.35%
Common	ALSONS POWER HOLDINGS CORP. (APHC) Alsons Building 2286, Don Chino Roces Avenue, Makati City	Affiliate	Alsons Power Holdings Corp.	Filipino	1,249,999,599	19.94%
Common	ALSONS DEVELOPMENT AND INVESTMENT CORPORATION (ALDEVINCO) 329 Bonifacio Street, Davao City	Affiliate	Alsons Development and Investment Corporation	Filipino	1,188,524,026	18.96%
Common	PCD NOMINEE CORPORATION (FILIPINO) MSE Building, Ayala Avenue, Makati City	None	Various	Filipino	1,183,265,212	18.87%

### Security Ownership of Management

The table below shows the securities beneficially owned by all Directors, nominees, and Executive Officers of ACR as of October 31, 2024.

## Security Ownership of Management

A. Directors							
Title of Class	Name	Direct	Indirect	Amount and Nature of Beneficial Ownership	Citizenship	Registered (r) or Beneficial (b)	Percent of Ownership
Common	NICASIO I. ALCANTARA	100	0	100	Filipino	r	0%
Common	TOMAS I. ALCANTARA	1	0	1	Filipino	r	0%
Common	EDITHA I. ALCANTARA	100,000	0	100,000	Filipino	r	0%
Common	ALEJANDRO I. ALCANTARA	1	0	1	Filipino	r	0%
Common	ARTURO B. DIAGO, JR	1	0	1	Filipino	r	0%
Common	TIRSO G. SANTILLAN, JR.	1	0	1	Filipino	r	0%
Common	RAMON T. DIOKNO	1	0	1	Filipino	r	0%
Common	HONORIO A. POBLADOR III	100	0	100	Filipino	r	0%
Common	JACINTO C. GAVINO, JR	1	0	1	Filipino	r	0%
Common	JOSE BEN R. LARAYA	100	0	100	Filipino	r	0%
Common	THOMAS G. AQUINO	100	0	100	Filipino	r	0%
	Total	100,406	0	100,406			0%

B. Officers							
Title of Class	Name	Direct	Indirect	Amount and Nature of Beneficial Ownership	Citizenship	Registered (r) or Beneficial (b)	Percent of Ownership
Common	NICASIO I. ALCANTARA, President	0	0	0	Filipino	r	0%
Common	EDITHA I. ALCANTARA, Treasurer	0	0	0	Filipino	r	0%
Common	ANTONIO MIGUEL B. ALCANTARA, Chief Investment & Strategy Officer	0	0	0	Filipino	r	0%
Common	PHILIP EDWARD B. SAGUN, Deputy CFO	0	0	0	Filipino	r	0%
Common	ANA MARIA A. KATIGBAK-LIM, CorSec	0	0	0	Filipino	r	0%
Common	JONATHAN F. JIMENEZ, Asst. CorSec	0	0	0	Filipino	r	0%
	Total	0	0	0			0%

## Sales of Unregistered Securities within the last three (3) years

The Company issued Promissory Notes (PN) in the last three years which are exempted from registration, pursuant to SRC Rule 9.1.2.5 and SRC Rule 10.1.3. SRC Rule 9.1.2.5 exempts from registration evidences of indebtedness that meet the following conditions:

- Issued to not more than nineteen (19) non-institutional lenders;
- Payable to a specific person;
- Neither negotiable nor assignable and held on to maturity; and
- In an amount not exceeding One Hundred Fifty Million Pesos (PhP150,000,000.00) or such higher amount as the Commission may prescribe.

Meanwhile, SRC 10.1.3 exempts from registration the sale of securities to qualified buyers. A list of these promissory notes previously issued is presented in Annex IV.

## Corporate Governance

The Company complies with all Corporate Governance requirements imposed by the Securities & Exchange Commission, and submits to the Commission such reports, disclosures, and other documents required by the Commission, and the applicable codes, and manuals, on Corporate Governance on or before the due date of the same.

## Evaluation System

The Company continuously determines compliance by the Board of Directors and top-level management with Company's Manual of Corporate Governance by reviewing the said Manual, and

the current Corporate Governance Code of the Commission, before each meeting of the Board, and before each meeting of its committees.

The Company also periodically reviews the charter, and functions, of the Board and its Committees, namely the Executive & Corporate Governance Committee, the Audit, Risk Oversight, and Related Party Transaction Committee, the Nomination & Election Committee, the Compensation Committee, and the Retirement Committee, to determine whether the appropriate committee should meet, and if so, determine the agenda for the said meeting.

Thus, the evaluation system established by the Company to determine compliance with the Company's Manual on Corporate Governance, the Commission's applicable Code of Corporate Governance, the charter of the Board or Committee, is a thorough and comprehensive review of the Company's activities before each Board or Committee meeting, and the presentation to the Board or Committee of the necessary activity for said compliance.

The Company used the following criteria in evaluating or assessing the Directors:

Demonstration of knowledge, skills, and experience to be a valuable resource in the Board's fulfillment of its responsibilities.

- a) Possession of strong up-to-date understanding of the business of the Company and its wholly owned subsidiaries;
- b) Introduction of useful outside information and perspective to Board and Committee deliberations;
- c) Participation in, and engagement at, meetings of the Board and Committees;
- d) Contributions to Board discussions are forward- looking, constructive, timely, independent, and to the point;
- e) Demonstration of a cooperative attitude and willingness to compromise in order to promote Board cohesion;
- f) Possession of understanding and sensitivity to the fiduciary, ethical, legal responsibilities of the Board;
- g) Appropriate representation of the Company when interacting with members of the public; and (i) Overall, valuable to the Board, and/or Company.

#### Rating Range

The Company provided a rating range of: "1" being equivalent to "Always/almost always"; "2" being equivalent to "Usually"; "3" being equivalent to "Sometimes"; "4" being equivalent to "Rarely"; "5" being equivalent to "Almost never/Never", and "0" being equivalent to "Don't know". Raters were allowed to provide a decimal in increments of 0.25 in each of their ratings.

#### Procedure

After the rescheduled annual shareholders' meeting in 2020, before the subsequent meeting of the Audit Committee, and the following Board meeting, the Company conducted a thorough and comprehensive review of the Company's compliance with its Manual on Corporate Governance, which involved an internal assessment of the performance of the Board, its Chairman, its individual Directors, and the Board's committees using the above criteria. Since the internal assessment was performed in the midst of the pandemic, the Company relied on video and telephone conferences and dispensed with written evaluation sheets to receive the in-house appraisal of the performance of the available Directors, the Board as a whole, and two (2) of the Board's Committees, the Audit Risk Oversight and Related Party Transaction Committee, and the Executive and Corporate Governance Committee.

## Appraisal Results and Performance Report

Using the above-enumerated criteria, the results of the in-house and internal appraisal, evaluation, and assessment were as follows: the available Directors earned an average rating of 1.21; the two (2) Committees earned an average rating of 1.24; and overall, the Board earned a rating of 1.25."

## Compliance with Adopted Leading Practices

Similar to the continuous evaluation system to determine compliance with the Company's Manual on Corporate Governance, the Commission's applicable Code of Corporate Governance, and/or the charter of the Board or Committee, adopted leading practices on good Corporate Governance are always discussed during Board meetings, or Committee meetings, as the Directors are always trying to improve the Company's operations, and goal-oriented activities. After the presentation by the management of the item in the agenda, a discussion ensues on how the Company could improve, or what measures need to be taken to achieve a better outcome.

Past discussions resulted in the current practice of checking current Company performance against an evolving five-year - or even a longer term - plan. The Directors also query management on the methods to achieve established targets in the long-term plans. The Board has even conducted a workshop to tackle issues arising from efforts to achieve targets that were set during an earlier, and less volatile, period.

## Deviations from the Manual

As reported to the Commission, and as set forth in various disclosures and filings at [www.acr.com.ph](http://www.acr.com.ph), the Board has established its Executive and Corporate Governance Committee to, among others, assist the Board in the performance of its corporate governance responsibilities. The Committee has five members, and three of those are independent directors.

Since the Corporate Governance Committee is also the Executive Committee, its head is the Chairman of the Board, and is not an Independent Director. Nonetheless, the overall Principle 3 and Recommendation 3.3 of the Manual, and of the Code, are still being achieved since the said Committee continues to assist the Board in performing its corporate governance responsibilities. No sanctions are envisioned for this fully justified deviation.

In its 2020 Corporate Governance Manual, the Company addresses the situation where the Chairman of its Board, Mr. Nicasio I. Alcantara, is also the Company's Chief Executive Officer (CEO). The Company has stated:

"The Board, taking into consideration the Company's size, risk profile and complexity of operations, may decide that separate individuals should hold the positions of Chairman and CEO, with each having clearly defined responsibilities."

While the Board has not yet decided that separate individuals should hold the positions of Chairman and CEO. Nonetheless, this has not compromised the Board's independence since the Chairman and CEO still has just one vote. Thus, Principle 5 of the Manual, and of the Code, is still being observed. Moreover, the responsibilities of the President and Chief Executive Officer are clearly defined in the Revised Corporation Code, the Company's articles, and by-laws, and the 2020 Manual on Corporate Governance, and these are different from the responsibilities of the Chairman. No sanctions are envisioned for this fully justified deviation.

## Plans to Improve Corporate Governance

The Company has been discussing the feasibility of separating the Executive & Corporate

Governance Committee into two separate committees: the Executive Committee, and the Corporate Governance Committee. With this separation, the chair of the Corporate Governance Committee would be an Independent Director, as envisioned in the Company's Manual on Corporate Governance, and the Commission's applicable Code of Corporate Governance. The Chairman of the Board of Directors would then remain as the Chairman of the Executive Committee, which is in accordance with the said Manual, and Code.

A Corporate Governance Committee meeting separately from the Executive Committee, and chaired by an Independent Director, would then be able to better address the various issues arising from the operations of the Company, and that of its subsidiaries.

The Company is also considering an update of the respective charters of the committees. Such updated charters should provide a clear guidance to each committee on their functions, purposes, and objectives.

## **MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION**

*The following management's discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's unaudited, interim financial statements as of September 30, 2024 and audited consolidated financial statements for the fiscal years ended 2023, 2022 and 2021, including the related notes, contained in this Prospectus. This Prospectus contains forward-looking statements that are based largely on the Company's current expectations and projections about future events and trends affecting its business and operations. The Company cautions investors that its business and financial performance is subject to substantive risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set out in "Risk Factors." In evaluating the Company's business, investors should carefully consider all of the information contained in "Risk Factors."*

### **Income Statement & Balance Sheet (September 30, 2024)**

<b>CONSOLIDATED INCOME STATEMENT DATA (in Php millions)</b>		
<b>Nine Months Ended</b>	<b>September 30 (unaudited)</b>	
	<b>2024</b>	<b>2023</b>
Revenues	Php 8,915	Php 9,995
Cost and Expenses	(Php 6,792)	(Php 7,990)
<b>Income Before Income Tax</b>	<b>Php 2,123</b>	<b>Php 2,005</b>
Provision for (Benefit From) Income Tax	Php 235	Php 229
<b>Net Income</b>	<b>Php 1,888</b>	<b>Php 1,775</b>

<b>CONSOLIDATED BALANCE SHEET DATA (in Php millions)</b>		
	<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>		
Current Assets	13,856	10,589
Noncurrent Assets	37,413	37,360
<b>Total Assets</b>	<b>51,269</b>	<b>47,950</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities	11,721	11,410
Noncurrent Liabilities	19,519	16,907
<b>Total Liabilities</b>	<b>31,241</b>	<b>28,317</b>
<b>Total Equity</b>	<b>20,028</b>	<b>19,633</b>
<b>Total Liabilities and Equity</b>	<b>51,269</b>	<b>47,950</b>

### **VERTICAL AND HORIZONTAL ANALYSIS**

<b>Horizontal Analysis</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>Variance</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4,553,557,972	2,429,127,715	87.46%
Short-term cash investments	223,221,893	122,505,384	82.21%
Trade and other receivables	6,073,949,483	5,572,156,388	9.01%

Inventories - at cost	1,021,245,580	994,647,943	2.67%
Real estate inventories	620,144,365	620,526,273	-0.06%
Prepaid expenses and other current assets	1,363,672,075	850,446,358	60.35%
<b>Total Current Assets</b>	<b>13,855,791,368</b>	<b>10,589,410,061</b>	<b>30.85%</b>
<b>Noncurrent Assets</b>			
Noncurrent portion of installment receivables	3,323,416	3,323,416	0.00%
Contract asset	1,527,727,919	1,594,771,934	-4.20%
Investments in real estate	290,930,441	243,515,741	19.47%
Investments in associates	2,306,016,078	2,303,296,078	0.12%
Advances to contractors	755,344,941	531,888,078	42.01%
Property, plant and equipment	28,322,124,616	28,517,240,059	-0.68%
Equity instruments designated at fair value through other comprehensive income (FVTOCI)	2,353,235,905	2,353,235,905	0.00%
Goodwill	527,187,320	527,187,320	0.00%
Net retirement assets	21,188,766	21,287,028	-0.46%
Deferred income tax assets - net	29,081,214	27,665,540	5.12%
Other noncurrent assets	1,277,091,257	1,237,060,864	3.24%
<b>Total Noncurrent Assets</b>	<b>37,413,251,873</b>	<b>37,360,471,963</b>	
<b>TOTAL ASSETS</b>	<b>51,269,043,241</b>	<b>47,949,882,024</b>	
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and other current liabilities	3,720,830,920	2,885,476,634	28.95%
Loans payable	3,785,724,355	3,775,297,128	0.28%
Short-term notes payable	1,314,710,749	1,895,578,640	-30.64%
Income tax payable	126,285,190	94,108,058	34.19%
Current portion of long-term debt	2,773,694,507	2,759,523,797	0.51%
<b>Total Current Liabilities</b>	<b>11,721,245,721</b>	<b>11,409,984,257</b>	
<b>Noncurrent Liabilities</b>			
Long-term debt - net of current portion	18,043,223,605	15,423,495,446	16.99%
Deferred income tax liabilities - net	610,358,716	612,776,418	-0.39%
Net retirement benefits liabilities	82,953,815	92,387,366	-10.21%
Lease liability	7,224,542	7,224,542	0.00%
Deferred credit	295,026,290	295,026,290	0.00%
Decommissioning liability	480,753,350	476,024,873	0.99%
<b>Total Noncurrent Liabilities</b>	<b>19,519,540,318</b>	<b>16,906,934,935</b>	
<b>Total Liabilities</b>	<b>31,240,786,039</b>	<b>28,316,919,192</b>	
<b>Equity</b>			
Capital stock	6,346,500,000	6,346,500,000	0.00%
Other equity reserves	2,542,106,409	2,542,106,409	0.00%
Retained earnings:			
Unappropriated	3,503,276,594	3,029,496,824	15.64%
Appropriated	1,100,000,000	1,100,000,000	0.00%
Attributable to equity holders of the parent	13,491,883,003	13,018,103,233	3.64%
Non-controlling interests	6,536,374,199	6,614,859,599	-1.19%
<b>Total Equity</b>	<b>20,028,257,202</b>	<b>19,632,962,832</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>51,269,043,241</b>	<b>47,949,882,024</b>	

Horizontal Analysis	Nine Months Ended		Variance	
	30-Sep			
	2024	2023		
<b>REVENUE</b>				
Revenue from contract with customers	8,902,891,428	9,983,377,551	-10.82%	
Rental income and others	12,515,965	11,944,694	4.78%	
	<b>8,915,407,393</b>	<b>9,995,322,245</b>	<b>-10.80%</b>	
<b>INCOME (EXPENSES)</b>				
Cost of goods and services	-5,370,666,949	-6,449,561,405	-16.73%	
General and administrative expenses	-441,633,890	-406,309,759	8.69%	
Finance income (charges)- net	-994,791,650	-1,146,505,993	-13.23%	
Other income – net	14,774,698	11,859,986	24.58%	
	<b>-6,792,317,791</b>	<b>-7,990,517,172</b>	<b>-15.00%</b>	
<b>INCOME BEFORE INCOME TAX</b>	<b>2,123,089,602</b>	<b>2,004,805,074</b>	<b>5.90%</b>	
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>				
<b>Current</b>	244,732,681	234,366,172	4.42%	
<b>Deferred</b>	-9,667,449	-5,050,005	91.43%	
	<b>235,065,232</b>	<b>229,316,167</b>	<b>2.51%</b>	
<b>NET INCOME</b>	<b>1,888,024,370</b>	<b>1,775,488,907</b>	<b>6.34%</b>	

Vertical Analysis	30-Sep-24	31-Dec-23
	(Unaudited)	(Audited)
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	8.88%	5.07%
Short-term cash investments	0.44%	0.26%
Trade and other receivables	11.85%	11.62%
Inventories - at cost	1.99%	2.07%
Real estate inventories	1.21%	1.29%
Prepaid expenses and other current assets	2.66%	1.77%
Total Current Assets	27.03%	22.08%
Noncurrent Assets		
Noncurrent portion of installment receivables	0.01%	0.01%
Contract asset	2.98%	3.33%
Investments in real estate	0.57%	0.51%
Investments in associates	4.50%	4.80%
Advances to contractors	1.47%	1.11%
Property, plant and equipment	55.24%	59.47%
Equity instruments designated at fair value through other comprehensive income (FVTOCI)	4.59%	4.91%
Goodwill	1.03%	1.10%
Net retirement assets	0.04%	0.04%
Deferred income tax assets - net	0.06%	0.06%
Other noncurrent assets	2.49%	2.58%
Total Noncurrent Assets	72.97%	77.92%

<b>TOTAL ASSETS</b>	<b>100.00%</b>	<b>100.00%</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities	7.26%	6.02%
Loans payable	7.38%	7.87%
Short-term notes payable	2.56%	3.95%
Income tax payable	0.25%	0.20%
Current portion of long-term debt	5.41%	5.76%
<b>Total Current Liabilities</b>	<b>22.86%</b>	<b>23.80%</b>
<b>Noncurrent Liabilities</b>		
Long-term debt - net of current portion	35.19%	32.17%
Deferred income tax liabilities - net	1.19%	1.28%
Net retirement benefits liabilities	0.16%	0.19%
Lease liability	0.01%	0.02%
Deferred credit	0.58%	0.62%
Decommissioning liability	0.94%	0.99%
<b>Total Noncurrent Liabilities</b>	<b>38.07%</b>	<b>35.26%</b>
<b>Total Liabilities</b>	<b>60.93%</b>	<b>59.06%</b>
<b>Equity</b>		
Capital stock	12.38%	13.24%
Other equity reserves	4.96%	5.30%
Retained earnings:	0.00%	0.00%
Unappropriated	6.83%	6.32%
Appropriated	2.15%	2.29%
Attributable to equity holders of the parent	26.32%	27.15%
Non-controlling interests	12.75%	13.80%
<b>Total Equity</b>	<b>39.07%</b>	<b>40.94%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Vertical Analysis</b>	<b>Nine Months Ended</b>	
	<b>30-Sep</b>	
	<b>2024</b>	<b>2023</b>
<b>REVENUE</b>		
Revenue from contract with customers	99.86%	99.88%
Rental income and others	0.14%	0.12%
	<b>100.00%</b>	<b>100.00%</b>
<b>INCOME (EXPENSES)</b>		
Cost of goods and services	60.24%	64.53%
General and administrative expenses	4.95%	4.06%
Finance income (charges)- net	11.16%	11.47%
Other income – net	-0.17%	-0.12%
	<b>76.19%</b>	<b>79.94%</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>23.81%</b>	<b>20.06%</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>		
Current	2.75%	2.34%
Deferred	-0.11%	-0.05%

	2.64%	2.29%
<b>NET INCOME</b>	<b>21.18%</b>	<b>17.76%</b>

## REVIEW AS OF SEPTEMBER 30 2024 VS. SEPTEMBER 30, 2023 OPERATIONS

### Key Performance Indicators

The following key performance indicators were identified by the Company and included in the discussion of the results of operations and financial condition for the Nine Months ended September 30, 2024 and 2023. (Amounts in million pesos, except ratios)

Financial KPI	September 30	
	2024	2023
<b>Profitability</b>		
Revenues	Php 8,915	Php 9,995
EBITDA	4,170	4,083
EBITDA Margin	46%	42%
Return on Equity	10%	9%
Net Earnings Attributable to Equity Holders	604	504
<b>Efficiency</b>		
Operating Expense Ratio	14%	13%
<b>Liquidity</b>		
Current Ratio	1.31:1	1.18: 1
Debt-to-Equity Ratio	2.44:1	2.15: 1
Asset-to-equity Ratio	2.56:1	2.48:1
Interest Rate coverage ratio	2.60:1	2.30:1

### Profitability

The Company's Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) margin improved during the first nine months of 2024, rising to 46%, compared to 42% for the same period last year. The increase was primarily driven by higher cost efficiencies. The Company's operating power plants continue to be a key contributor to the Group's stable earnings. Additionally, the Return on Equity (ROE) rose to 10%, up from 9% in the previous year.

### Efficiency

ACR's power facilities continue to operate efficiently, providing reliable electricity to customers across various regions of Mindanao. With the commencement of the wholesale electricity spot market in Mindanao, the Company's power plants are actively participating in this newly established market.

The 210-megawatt (MW) Sarangani Energy Corporation baseload coal-fired power plant in Maasim, Sarangani remains a key revenue driver for the Company. Both plants sections supply power to key areas including General Santos City, Sarangani Province, Cagayan de Oro, Iligan, Butuan and other population centers in Mindanao.

Additionally, the 100 MW diesel plant operated by Western Mindanao Power Corporation (WMPC) in Zamboanga City continues to be a crucial energy source for the region. WMPC also plays a significant role in supporting the National Grid Corporation of the Philippines (NGCP) by providing ancillary services, including dispatchable generating capacity, reactive power support, and black start capability, all of which help stabilize the power grid in the Zamboanga Peninsula.

The Company's Southern Philippines Power Corp. (SPPC) in Sarangani is in the process of converting into a solar power facility by leveraging its available land. This strategic transition supports the Company's commitment to advancing energy sustainability and meeting future energy demands through cleaner, more efficient technologies.

On the other hand, the Siguil Hydro Power Plant in Maasim, Sarangani, is currently completing its testing and commissioning phase. The plant is on schedule to begin commercial operations before the end of the year, marking a significant milestone in the Company's growth and expansion in renewable energy.

The Company is also in the final stages of constructing the Ubay Power Project, an in-island backup power facility located in Barangay Imelda, Ubay, Bohol. This project is designed to provide reliable backup power, significantly enhancing the island's energy security and supporting the growing needs of both residential and commercial sectors.

The MPC-Ubay project is now physically complete, having achieved Plant Mechanical Completion on August 12, 2024. The NGCP likewise issued its permission to Ubay to connect to their substation via an overhead transmission line structure, provided MPC-Ubay will commit to replacing it later with a direct burial cable system. The Interim Overhead Transmission Line was successfully completed and connected to the grid on November 11, 2024.

The Ubay Project will play a critical role in reducing power disruptions and ensuring a stable electricity supply, particularly during peak demand periods or in the event of unexpected outages. By bolstering the island's power grid, this project will contribute to the continued economic growth and resilience of Bohol, enabling both businesses and communities to thrive without the threat of frequent power shortages.

With the lower revenue achieved this year as a result of the forced outage experienced by Sarangani Phase 1 for the first two months of this year, operating expense ratio slightly increased to 14% from 13% in the previous year. The operating efficiency of the power plants is expected to continue in accordance with the plans and budgets.

ACR's cash flows from operations remained stable this year at Php 5.04 billion, compared to Php 4.86 billion in the previous year. The increase was primarily due to higher collections of trade receivables during the first nine months of 2024. Meanwhile, the debt-to-equity ratio rose to 2.44:1, up from 2.15:1 in the previous year, reflecting the drawdown of loans for the Siguil and Ubay projects. The current ratio remains healthy at 1.31:1, an improvement from last year's 1.18:1.

## RESULTS OF OPERATIONS

The first nine months of 2024 saw a steady flow of revenues amounting to P8,915 million, compared to P9,995 million in the same period last year. The slight decrease is primarily attributable to lower passed-on coal costs. Additionally, Sarangani 1 experienced forced outages starting in mid-December of the previous year and continuing through February 20th of the current year as a result of the earthquake that struck Sarangani in December 2023. Despite these challenges, Sarangani 1 was able to maintain its power supply commitments by sourcing replacement power from the Wholesale Electricity Spot Market (WESM).

The Cost of Goods Sold and Services decreased significantly from P6.45 billion to P5.37 billion this year, primarily due to the reduced costs of coal and replacement power. Despite these changes, the Gross Profit Margin remained stable at 40%, resulting in a consistent gross profit of P3.5 billion for the first nine months of the year, the same as in the previous year.

General and administrative expenses increased to P441 million, up from P406 million last year, primarily due to higher salaries, increased marketing expenses, and rising transportation costs.

Net finance charges for the first nine months of this year were at P995 million compared to last year's P1,146 million. The slight decline was due mainly to the lower interest a result of continuing amortization of maturing debts.

Due to the above variances, the net income improved to P1,888 million from last year's P1,775 million resulting to higher net income attributable to Parent of P604 million from last year's P505 million. Earnings per share were at P0.095 during this period higher than last year's P 0.080.

## REVIEW OF FINANCIAL POSITION

ACR and its subsidiaries continue to maintain strong balance sheets, with total assets reaching P51,269 million, reflecting a 7% increase from P47,949 million at the end of 2023. This growth was primarily driven by higher cash and cash equivalents, inventories, and prepaid expenses.

Current assets increased by 30%, rising from P10,589 million to P13,856 million, due to higher cash and cash equivalents, receivables, and prepaid expenses during the period.

Non-current assets saw a slight increase to P37,413 million, up from P37,360 million last year. The growth in project costs for the Sigil Hydro and MPC-Ubay projects was partially offset by the depreciation of the operating power plants during the period.

Total liabilities amounted to P31,241 million, higher than the P28,316 million reported at the end of 2023. The increase was primarily due to the drawdown of loans for the Sigil Hydro and MPC-Ubay projects, partially offset by the payment of maturing loan amortization for the Sarangani Energy project.

As of September 30, 2024, ACR's current ratio increased to 1.31 from last year's 1.18 while Debt to equity ratio increased to 2.44:1 from 2.15:1 last year.

ACR's consolidated statement of cash flows showed that cash from operating activities is the major source of funding for payment of maturing obligations during the period.

i. Causes of the material changes (5% or more) in balances of relevant accounts as of September 30, 2024, compared to December 31, 2023, are as follows:

a) **Cash and cash equivalents – Increased 87%**

The increase is primarily attributable to the drawdown of the MPC-Ubay project loan, which amounted to P2.2 billion by the end of the third quarter. However, this amount remained unused as of the end of the period.

**b) Short-term cash investments - Increased 82%**

The Company opted to invest the excess funds in short-term instruments such as money market placement during the period.

**c) Trade and Other Receivables - Increased 9%**

The increase in trade and other receivables is primary due to the timing of collections during the period. The slight delay in receivable turnover resulted in a higher outstanding balance at the end of the reporting period.

**d) Spare parts and supplies - Increased 3%**

The increase is due mainly to the higher coal purchases for the first nine months of the year.

**e) Prepaid expenses - Increased 60%**

The increase was primarily due to additional deposits made into the debt service reserve accounts for ACR and MPC-UPC, as well as higher prepayments resulting from the renewal of insurance coverage for the Company's power plants.

**f) Advances to Contractors - Increased 42%**

The increase was primarily due to additional advances made to the contractor for the Sigui Hydro Project, as well as payments for the expansion of the land area at the Kamanga Agro-Industrial Economic Zone.

**g) Contract Asset- Increased 4%**

Contract asset represents asset recognized through the application of PFRS 15. This Accounting Standards simply recognize the revenues of Sarangani relative to its Capital Recovery Fee equally over the life of its PSA. Thus, applying the average method in calculating the CRF revenue. The increment is presented as Contract Asset.

**h) Accounts payable and accrued expenses - Increased 29%**

The increase was primarily due to unpaid dividends declared by Sarangani Energy, which remained outstanding during the period, as well as the timing of payments of other payables.

**i) Short-term notes payable - Decreased 31%**

The decrease in short-term loans and notes payable was primarily due to settlements made during the period.

**j) Income tax payable - Increased 34%**

The increase in income tax payable during the period was primarily due to the timing of payments. The tax payment due for the period ending September 30, 2024, is scheduled on or before November 29, 2024.

ii. Events that will trigger Direct or Contingent Financial Obligation that is material to the Company, including any default or acceleration of obligation.

Some of the subsidiaries or affiliates of the Company are from time to time involved in routine litigation and various legal actions incidental to their respective operations. However, in the opinion of the Company's management, none of the legal matters in which its subsidiaries or affiliates are involved have a material effect on the Company's financial condition and results of operations.

iii. There are no Material Off-Balance Sheet Transactions, Arrangements, Obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

### **Significant Disclosure**

1. Unusual items that materially affect the Company's assets, liabilities, equity, net income or cash flows because of their nature, size or incidence;
2. Issuance and repurchase of equity securities;
3. Segment revenues and segment results for business segments and geographical segments;
4. Changes in contingent liabilities or contingent assets since the annual balance sheet date;
5. Existence of material contingencies and other transaction events that are material to an understanding of the current period;
6. Known trends, commitments, events and uncertainties that will result in or likely to decrease its liquidity in a material way. ACR does not anticipate having, within the next twelve (12) months, any cash flow or liquidity problem nor does it anticipate any default or breach of any of its existing notes, loans, other indebtedness or financial arrangements requiring it to make payments. With the improvement in the Company's operating performance, ACR expects to meet all financial loan covenants for the next interim period;
7. Events that will trigger direct or contingent material financial obligations to the Company;
8. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Company with unconsolidated entities or other persons created during the year;
9. Known trends, events or uncertainties that have had or that are reasonably expected to have a **material favorable impact on net sales, revenues, net income from continuing operations;**
10. Significant elements of income or loss that did not arise from the Company's continuing **operations;**
11. Material events subsequent to the end of the reporting period that have not been reflected in the consolidated financial statements;
12. Material changes in the composition of the Company, including any business combination, acquisition or disposal of subsidiaries and long-term investments and discontinuing operations.

## REVIEW OF YEAR 2023 VS. 2022 OPERATIONS

The KPIs of ACR are as follows:

Financial KPI	Definition	December 31	
		2023	2022
<b>Profitability</b>			
EBITDA Margin	EBITDA/ Net Sales	44%	44%
Return on Equity	Net Income/ Total Average Stockholders' Equity	12%	10%
<b>Efficiency</b>			
Operating Expense Ratio	Operating Expenses / Gross Operating Income	20%	19%
Interest Rate Coverage Ratio	Earnings Before Interest, Taxes / Interest Expense	2.60: 1	2.30: 1
Asset-to-equity Ratio	Total Assets/ Total Equity	2.48: 1	2.53: 1
Debt to Equity Ratio	Total Liabilities/ Total Equity	1.44: 1	1.53: 1
Current Ratio	Current Assets / Current Liabilities	0.93: 1	1.15: 1

Highlights of the Company's financial performance are as follows:

### Revenues and Profitability

ACR and its subsidiaries experienced a significant increase in consolidated revenues during the year, reaching Php12,423 million, up from the Php11,989 million reported in the previous year. This increase was primarily attributed to improved operations in our power companies and an increase in energy dispatch throughout the year.

The cost of services rose by 3% to Php7,970 million from Php7,765 million in 2022, primarily due to the increased fuel costs resulting from higher dispatch levels.

General and administrative expenses decreased from Php848 million in 2022 to Php708 million this year. This decline was primarily attributable to the recognition of a Php165 million impairment loss in 2022 and the reversal of the provision for expected credit loss in 2023. The reversal of the credit loss during the year resulted from the full collection of SPPC's receivable from NPC. As a result, operating profit significantly increased to Php3,742 million from last year's Php3,367 million.

The Company continues to achieve robust earnings before interest, taxes, depreciation, and amortization (EBITDA), reaching Php5,491 million in 2023, surpassing last year's figure of Php5,289 million. This results in a healthy EBITDA margin of 44% for both the current and previous years.

Finance charges increased slightly to Php1,655 million from last year's Php1,650 million. The settlement of maturing loans in Sarangani during the year was partly offset by the availment of short-term loans from the Parent Company, which were used for the Siguil Hydro Project. On the other hand, interest income significantly increased from an income of Php25 million earned in 2022 to Php87 million this year. This increase was primarily due to higher interest rates on placements throughout the year.

Equity in net earnings derived from the Company's share in Aviana Development Corp. decreased in 2023 to Php22 million from Php55 million in the previous year, primarily due to Aviana's lower sales performance.

The Company's other income of Php 370 million is consistent with last year's Php 424 million. This year's other income includes the gain recognized on the collection of SPPC's DG6, pertaining to the collection of its receivable from NPC. Conversely, the other income recognized in 2022 pertains to the lot leased by KAIEDC to Panhua, which was accounted for under a finance lease. This gain was partly offset by the recognition of an impairment loss of goodwill during that year.

Because of the aforementioned factors, the consolidated net income achieved a higher result of Php2,285 million, marking a 22% improvement over last year's Php1,875 million. The income attributable to the Parent Company also improved to Php641 million from last year's Php617 million, resulting in an earnings per share of Php 0.101, compared to Php 0.097 last year.

### **Review of Financial Position**

As of December 31, 2023, the total resources of ACR and its subsidiaries remained robust at Php47,950 million, nearly unchanged from the level reported in 2022.

Current assets remain stable at Php10,589 million this year. The decrease in inventories due to lower coal costs was partly offset by the increase in prepaid expenses and other current assets resulting from a higher balance of debt reserve accounts.

Noncurrent assets increased to Php37,360 million. The depreciation expense recognized during the year, amounting to Php1,356 million, was offset by the costs incurred for the construction of the Siguil Hydro Power Plant, which is currently nearing completion.

Current liabilities increased by 17% from Php9,789 million to Php11,410 million, primarily due to the utilization of short-term loans payable by the Parent Company, mostly allocated for the construction of the Siguil Power Plant. Noncurrent liabilities, on the other hand, decreased by 11% due to the amortization of maturing long-term debt and the reclassification of a loan to the current portion, partially offset by the drawdown of the project loan for Siguil Hydro Power Corporation.

Equity increased by 4% from Php18,909 million to Php19,633 million, primarily attributed to the income earned during the year.

ACR reported a current ratio of 0.93:1 in 2023, which decreased from 1.15:1 in 2022, primarily due to the increased current liabilities resulting from the rise in loans payable.

The net cash inflows from operating activities saw a significant improvement, rising from Php4,429 million to Php6,370 million, maintaining stability and serving as the primary source for fulfilling maturing obligations and trade payables. Additionally, there was a notable increase in net cash used for investing activities, which surged from Php1,973 million to Php2,297 million this year, primarily due to the additional project costs incurred for the construction of the Siguil Hydro Power plant. Meanwhile, net cash used from financing activities amounted to Php4,443 million, marking a 76% increase from last year's Php2,527 million, largely attributed to the higher settlement of loans, long-term debt, and dividends during the year. Consequently, the net cash balance, after considering the aforementioned changes, reached Php2,429 million, slightly lower than the Php2,796 million reported in the previous year.

### ***Material changes in Consolidated Balance Sheet Accounts by 5% or More (December 21, 2023 vs. December 31, 2022)***

#### **1. Cash and cash equivalents, 13% Decrease**

The decrease in cash and cash equivalents was due to the payment of dividends before the end of the year, as well as project costs for the Siguil Hydro Power Corporation EPC contractor. This utilization of funds underscores the Company's commitment to rewarding shareholders while simultaneously investing in strategic projects to bolster its operations and future growth prospects.

## **2. Trade and other receivables, 7% Decrease**

The decrease was due to the timing of collection of trade receivables during the year. In previous years, the Company provided financial relief to certain electric cooperatives and distribution utilities in response to the effects of the COVID-19 pandemic. These relief measures included restructuring existing receivables and extending payment terms.

## **3. Prepaid Expenses, 22% Increase**

The increase in this account during the year was attributed to the additional deposit for the debt reserve account of the Parent Company, as well as the input tax generated by Siguil Power Corp for its plant construction

## **4. Contract assets, 5% Decrease**

The decrease was attributed to the revenue adjustment of Sarangani, resulting from the straight-line amortization of its Capital Recovery Fee over the useful life of its plant.

## **5. Investment in Real Estate, 41%, Decrease**

The additional lots acquired by KAIEDC for the expansion of the covered area of the Ecozone Industrial Estate in 2022 were acquired by a locator as additional space for its plant currently under construction. A similar arrangement was made in the previous year, wherein a long-term lease covering a period of 50 years, extendable for another 50 years at no additional cost, was agreed upon by the lessee. This arrangement is accounted for under finance lease. Consequently, the related real estate asset was derecognized by the Company, and the full settlement of the locator's lease payments was included as part of the income during the year.

## **6. Advances to Contractors, 16% Increase**

The increase in this account was caused by the additional advances made during the year by Siguil Hydro Power Corp. to its EPC Contractor, Sta. Clara International.

## **7. Net retirement benefit assets, 5% Decrease**

The decrease was due to benefits paid during the year, resulting in a reduction of the value of assets in a defined benefit obligation compared to the present value of the liabilities, as determined by an independent actuary.

## **8. Deferred income tax assets, 15% Increase**

The increase primarily stemmed from the deferred tax effect resulting from the recognition of additional net loss carryovers during the year. This reflects the Company's utilization of tax benefits to offset current and future taxable income, thereby optimizing its tax position and enhancing overall financial performance.

## **9. Other noncurrent assets, 24% Increase**

The increase was primarily driven by the additional project related expenditures for Sindangan and Bago and additional input VAT on importation for Siguil Power Corp.

## **10. Accounts payable and other current liabilities, 12% Increase**

The rise was mainly attributable to the increased balances of trade payables and accrued expenses, partially offset by the payment of Sarangani's dividends payable during the year.

## **11. Loans payable, 18% increase; Short-term notes payable, 20% Increase**

The increase in loans payable and short-term notes payable was primarily due to additional loans obtained during the year to finance the construction of the Siguil Hydro Power Plant Project. This expansion of financial liabilities underscores the Company's strategic investment in meeting the growing energy demands in the areas where our Company operates.

## **12. Income tax payable, 35% Increase**

The increase stemmed from higher taxable income earned during the year by Sarangani Energy Corporation and Southern Philippines Power Corporation, mainly from the collection of receivables from NPC for its GD6 engine.

## **13. Lease liability, 60% Decrease**

The decrease was primarily due to the lower lease commitments recognized during the year. This reduction in lease commitments reflects the Company's prudent management of its financial obligations and its adaptability to changing market conditions.

## **14. Current portion of long-term debt, 17% Increase**

### **Long-term debts – net of current portion, 13% Decrease**

The increase in the current portion of long-term debt stemmed from the recognition of maturing principal payments for the next twelve months. Conversely, the reduction in the noncurrent portion was partially offset by the additional project loan obtained by Siguil Power Corp. This adjustment reflects the Company's proactive approach to managing its debt obligations while strategically investing in new projects for future growth.

## **15. Net retirement benefits liabilities, 32 Increase**

The net retirement benefits increased by 32%, primarily due to the provisioning of past service costs for employees, as recommended by an independent actuary. This adjustment underscores the company's commitment to meeting its current obligations to its employees.

## **16. Decommissioning liabilities, 20% Increase**

The increase is attributed to a change in the estimate of the cost for dismantling the steam turbine and generator of Sarangani Energy Corporation, in compliance with accounting standards. This adjustment reflects the Company's commitment to adhering to accounting guidelines and ensuring fair financial reporting.

## REVIEW OF YEAR 2022 VS. 2021 OPERATIONS

### Key Performance Indicator

The KPIs of ACR are as follows:

Financial KPI	Calendar Year	
	2022	2021
<b>Profitability</b>		
EBITDA Margin	44%	47%
Return on Equity	10%	7%
<b>Efficiency</b>		
Operating Expense Ratio	19%	22%
<b>Liquidity</b>		
Net Service Coverage Ratio	2.01:1	2.32:1
Current Ratio	1.15:1	1.18: 1
Debt-to-Equity Ratio	1.53:1	1.66: 1

### Results of Operations

ACR and Subsidiaries posted a significant increase in its consolidated revenues during the year to Php 11,989 million from the Php 10,054 million reported in the previous year. The increase was due mainly to the improved operations of our power companies and increase in energy dispatch during the year.

Cost of services increased by 24% at Php 7,765 million from Php 6,255 million in 2021 mainly due to the higher fuel cost as well as the cost of the industrial lot.

General and administrative expenses increased slightly from Php 678 million in 2021 to Php 682 million this year. The increase was due mainly to the higher provision of expected credit losses and personnel costs, among others. The 2022 operations have returned to the new normal as the COVID-19 scare eases. As a result, operating profit increased significantly to Php 3,532 million from last year's Php 3,114 million.

The Company continues to post strong earnings before interest, taxes, depreciation, and amortization (EBITDA) registering Php 5,289 million in 2022, surpassing last year's Php 4,709 million. The resulting EBITDA margin is 44% from 47% from last year.

Meanwhile, finance charges decreased by 4% from Php 1,717 million in 2021 to Php 1,650 million in 2022. The decrease was due to the settlement of maturing loans of Sarangani during the year. Interest income on the other hand increased by 50% from Php 16 million income earned in 2021 to Php 25 million this year. The increase was due mainly to higher interest rates on placements during the year.

Equity in net earnings coming from the Company's share in Aviana Development Corp. posted lower results in 2022 of Php 55 million from Php 72 million in the previous year due mainly to the lower sales performance of the Company.

The Company's other income of Php 259 million is significantly better than last year's Php 1 million. This year's other income includes the gain recognized by Kamanga Agro-Industrial Ecozone Development Corporation ("KAIEDC") for the lot it leased to Panhua which accounted for under finance lease. This gain was partly offset by the recognition of an impairment loss of goodwill.

As a result of the foregoing, the consolidated net income posted a steady result of Php 1,875 million. The income attributable to Parent of Php 617 million is 52% better than last year's Php 405 million posting an earnings per share of Php 0.097 from Php 0.064 last year.

### **Review of Financial Position**

As of December 31, 2022, total resources of ACR and Subsidiaries remained strong at Php 47,796 million, almost the same level reported in 2021.

Current assets likewise remained stable at Php 11,264 million this year. The decrease in inventories and prepaid expenses was offset by the increase in trade and other receivables.

Noncurrent assets remained the same at Php 36,533 million. The depreciation expense recognized during the year was offset by the cost incurred for the cost of Siguil Hydro Power Plant which is currently under construction.

Current liabilities increased to Php 9,789 million, largely on the availment of loans payable by the Parent Company which were mostly used for the construction of Siguil Power Plant. Noncurrent liabilities, on the other hand, decreased due to the amortization of maturing long-term debt and partly offset by the recognition of deferred credit arising from the collection of a grant for the Siguil Hydro project.

Equity increased by 5% from Php 17,952 million to Php 18,909 million due mainly to the income earned during the year.

ACR posted a current ratio of 1.15:1 in 2022 compared to 1.18:1 in 2021 mainly due to the higher current liabilities brought about by the increase in loans payable.

Net cash inflows from operating activities remained stable and continued to be the source of payment of maturing obligations and trade payables. Net cash used for investing activities increased significantly from Php 976 million to Php 1,973 million this year due mainly to the additional project cost incurred for the construction of Siguil Hydro Power plant. Net cash outflow from financing activities, which amounted to Php 2,527 million, is slightly lower than last year's Php 2,643 million. The increase in loans and long-term debt was offset by the payments made during the year. The net cash balance after accounting for the above changes reached Php 2,796 million, slightly lower than the Php 2,864 million in the previous year.

### ***Material changes in Consolidated Balance Sheet Accounts by 5% or More***

#### **1. Short-term investments, 10% increase**

The increase in short-term investments (2022: Php 124 million vs. 2021: Php 112 million) was due mainly to the additional placement made during the last quarter of the year as the timing of the usage of cash for operations and or the payment of the construction of Siguil Hydro Power Plant which is expected to begin commercial operations in later part of 2023.

#### **2. Trade and other receivables, 24% increase**

The increase was due to the timing of collection of trade receivables during the year. The Company has provided financial reliefs to certain electric cooperatives and distribution utilities as a response to the effect of the COVID-19 pandemic. These relief measures included restructuring of existing receivables and extension of payment terms.

#### **3. Inventories – at cost, 32% decrease**

The decrease was due mainly to the timing of coal purchases of Sarangani Energy Corporation which has fuel supply and/or transport agreements with Kaltim Prima Coal, and Galaxy Energy and Resources for low Sulphur coal, or sub-bituminous coal from Indonesia with gross calorific value ranging from 4200 to 5000 kCal per kilogram. Local supply is sourced from Semirara Mining and Power Corporation. The company is also procuring coal via spot market or short-term contracts with flexible pricing options with prices based on Indonesian Coal Index and or Fixed Price arrangements.

**4. Prepaid Expenses, 44% decrease**

The release of the debt reserve account of Sarangani Energy Corporation during the year led to the decrease in this account.

**5. Noncurrent Portion of Trade Receivables, 5% decrease**

The decrease was due to the collections made during the year. In 2020, the Company provided financial relief to certain electric cooperatives and distribution utilities as a response to the effect of the COVID-19 Pandemic.

**6. Investment in Real Estate, 20% decrease**

The lots acquired by KAIEDC for the expansion of the covered area of the Ecozone Industrial Estate in 2021 has been transmitted to a locator during the year through execution of long-term lease arrangement covering a period of 50 years and extendible period of another 50 years at no additional cost to be paid by the lessee. This arrangement is accounted for under finance lease. As such, the related real estate asset was derecognized by the Company and the full settlement of the locator of the lease payments were included as part of the income during the year. The above terms led to a decrease in the investment in real estate accounts by 20%.

**7. Advances to Contractors, 206% increase**

The additional advances made during the year by Siguil Hydro Power Corp. to its EPC Contractor, Sta. Clara International, caused an increase in this account.

**8. Goodwill, 24% decrease**

The Company recognized an impairment of Php 165 million during the year. The Company assessed that the carrying value of the underlying assets of SPPC and WMPC's cash generating units including goodwill is greater than its fair value based on the expected cash flows.

**9. Net retirement benefit assets, 10% increase**

The increase was due to the excess of the value of the assets in a defined benefit obligation over the present value of the liabilities as determined by an independent actuary during the year.

**10. Deferred tax assets, 44% decrease**

The decrease was primarily due to the decline in the carrying value of the capitalized interest, which depreciation expense was provided during the year. In addition, the deferred tax effect of the net loss carry-over was also deducted for the expired portion.

**11. Other noncurrent assets, 51% increase**

The increase was primarily due to the restricted cash relating to Siguil's long-term debt. The first principal payment is scheduled in 2024.

**12. Accounts payable and other current liabilities, 39% decrease**

The decrease was due to payments made during the year for the accrued liabilities pertaining to the bulk purchases of coal during the months of November and December 2021. In addition, the dividends payable of Sarangani Energy in 2021 was settled in 2022 amounting to Php 750 million.

**13. Loans payable, 103% increase; Short-term notes payable, 19% decrease**

The increase in loans payable was due to additional loans availed during the year, while the decrease in short-term notes payable was due to the settlement of the matured portion towards the end of 2022.

**14. Income tax payable, 16% increase**

The increase was due to the higher taxable income earned during the year by all operating power Companies.

**15. Lease Liability, 131% increase**

The increase was due to the recognition of additional lease obligations during the year.

**16. Current Portion of Long-term Debt, 38% increase**

**Long-term debts – net of Current portion, 6% decrease**

The variances were due to recognition and settlement of maturing principal during the year.

**17. Deferred Credit, 75% increase**

The increase is due to the portion of Join Credit Mechanism (JCM) grant received by SHPC during the year. As a background, SHPC entered into a grant agreement with Toyota Tsusho Corp. (TTC) and Ministry Environment of Japan (MEJ) in 2019. The Conditions attached to the grant are as follows:

- Construction of hydro power plant
- 50% carbon credits to be delivered to MEJ from start of operation and 22 years thereafter.
- The MOA between SHPC and TTC requires SHPC to have an agreed PSA with SOCOTECO II or any other offer taker.

## REVIEW OF YEAR 2021 VS. 2020 OPERATIONS

Highlights of the Company's financial performance are as follows:

### Revenues and Profitability

ACR and Subsidiaries posted a 6% increase in its consolidated revenues during the year at Php10,054 million from the Php9,471 million reported in the previous year. The improvement was due mainly to Sarangani's improved operations.

Cost of services increased by 33% at P6,255 million from Php4,688 million in 2020 due mainly to the higher fuel cost as well as higher energy dispatched by WMPC in 2021.

General and administrative expenses increased by 27% at Php678 million in 2021 from Php535 million in 2020. The increase was due mainly to the higher taxes and licenses, personnel cost, and bad debt expenses, transportation cost, outside services, and covid-related expenses as a result of easing lockdowns during the year. As a result, operating profit decrease from Php4,248 million to Php3,121 million in 2020. The last year's income includes the one-time recognition of revenue loss compensation charged to EPC contractor of Sarangani 2 as a result of the delay in completing the Plant.

The Company continues to post strong earnings before interest, taxes, depreciation and amortization (EBITDA) registering Php4,709 million in 2021, albeit 22% lower than last year's Php6,061 million. The last year's revenue includes "the revenue loss compensation" paid by JGC for the delay in the completion of Sarangani 2 Plant. The resulting EBITDA margin is 47% from 64% from last year.

Meanwhile, finance charges decrease by 19% from Php2,111 million in 2020 to Php1,717 million in 2021. The decrease was due to the settlement of maturing loans of Sarangani during the year. Interest income on the other hand decrease by 61% from Php 42 million income earned in 2020 to Php 16 million this year. The decrease was due mainly to lower interest rates on placements during the year which is below 1% on the average.

Equity in net earnings coming from the Company's share in Aviana Development Corp. posted higher results in 2021 of Php72 million from P64 million in the previous year due mainly to the improved performance of the Company.

The Company's negative Other Income of Php7 million is lower in 2021 from Php81 million in 2020 due mainly to lower foreign exchange loss as a result of stronger Peso during the year.

As a result of the foregoing, the consolidated net income posted steady result of Php1,321 million. The income attributable to Parent of Php405 million is 24% better than last year's Php325 million posting an earnings per share of Php0.064 from Php0.051 last year.

### Financial Position

As of December 31, 2021, total resources of ACR and Subsidiaries remained strong at Php47,756 million, increased by 3% versus the Php 46,415 million level reported in 2020.

Current assets posted a significant increase of 19% from Php9,393 million in 2020 to Php 11,204 million this year. The increase came largely from higher trade and other receivables. In 2020, the Company has provided financial reliefs to certain electric cooperatives and distribution utilities as a response to the effect of the COVID-19 pandemic. These relief measures included restructuring of

existing receivables and extension of payment terms. Spare parts and supplies also increased by 81% from Php 839 million to Php 1,517 million due mainly to the higher coal costs.

Noncurrent assets slightly decrease by 1%, due mainly to the recognition of depreciation expense on the Company's property, plant and equipment and partly offset by the cost incurred for the cost of Siguil's Plant which is currently under construction.

Current liabilities increased by 8% from Php8,847 million to Php9,530 million, largely on the availment of short-term notes payable by the Parent Company which were mostly used for the construction Siguil. Noncurrent liabilities, on the other hand, decreased by 7% due to the amortization of maturing long-term debt and partly offset by the recognition of deferred credit arising from the collection of a grant for the Siguil Hydro project.

Equity increased by 14% from Php15,704 million to Php 17,952 million due mainly to the increase in non-controlling interest as a result of the conversion of related party advances in ATEC into equity as well as the income earned during the year.

ACR posted a current ratio of 1.18:1 in 2021 as compared to 1.06:1 in 2020 mainly due to the higher current assets brought about by the increase in trade and other receivables as well as spare parts and supplies.

Net cash inflows from operating activities remain stable and continue to be the source of payment of maturing obligations and trade payables. Net cash used for investing activities decreased significantly from Php 1,487 million to Php497 million this year due mainly to the lower cost for capital expenditures. This year's expenditures focused mainly on the construction of Siguil Hydro Power Plant Project. Net cash outflows from financing activities amounted to Php 2,666 million is likewise lower than last year's Php 3,598 million. This is due mainly to the lower payment of loans and long-term debt as well as interest. The net cash balance after accounting for the above changes reached Php2,864 million, slightly higher than the Php 2,703 million in the previous year.

### **Key Performance Indicator**

The Company's operations for the year ended December 31, 2021, showed stable gross profit at P4,783 million compared to last year's Php2,556 million. KPI of the Company are as follows: (Amounts in million pesos, except ratios).

Financial KPI	Calendar Year	
	2021	2020
<b>Profitability</b>		
Revenues	Php10,054	Php9,471
EBITDA	4,709	6,061
EBITDA Margin	47%	64%
Return on Equity	7%	12%
Net Earnings Attributable to Equity Holders	Php405	Php325
<b>Efficiency</b>		
Operating Expense Ratio	22%	13%
<b>Liquidity</b>		
Interest rate coverage ratio	2.74:1	2.82:1
Current Ratio	1.18:1	1.06:1
Debt-to-Equity Ratio	1.66:1	1.88:1

### **Profitability**

The earnings before interest, taxes, depreciation and amortization ("EBITDA") of the Company decreased from Php6,061 million in 2020 to Php4,709 million in 2021. The last year's revenue includes "the revenue loss compensation" paid by JGC Corporation for the delay in the completion of Sarangani Energy Corporation ("Sarangani") Phase 2 Plant. The resulting EBITDA margin is 47% in 2021, lower from 64% from last year.

Return on equity was also down from last year's 12% to 7% this year while the net income attributable to the equity holders of the parent improved to Php405 million from last year's Php325 million. All of the operating power plants continue to deliver positive results in spite of the COVID-19 lockdowns.

### **Efficiency**

The Company's operating expense ratio increased to 22% in 2021 from 13% in 2020. The operating power plants continue to improve their operating performance during the year.

### **Leverage and Liquidity**

The continued amortization of Sarangani's project loan which is partly offset by the additional short-term debts obtained by the Parent Company for the construction of Siguil Hydro Project resulted in financial debt decreased slightly by 0.7%. Consequently, net debt coverage ratio decreased to 11% from last year's 13%.

Current ratio on the other hand increased to 1.18: 1 from last year's 1.06: 1 due mainly to the higher balance of trade receivables and coal inventory.

### **Material Changes in Consolidated Balance Sheet Accounts by 5% or More**

#### **1. Cash and cash equivalents, 6% Increase and Short-term investments, 6% Increase**

The decrease in cash and cash equivalents (2021: Php2,864 million vs. 2020: Php2,703 million) was due mainly to the cash generated from operations of the Power Companies as well as additional short-term borrowings of the Parent Company which were used for the construction of Siguil Hydro Power Plant which is expected to begin commercial operations in the first half of 2023.

#### **2. Trade and other receivables, 24% Increase**

The increase was due to the timing of collection of trade receivables during the year. The Company has provided financial reliefs to certain electric cooperatives and distribution utilities as a response to the effect of the COVID-19 pandemic. These relief measures included restructuring of existing receivables and extension of payment terms.

#### **3. Spare parts and supplies, 81% increase**

The increase was due mainly to the higher cost of coal inventories.

#### **4. Noncurrent Portion of Trade Receivables 93% decrease**

The decrease was due to the collections made during the year. In 2020, the Company provided financial reliefs to certain electric cooperatives and distribution utilities as a response to the effect of the Covid-19 Pandemic.

#### **5. Investment in Real Estate, 69% increase**

The increase was due mainly to the additional lots acquired by KAIEDC for the expansion of the covered area of the Ecozone Industrial Estate.

#### **6. Advances to Constructors, 59% Decrease**

The decrease was due to the reclassification to Construction-in Progress of the Completed portion of Sta. Clara's construction works for Siguil's hydro power plant and KAIEDC property transferred to its name during the year.

### **7. Property, Plant and Equipment, 2% Decrease**

The decrease is due mainly to the depreciation expense recognized on SEC 1 and 2 during the year which is partly offset by the additional project cost incurred for the Construction of Siguil Hydro power plant.

### **8. Accounts payable and other current liabilities, 17% Decrease**

The decrease was due to the conversion of liability to GBPC to non-controlling interest amounting to P1,880 million. This was partially offset by the unpaid purchases of coal during the months of November and December 2021.

### **9. Loans payable, 14% increase and short-term notes payable, 118% Increase**

The increase in loans payable was due to additional loans availed during the months of November and December 2021 while the increase in notes payable represents additional commercial paper issuances in July and November 2021.

### **10. Income tax payable. 19% Increase**

The increase was due to the higher taxable income earned during the year by all operating power Companies.

### **11. Lease Liability, 300% Increase**

The increase was due to the recognition of additional lease obligations during the year.

### **12. Current Portion of Long-term Debt, 22% Increase. Long-term debts — net of Current portion, 8% Decrease**

The variances were due to recognition and settlement of maturing principal during the year.

### **13. Deferred Credit 100% increase**

The increase is due to the portion of Join Credit Mechanism (JCM) grant received by SHPC during the year. As a background, SHPC entered into a grant agreement with Toyota Tsusho Corp. (TTC) and Ministry Environment of Japan (MEJ) in 2029. The Conditions attached to the grant are as follows:

- Construction of hydro power plant
- 50% carbon credits to be delivered to MEJ from start of operation and 22 years thereafter
- The MOA between SHPC and TTC requires SHPC to have an agreed PSA with SOCOTECO 11 or any other offer taker

### **Other Required Disclosures**

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unsolicited entities or other persons created during the reporting period.

There are no material commitments for capital expenditures.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There are no significant elements of income or loss that did not arise from the registrant's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

### **External Audit and Fees**

1. SyCip Gorres Velayo & Co. has been the Company's external auditor for the last three fiscal years. SGV has not expressed any intention to resign as the Company's principal public accountant nor has it indicated any hesitance to accept re-election after the completion of their last audit.
2. In compliance with SEC Memorandum Circular No. 8 Series of 2003 on rotation of External Auditors, SGV's previous engagement partner has been rotated in 2023.
3. There has been no disagreement with SGV & Co. on accounting principles or practices, financial statements disclosures, auditing scope or procedures, which disagreements, if not resolved to their satisfaction, would have caused them to make reference thereto in its respective reports on the Company's financial statements for the abovementioned years.
4. The Company has maintained SGV as its principal public accountant to audit the financial statement for the last fiscal year. SGV has not expressed any intention to resign as the Company's principal public accountant nor has it indicated any hesitance to accept re-election after the completion of their last audit.
5. Fees for the years ended December 31, 2023 and 2022 were Php 580,000 and Php 550,000, respectively. The above fees are for the audit of the Company's annual financial statements or services normally provided in connection with statutory and regulatory filings or engagements. The fees and services were approved by the Audit, Risk Oversight, and Related Party Transaction Committee (Audit Committee) in compliance with the Code of Corporate Governance for Publicly Listed Companies.

### **Members of the Audit Committee**

Listed below are the members and officers of the Company's Audit Committee:

#### **Company's Audit Committee**

<b>Office</b>	<b>Name</b>
Chairman	Jose Ben R. Laraya
Member	Editha I. Alcantara
Member	Jacinto C. Gavino, Jr.
Member	Thomas G. Aquino
Member	Ramon T. Diokno

### **External Audit and Audit-Related Fees**

Fees for the years ended December 31, 2023, 2022 and 2021 were Php 580,000 and Php 550,000 respectively. The above fees are for the audit of the Company's annual financial statements or services normally provided in connection with statutory and regulatory filings or engagements. The fees and services were approved by the Audit, Risk Oversight, and Related Party Transaction

Committee (Audit Committee) in compliance with the Code of Corporate Governance for Publicly Listed Companies.

### **Brief Summary for the Approval of the Auditor's fees**

The Audit Committee pre-approves all audit plans, scope, and frequency before the conduct of its external audit. Moreover, pursuant to its mandate, it likewise performs interface functions with both internal and external auditors.

The External Auditor confers and discusses with the Internal Auditors of the Company the auditing process adopted and methodologies used in compliance with International Accounting Standards in the initial draft of the Financial Statements and Notes to the Financial Statements in compliance with its Internal Management handbook and such other statutory and regulatory requirements.

The External Auditor, likewise, prepares an accountability statement that sufficiently identifies the officers responsible for the financial report.

The final form of the Annual Financial Statements is then presented to the Company's Audit Committee members who can properly review and further examine and perform their oversight financial management functions in such areas relative to the Company's credit, market, liquidity, operational, legal and other risks as indicated in its financial reports. The approval of the External Auditor's fees is made by the Audit Committee in view of the complexity of the services rendered and reasonableness of the fee under the engagement provided in the audit of the Company's Annual Financial Statements.

### **Changes in and Disagreements with Accountant on Accounting and Financial Disclosure**

1. SGV has been the Company's external auditor for the last three fiscal years. SGV has not expressed any intention to resign as the Company's principal public accountant nor has it indicated any hesitation to accept re-election after the completion of their last audit.
2. In compliance with SEC Memorandum Circular No. 8 Series of 2003 on rotation of External Auditors, SGV's previous engagement partner was replaced in 2023.
3. There has been no disagreement with SGV & Co. on accounting principles or practices, financial statements disclosures, auditing scope or procedures, which disagreements, if not resolved to their satisfaction, would have caused them to make reference thereto in its respective reports on the Company's financial statements for the abovementioned years.

## MATERIAL CONTRACTS & AGREEMENTS

The Company's principal contracts generally consist of agreements – directly, or through wholly-owned subsidiaries – with shareholders of several subsidiaries that: (a) own, operate, and maintain, or are developing, different power plants, or real estate projects. The Company also has existing financing agreements. Save for the contracts mentioned below, the Company is not a party to any contract of material importance and outside the usual course of business, and the Directors do not know of any such contract involving the Company.

### 1. Conal Holding Corporation (CHC) and Subsidiaries

#### **Conal Holdings Corporation (CHC) and other Subsidiaries of the Company**

Western Mindanao Power Corporation ("WMPC") has an existing 50MW Power Sales Agreement ("PSA") with Zamboanga City Electric Cooperative Inc. ("ZAMCELCO") which is currently under dispute resolution following the non-payment by the latter of invoices beginning 26 January 2023.

In addition, Mapalad Power Corporation ("MPC") on 31 May 2023 received an *Order* from the Energy Regulatory Commission ("ERC") directing MPC and Cagayan Electric Power and Light Company ("CEPALCO") to cease implementing their 30MW PSA effective after a grace period of thirty (30) days pursuant to the ruling of the Supreme Court in the case entitled *Alyansa Para sa Bagong Pilipinas, Inc. vs. Energy Regulatory Commission, et al.* The 30-day grace period/extension, as clarified by the ERC through an advisory, means that the 30MW PSA is effective until June 30, 2023. While MPC and CEPALCO have complied with the ERC *Order*, both parties have availed themselves of remedies to challenge the same.

As part of the Company's initiatives to address these, WMPC and MPC both participated in the competitive selection process. The invitation to bid was published on 31 January 2023, for the supply of ancillary services to the National Grid Corporation of the Philippines ("NGCP"). NGCP subsequently awarded the Ancillary Services Procurement Agreement ("ASPA") to WMPC and MPC on 18 April 2023, both on a firm basis. The awarded ancillary services contracted capacity to WMPC consist of 30MW for dispatchable reserve, 15MVAR/20MW for reactive power support, and for black start service for the plant's certified capacity of 100MW. For MPC, it was awarded to provide ancillary services with contracted capacity of 40MW for dispatchable reserve.

On 22 August 2023, MPC received a copy of a *Notice of Resolution* dated 15 August 2023, issued by the ERC, granting provisional authority to NGCP and MPC for the implementation of the MPC ASPA. The MPC ASPA was implemented on November 26, 2023, based on the *Notice of Resolution*. MPC received the *Provisional Authority* on January 15, 2023, with an adjustment on the rate, allowing actual fuel cost pass-through. A Motion for Clarification was filed on June 21, 2024 regarding the benchmarking of the ASPA rate. The final ASPA rate will be subject to ERC's final approval.

On 23 May 2024, WMPC received a copy of the Notice of Resolution dated 22 May 2023, issued by the ERC granting interim relief to NGCP and WMPC to implement the ASPA. The NOR further provided that WMPC shall not enter into any PSA during the effectiveness of the interim Relief. The ASPA was implemented on 08 June 2024. On 04 September 2024, WMPC received the Interim Relief Order issued by the ERC. On 19 September 2024, WMPC filed a Motion for Partial Reconsideration before the ERC for the approval of the awarded DR rate and IE formula. The final ASPA rates are still subject to ERC's final approval.

### 2. Shareholders' Agreements for SEC, and SRPI

The Company has a shareholders' agreement with Global Business Power Corporation ("GBPC") for Alsons Thermal Energy Corporation ("ATEC"), which owns 75% of the outstanding shares of Sarangani Energy Corporation, and all of the outstanding shares of San Ramon Power, Inc.

(“SRPI”), and of Aces Technical Services, Inc. (“ATSI”). TTC owns the other 25% of the outstanding shares of SEC.

#### SARANGANI ENERGY CORP.

Sarangani has two coal-fired power plants, developed in two phases, and has PSAs with the following electric cooperatives and/or distribution utilities in Mindanao

##### *Phase 1 of the Project*

Contracting Party	Contracted Capacity (in Mega Watts)
SOCOTECO II	70
Iligan Light and Power Inc.	15
Agusan del Norte Electric Cooperative	10
Agusan del Sur Electric Cooperative	10
	105

##### *Phase 2 of the Project*

Contracting Party	Contracted Capacity (in Mega Watts)
Cagayan Electric Power and Light Company, Inc	20
Davao Del Norte Electric Cooperative, Inc.	15
Davao del Sur Electric Cooperative	15
Cotabato Electric Cooperative Inc.	10
South Cotabato I Electric Cooperative	10
Zamboanga del Sur I Electric Cooperative Inc.	5
Zamboanga del Norte Electric Cooperative Inc.	5
	80

#### SAN RAMON POWER, INC.

In March 2013, SRPI entered into a PSA with ZAMCELCO for a period of 25 years from start of the SRPI’s commercial operation. Contracted capacity for the related PSA was 85 MW. On September 15, 2014, the Energy Regulation Commission approved the above PSA. As at March 23, 2023, the SRPI has not started the construction of the ZAM 100 power plant. The proposals for the EPC rebidding were submitted on August 30, 2018. The selected EPC contractor remains committed to the implementation of the SRPI Project, with regular updates of project requirements to maintain readiness for implementation upon the execution of the NTP (Notice to Proceed). However, the issuance of the NTP has been deferred. The Company is evaluating various options for the next steps to reach project implementation.

### **3. Loan Agreement**

#### **Long-Term Loan**

***Omnibus Notes Facility and Security Agreement (ONFSA)*** - On November 23, 2020, ACR entered into a facility agreement with various noteholders with aggregate principal amount of P6,000 million divided into two (2) tranches: (a) Tranche A with principal amount of P5,215 million, subject to fixed interest rate of 5% and payable within five (5) years from the drawdown date and (b) Tranche B with principal amount of P785 million, subject to fixed interest rate of 6%. The loans are payable semi-annually based on graduated rates of 0.5% of the principal in the first year, 22.5% in the 2nd to 6th year and 77% of the principal in the year of maturity. Proceeds of the loan shall be used to prepay

ACR's fixed rate corporate notes facility, partly finance the investments in renewable energy projects and for general corporate purposes. ACR had drawn the entire loan facility amounting to million as of December 31, 2020.

ACR shall maintain certain financial ratios such as debt-to-equity ratio of not more than 3.0 on the first and 2nd year, 2.75 on the 3rd year, 2.5 on the 4th year and 2.33 on the 5th year and until maturity, and debt service coverage ratio of not less than 1.1 at all times during the duration of the loan. As at December 31, 2023, ACR is in compliance with the debt covenants. Throughout the term of the loan, ACR is required to maintain a debt service reserve account with a balance of not less than the aggregate amount of principal and interest falling due and payable under the agreement on the immediately succeeding repayment date. As at December 31, 2023 and 2022, the remaining balance of debt reserve account amounted to Php500 million and Php404 million, respectively.

Interest income earned from debt reserve account amounted to Php17.7 million, Php5 million and Php5 million in 2023, 2022 and 2021, respectively.

The ONFSA is collateralized through the Share Collateral Security Agreement. Share collateral means (i) the share certificates, (ii) the shares legally and/or beneficially owned or to be owned by ACR in CHC, APHI and AREC, and any additional shares that shall be acquired in the future by ACR, (iii) the deposits for future subscription paid by ACR in CHC, APHI and AREC, and (iv) all the rights, title and interest of ACR to the share collateral.

#### Short-Term Notes Payable

##### *Parent Company*

In 2023, the Parent Company has listed a total of Php2,529 million worth of commercial papers with a tenor of 182 to 364 days. These were issued at discounted amounts with net proceeds amounting to Php2,366 million.

In 2022, the Parent Company has listed a total of Php1,885 million worth of commercial papers with a tenor of 182 to 364 days. These were issued at discounted amounts with net proceeds amounting to Php1,796 million.

In 2021, the Parent Company has listed a total of Php2,000 million worth of commercial papers with a tenor of 182 to 364 days. These were issued at discounted amounts with net proceeds amounting to Php1,944 million.

Outstanding balance from the commercial papers amounted to Php1,896 million and Php1,577 million as at December 31, 2023 and 2022, respectively.

Interest expense from short-term notes payable amounted to Php298 million in 2023, Php106 million in 2022 and Php48 million in 2021.

#### 4. Joint Venture Agreements

ALC has a Joint Venture Agreement with Sta Lucia Realty Development, Inc. (SLRDI) for the development of ALC's parcels of land at General Trias, Cavite into a commercial and residential subdivision with golf courses, known as the Eagle Ridge Golf and Residential Estates (Eagle Ridge). The entire development shall be undertaken by SLRDI which shall receive 60% of the total sales proceeds of the lots of the subdivision, both commercial and residential, and of the golf shares. The remaining balance of 40% shall be for ALC. ALC's 40% share in the proceeds and in the cost of the lots sold is shown as part of "Sales of real estate" and "Cost of real estate sold" accounts, respectively, in the consolidated statements of income. ALC's share in the unsold lots is included under "Real estate inventories" account in the consolidated statements of financial position.

In 2006, ALC entered a joint venture agreement with Sunfields Realty Development Inc., the developer, for the development of ALC's parcels of land at Lipa and Malvar, Batangas into residential house and lots, called as the Campo Verde Subdivision. The entire development costs were shouldered by the developer. In return to their respective contributions to the project, the parties have agreed to assign a number of units of residential house and lots proportionate to their respective contributions computed as specified in the Memorandum of Agreement. The developer was assigned as the exclusive marketing agent and receives 10% of the total contract price, net of value-added tax and discounts, as marketing fee. Sales and cost of lots sold allocated to ALC are shown as part of "Real estate sales" and "Cost of real estate sales" accounts, respectively, in the consolidated statements of income.

On March 21, 2013, Aldevinco and ACIL (collectively referred as "AG") and Ayala Land, Inc. (ALI) entered into a joint venture agreement, where ALI shall own 60% and AG shall own 40% of the outstanding capital stock of the Joint Venture Corporation (JVC), Aviana. On September 17, 2013, Aviana was incorporated as the JVC. ACR has subscribed to 296 preferred shares and 32 common shares for 34% ownership in Aviana.

## **5. Marketing Agreements**

ALC and SLRDI have a Marketing Agreement with Fil-Estate Group of Companies (FEGC) for the latter to market and sell the individual lots at Eagle Ridge. FEGC is entitled to a marketing commission of 12% of the sales contract price.

## **6. Engineering, Procurement and Construction Contract (EPC)**

### Sarangani Energy Corp.

On March 30, 2011, Sarangani entered into EPC contract with the consortium of Daelim Industrial Co. Ltd, a company incorporated in Korea, and Daelim Philippines Incorporated, a company incorporated in the Philippines ("Contractor"). Under the terms of the contract, the Contractor shall perform any and all services and provide any and all equipment and construction equipment necessary to perform the work in accordance with the EPC contract on a fixed-price, turnkey basis and shall deliver a fully operational power plant facility (SM 200). On December 29, 2011 and May 24, 2012, Amendments 1 and 2 to the EPC, respectively, were signed, revising certain portions of the EPC. Construction of Phase 1 of the SM200 commenced in January 2013 and was completed in April 2016.

On July 6, 2016, Sarangani entered into EPC contract with JGC Corporation, a company incorporated in Japan, and JGC Philippines, Inc., a company incorporated in the Philippines ("JGC"). Under the terms of the contract, JGC shall install the second 105 MW unit and associated auxiliaries in accordance with Sarangani's requirements. On October 14, 2016, the formal Notice to Proceed was issued to JGC. Construction of Phase 2 of the SM200 commenced in January 2017 and was completed in October 2019. Sarangani received revenue loss compensation amounting to P880 million in 2020 due to the delay in the completion of the project.

## **7. Registration with Zamboanga City Special Economic Zone Authority (ZAMBOECOZONE) and Kamanga Agro-Industrial Economic Zone**

On November 20, 2012, SRPI obtained the certificate of registration and tax exemption issued by ZAMBOECOZONE. As a registered ZAMBOECOZONE enterprise, SRPI shall enjoy incentives and benefits provided for in Republic Act (R.A.) 7903 Sections 4(e) and 4(f) and Sections 43-44, 57-59 and 62 of R.A. 7903 throughout the Lease Agreement with ZAMBOECOZONE.

On June 7, 2011, PEZA approved Sarangani's registration as an Ecozone Utilities Enterprise inside Kamanga Agro-Industrial Economic Zone located at Barangay Kamanga, Maasim, Sarangani Province.

As a power generation registered economic zone enterprises SRPI and Sarangani are entitled to certain tax incentives.

#### **8. Joint Crediting Mechanism Grant (the JCM Grant) by the Ministry of Environment of Japan (MEJ)**

On September 22, 2017, the Company, AREC, Toyota Tsusho Corporation (TTC) and Siguil entered into an International Consortium Agreement (the Consortium Agreement) in order to apply for the JCM grant with MEJ. On October 20, 2017, MEJ approved the grant in relation to the development and implementation of the 15 MW Hydro Power Plant Project in Siguil River in Mindanao.

Siguil together with ACR, AREC, Toyota Tsusho Corporation (TTC) entered into an International Consortium Agreement (the Consortium Agreement) to apply for the JCM grant with Ministry Environment of Japan (MEJ), which was approved by MEJ. The grant amounting to JPY732.25 million, was provided in relation to the development and implementation of the 15 MW Hydro Power Plant Project in Siguil River in Mindanao. The conditions attached to the grant include the delivery of 50% of the issued carbon dioxide credits corresponding to the carbon dioxide emission reduction achieved by the project. In the event of non-compliance, cancellation or termination of the project, Siguil is liable to return the undepreciated amount of the JCM grant to MEJ.

Consequently, the parties entered into a Memorandum of Agreement (MOA) to define its roles and responsibilities under in relation to the JCM grant. In 2022 and 2021, the Company received, through TTC, a portion of the grant amounting to JPY305.52 million (Php126 million) and JPY388.65 million (Php169 million), respectively. This is treated as defer.

## **REGULATORY & ENVIRONMENTAL MATTERS**

As a holding company, the Company is subject to ordinary regulations pertaining to regular corporations. However, the Company's subsidiaries may be subject to the following rules and regulations.

### **a. Electric Power Industry Reform Act (EPIRA)**

Republic Act No. 9136, the EPIRA of 2001, and the covering Implementing Rules and Regulations ("IRR") provide for the significant changes in the power sector which include among others:

- i. The unbundling of the generation, transmission, distribution and supply and other disposable assets, including its contracts with IPP and electricity rates;
- ii. Creation of a Wholesale Electricity Spot Market within one year; and
- iii. Open and non-discriminatory access to transmission and distribution systems.

The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effective date of the EPIRA. It provides cross ownership restrictions between transmission and generation companies and between transmission and distribution companies, and a cap of 50% of its demand that a distribution utility is allowed to source from an associated company engaged in generation except for contracts entered into prior to the effective date of the EPIRA.

There are also certain sections of the EPIRA, specifically relating to generation companies, which provide for a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity. Based on the assessment of management, the operating subsidiaries have complied, with the applicable provisions of the EPIRA and its IRR.

Based on the assessment of management, the operating subsidiaries have complied with the applicable provisions of the EPIRA and its IRR.

### **b. Clean Air Act**

The Clean Air Act and the related IRR contain provisions that have an impact on the industry as a whole and on the Group in particular, that needs to be complied with. Based on the assessment made on the power plant's existing facilities, management believes that the operating subsidiaries complied with the applicable provisions of the Clean Air Act and the related IRR as at December 31, 2023 and 2022.

### **c. Securities and Exchange Commission**

Under the SRC, the Securities & Exchange Commission (the "Commission") has jurisdiction and supervision over all corporations, partnerships or associations that are grantees of primary franchises, license to do business or other secondary licenses. As the government agency regulating the Philippine securities market, the Commission issues regulations on the registration and regulation of securities exchanges, the securities market, securities trading, the licensing of securities brokers and dealers and reportorial requirements for publicly listed companies and the proper application of Securities Regulation Code provisions, as well as the Revised Corporation Code, and certain other statutes.

## RESPONSIBLE BUSINESS

### 1. Resource Management (Energy, Materials)

#### Energy Consumption

Energy resources play a crucial role in the construction, operation, and maintenance of power plants, ensuring that we can reliably serve our customers as a trusted power provider. Energy is consumed in office spaces, while vehicles powered by gasoline and diesel are utilized for employee transportation and logistical operations. ACR acknowledges the significance of maximizing usage and promoting efficiency to reduce the environmental impact of the business.

In 2023, the Company prioritized energy conservation in its daily operations, not only as a sustainable practice but also as a means to reduce costs. The Company emphasized the importance of responsible resource management and aimed to enhance competitiveness through energy and resource conservation, minimizing environmental impact, and increasing productivity. This was achieved by implementing an Environmental Management System (EMS) that meets the standards of ISO 14001:2015.

Among the strategic energy management programs under the EMS that the Company implements are:

- Lowering the operating plants' target energy consumption budget
- Non-Acceptance Policy for low-quality diesel fuel and coal
- Replacement of all available streetlights and perimeter lights with solar-powered lights
- Use of photo-switch lamps in cooling tower and water tank yard facilities
- De-energizing occasionally used power transformers, equipment, and devices
- Light Off initiative - Switching off lights in areas not being used during lunch breaks
- Regular Preventive Maintenance System
- Heat Rate improvement

#### Materials

The Company carefully manages its resource usage, ensuring compliance with all applicable regulations. ACR is committed to minimizing the use of non-renewable fuel for plant operations and takes steps to offset its impact. It also closely monitors and enforces responsible water usage, especially for the cooling tower system.

ACR is committed to minimizing environmental damage caused by coal usage. To achieve this, the Company diligently selects mines with approved mining permits from the government, both locally and overseas. Permits are granted with the expectation that the land will be restored to its original condition after coal extraction.

## **2. Water and Effluents**

ACR is cognizant of the importance of water and effluent management because of the crucial risk of environmental damage. Untreated or inadequately treated effluent can contain harmful pollutants like heavy metals, toxic chemicals, or excess nutrients that can contaminate water sources and ecosystems causing hazards to people, animals, and plants. ACR therefore implements a combination of proactive and reactive measures in its water and effluent management strategies and water conservation is an integral part of the comprehensive energy conservation program.

The Company makes every effort to ensure that plant equipment works efficiently through the implementation of a preventive maintenance system and that operations are fully compliant with all applicable local regulations for the removal, reuse, and recycling of water resources. ACR has acquired the necessary water permits from the National Water Resources Board and has designated dedicated Pollution Control Officers (PCOs) for all its operating plants.

The Environmental Management System (EMS) of ACR received certification for its compliance with ISO 14001:2015 criteria. This certification showcases the company's commitment and readiness to adhere to relevant local and international environmental laws, rules, and regulations.

## **3. Ecosystem and Biodiversity**

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiverse value outside protected areas

ACR is committed to reducing its environmental footprint and protecting the integrity of natural ecosystems. The Company recognizes the potential consequences of its operations on the surrounding ecosystem and biodiversity.

Every subsidiary has designated Pollution Control Officers (PCOs) to oversee each one's full compliance with Water Permit Conditions, Discharge Permit Conditions, Hazardous Waste Generator Registration, and conditions of Permit to Operate Air Pollution Source and Control Installations. With the help of PCOs, the Company executes and monitors various mitigation initiatives for the care of ecosystems and biodiversity.

As part of its commitment to environmental responsibility, ACR operates an efficient wastewater treatment facility to ensure that all discharges are treated to meet the standards set forth by the Clean Water Act, enforced by the DENR. The Company also performs regular analysis of effluent quality and conducts an annual assessment of underwater habitats to monitor the well-being of marine organisms and evaluate the impact of wastewater discharges.

## **GENERAL CORPORATE INFORMATION**

### **INCORPORATION**

The Company is duly organized as a corporation under the laws of the Philippines and was registered with the Commission on December 24, 1974.

### **ARTICLES OF INCORPORATION AND BY-LAWS**

The Commission approved the Articles of Incorporation of the Company on December 24, 1974. The Commission approved the latest amended Articles on August 11, 2014.

The By-Laws of the Company were registered with the Commission on December 24, 1974 and were amended on July 16, 2004.

### **PRIMARY PURPOSE**

To acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in, and with, and otherwise to operate, manage, enjoy and dispose of, any and all properties of every kind and description and whatever situated, as and to the extent permitted by the law, including but not limited to, buildings, tenements, warehouses, factories, edifices and structures and other improvements, and bonds, debentures, promissory notes, shares of capital stock, or other securities or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic and while the owner, holder or possessor thereof, to exercise all the rights, powers and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all rentals, dividends, interests and income, derived therefrom, and the right to vote on any proprietary or other interest, on any shares of the capital stock, and upon any bonds, debentures, or other securities having voting power, owned or held; and provided that it shall not engage in the business of an open-end or close-end investment company as defined in the Investment Company Act (Republic Act No. 2629)

### **CORPORATE TERM**

The Company has perpetual existence pursuant to the Revised Corporation Code. Section 11 of the Revised Corporation Code grants corporation's perpetual existence unless its articles of incorporation provides otherwise. Corporations established prior to the effective date of the Revised Corporation Code shall have perpetual existence unless the shareholders owning and/or representing at least a majority of the outstanding capital stock notifies the Commission that it elects to retain its corporate term pursuant to its articles of incorporation. The Company has not made such election to retain its corporate term indicated in its Articles of Incorporation.

### **FISCAL YEAR**

The business year of the Company begins on the first day of January and ends on the last day of December of each year.

### **APPROVALS**

The Board of Directors of the Company approved the issuance and sale of the CPs on March 14, 2024.

#### **DOCUMENTS AVAILABLE FOR DOWNLOADING**

In order to implement necessary health protocols consistent with the directives and guidelines of the Department of Health for the protection of Commission's employees and the investing public, the Commission suspended: (i) the physical inspection of the Company's articles of incorporation, and by-laws, as amended; and (ii) providing physical copies thereof to interested parties, until further notice. In lieu thereof, the Commission adopted an alternative mode viewing and/or downloading the documents, and any subsequent amendments thereto, by enabling interested parties to access the same through the MSRD corner of the Commission's website ([www.sec.gov.ph](http://www.sec.gov.ph)) or the Company's website (<http://acr.com.ph/index.php>)

## TAXATION

*Following is a general description of certain Philippine tax aspects of investment by prospective CP Holders. This discussion is based upon Philippine tax laws, in particular the Tax Code, its implementing regulations and rulings in effect at the date of this Prospectus. Subsequent legislative, judicial or administrative changes or interpretations may be retroactive and could affect the tax consequences to the prospective CP Holders.*

*The tax treatment of a prospective CP Holder may vary depending on such CP Holder's particular situation and certain prospective CP Holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a prospective CP Holder.*

*This general description does not purport to be a comprehensive description of the Philippine tax aspects of investment in the CPs and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing the CPs under applicable tax laws of other jurisdictions and the specific tax consequence in light of particular situations of acquiring, owning, holding and disposing the CPs in such other jurisdictions.*

**EACH PROSPECTIVE CP HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH CP HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE CPs, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.**

As used in this section, the term “resident alien” refers to an individual whose residence is within the Philippines but who is not a citizen of the Philippines; a “non-resident alien” is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines; a non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a “non-resident alien doing business in the Philippines”; otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a “non-resident alien not doing business in the Philippines.” A “resident foreign corporation” is a foreign corporation engaged in trade or business within the Philippines; and a “non-resident foreign corporation” is a foreign corporation not engaged in trade or business within the Philippines. The term “foreign” when applied to a corporation means a corporation that is not domestic while the term “domestic” when applied to a corporation means a corporation created or organized in the Philippines or under its laws.

### **Taxation of Interest Income/Discount**

The CPs will be, under current interpretation of the Tax Code, treated as, a deposit substitute instrument as such term is defined under the Tax Code. Interest income earned, or the yield, or any other monetary benefit from the CPs realized by the CP Holders shall be taxed as described in the following sections.

#### **Interest income/Discount earned by individuals**

As a general rule, interest income earned or yield or any other monetary benefit from the CPs realized by individual citizens of the Philippines, resident aliens and non-resident aliens engaged in trade or business in the Philippines is subject to a final withholding tax at the rate of 20%.

Transfers or assignments of the CPs by the CP Holders are subject to a final tax on the interest income already earned by the transferor CP Holder which shall be borne by the CP Holder.

Interest income received by non-resident aliens not engaged in trade or business in the Philippines shall generally be subject to a final withholding tax of 25%. However, such tax rate may be reduced under an applicable tax treaty.

#### **Interest income/Discount earned by corporations**

Interest income earned, or the yield, or any other monetary benefit derived by domestic and resident foreign corporations from the CPs shall be subject to a final withholding tax of 20% of such interest income. On the other hand, interest income received by a non-resident foreign corporation shall be subject to 30% final withholding tax. This rate may also be reduced under an applicable tax treaty.

#### **Interest income/Discount earned by trusts**

A trust is generally taxed in the same way as an individual pursuant to the Tax Code which provides that the tax imposed upon individuals shall apply to the income of any kind of property held in trust (except qualifying employee's trust considered tax-exempt). Accordingly, since trusts are, for tax purposes, treated as an individual, interest income earned by trusts are likewise subject to the 20% final withholding tax.

#### **Tax-exempt persons**

All sums payable by the Issuer to tax-exempt persons shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission to the Registrar by the CP Holder claiming the exemption of reasonable evidence of such exemption.

### **DOCUMENTARY STAMP TAXES**

The Tax Code imposes a documentary stamp tax on all debentures, certificates of indebtedness, due bills, bonds, loan agreements, deposit substitute debt instruments at the rate of ₱1.50 on every ₱200, or fractional part thereof, of the face value of such securities; Provided, that for such debt instruments with terms of less than one (1) year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to three hundred sixty five (365) days. The Company has undertaken to pay the documentary stamp tax on the issuance of the CPs.

### **VALUE-ADDED TAX AND GROSS RECEIPTS TAX**

At issuance, no VAT shall be imposable upon the CPs. Subsequent transfers shall similarly be free of VAT, unless the CP Holder is a dealer in securities. In that instance, the CP Holder shall be liable to pay 12% VAT on the gross income derived from the trading of the CPs.

Under Republic Act No. 9238, services rendered in the Philippines by, among others, banks, non-bank financial intermediaries, quasi-banks, finance companies, and other financial intermediaries not performing quasi-banking functions (excluding insurance companies) are exempted from the coverage of the VAT. The exemption, which took effect retroactively on 1 January 2004, reverts to the application of the GRT regime on services rendered by banks, non-bank financial intermediaries, quasi-banks, finance companies, and other financial intermediaries not performing quasi-banking functions (excluding insurance companies). Rates of GRT shall be as follows:

(1) Banks and Non-Bank Financial Intermediaries Performing Quasi-Banking Functions:

- (a) On interest, commission and discounts from lending activities as well as income from financial leasing, on the basis of the remaining maturities of instruments from which such receipts are derived:
  - Maturity period is five years or less – 5%
  - Maturity period is more than five years – 1%
- (b) On dividends and equity shares in net income of subsidiaries – 0%
- (c) On royalties, rentals of real or personal property, profits from exchange and all other items treated as gross income under the Tax Code – 7%
- (d) On net trading gains within the taxable year on foreign currency, debt securities, derivatives and other similar financial instruments – 7%

(2) Other Non-Bank Financial Intermediaries:

- (a) On interest, commission, discounts and all other items treated as gross income under the Tax Code – 5%
- (b) On interest, commission and discounts from lending activities as well as income from financial leasing, on the basis of the remaining maturities of instruments from which such receipts are derived:
  - Maturity period is five years or less – 5%
  - Maturity period is more than five years – 1%

## **ESTATE AND DONOR'S TAX**

The transfer of the CPs by a decedent to his heirs, whether or not such decedent was residing in the Philippines, will be subject to an estate tax that is levied on the net estate of the deceased at a rate of six percent (6%). CP Holders, whether or not citizens or residents of the Philippines, will be subject to donor's tax upon the donation of the CPs to any person at a rate of 6% computed on the basis of the total gifts in excess of ₱ 250,000 per year.

The estate tax, as well as the donor's tax in respect of the CPs, shall not be collected if: (a) the deceased at the time of his death or donation was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) the laws of the foreign country of which the deceased or the donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

## **TAXATION OUTSIDE THE PHILIPPINES**

The tax treatment of non-resident CP Holders in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax considerations on such non-resident holders under laws other than those of the Philippines.

ANNEX I: SHORT-TERM LOANS (BASE OFFER ONLY)

FUNDER	VALUE DATE	MATURITY DATE	RATE	MATURITY VALUE
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	17,623,773.14 <sup>4</sup>
PBCOM TRUST GROUP	November 26, 2024	February 24, 2025	6.75	48,648,000.00
PBCOM TRUST GROUP	November 26, 2024	February 24, 2025	6.75	16,216,000.00
PBCOM TRUST GROUP	November 26, 2024	February 24, 2025	6.75	15,202,500.00
PCCI TIG	November 27, 2024	February 27, 2025	6.75	5,069,000.00
STERLING BANK TRUST	December 04, 2024	March 05, 2025	6.75	25,341,250.00
STERLING BANK TRUST	December 04, 2024	March 05, 2025	6.75	23,313,950.00
STERLING BANK TRUST	December 04, 2024	March 05, 2025	6.75	8,109,200.00
STERLING BANK TRUST	December 04, 2024	March 05, 2025	6.75	4,054,600.00
PCCI TIG	December 13, 2024	March 14, 2025	6.75	5,975,062.69
PCCI TIG	December 13, 2024	March 14, 2025	6.75	6,923,491.00
PCCI TIG	December 13, 2024	March 14, 2025	6.75	10,170,625.00
PCCI TIG	December 13, 2024	March 14, 2025	6.75	10,421,379.03
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	5,068,250.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	5,068,250.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	5,068,250.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	5,068,250.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	5,068,250.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	11,150,150.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	3,040,950.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	3,040,950.00
PCCI TIG	December 19, 2024	February 20, 2025	6.75	30,283,500.00
PCCI TIG	December 19, 2024	March 21, 2025	6.75	5,069,000.00
STERLING BANK TRUST	January 03, 2025	April 04, 2025	6.75	6,081,900.00
PBCOM TRUST GROUP	January 06, 2025	April 07, 2025	6.75	40,546,000.00
PBCOM TRUST GROUP	January 06, 2025	April 07, 2025	6.75	60,819,000.00
STERLING BANK TRUST	January 06, 2025	April 07, 2025	6.75	3,040,950.00
PCCI TIG	January 06, 2025	April 10, 2025	6.75	20,282,000.00
PCCI TIG	January 06, 2025	April 10, 2025	6.75	8,363,628.80
PCCI TIG	January 06, 2025	April 10, 2025	6.75	7,098,700.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	10,130,500.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	10,130,500.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	10,130,500.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	5,065,250.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	5,065,250.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	20,261,000.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	18,234,900.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	5,065,250.00

<sup>4</sup> PARTIAL AMOUNT

PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	10,130,500.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	20,261,000.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	20,261,000.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	10,130,500.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	5,065,250.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	10,130,500.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	17,221,850.00
PCCI TIG	January 10, 2025	April 10, 2025	6.75	55,742,500.00
PCCI TIG	January 10, 2025	April 10, 2025	6.75	5,067,500.00
PCCI TIG	January 10, 2025	March 13, 2025	6.75	10,093,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	20,270,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	10,135,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	6,081,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	12,162,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	12,162,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	10,135,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	30,405,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	15,202,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	35,472,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	40,540,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	20,270,000.00
<b>TOTAL</b>				<b>922,788,559.66</b>

**ANNEX II: SHORT-TERM LOANS (BASE OFFER + OVERSUBSCRIPTION)**

FUNDER	VALUE DATE	MATURITY DATE	RATE	MATURITY VALUE
PCCI TIG	November 15, 2024	February 18, 2025	6.75	8,007,537.23 <sup>5</sup>
PCCI TIG	November 15, 2024	February 18, 2025	6.75	5,071,250.00
PCCI TIG	November 18, 2024	February 18, 2025	6.75	5,069,000.00
PCCI TIG	November 18, 2024	February 18, 2025	6.75	3,839,490.80
PCCI TIG	November 18, 2024	February 18, 2025	6.75	2,027,600.00
STERLING BANK TRUST	November 18, 2024	February 17, 2025	6.75	4,054,600.00
STERLING BANK TRUST	November 18, 2024	February 17, 2025	6.75	15,204,750.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	10,135,000.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	40,540,000.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	20,270,000.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	10,135,000.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	10,135,000.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	November 22, 2024	February 20, 2025	6.75	83,107,000.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	5,068,250.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	5,068,250.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	12,163,800.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	10,136,500.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	5,068,250.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	5,068,250.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	24,834,425.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	22,300,300.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	6,588,725.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	8,109,200.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	5,068,250.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	11,150,150.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	4,054,600.00
PBCOM TRUST GROUP	November 25, 2024	February 24, 2025	6.75	20,273,000.00
PBCOM TRUST GROUP	November 26, 2024	February 24, 2025	6.75	48,648,000.00
PBCOM TRUST GROUP	November 26, 2024	February 24, 2025	6.75	16,216,000.00
PBCOM TRUST GROUP	November 26, 2024	February 24, 2025	6.75	15,202,500.00
PCCI TIG	November 27, 2024	February 27, 2025	6.75	5,069,000.00
STERLING BANK TRUST	December 04, 2024	March 05, 2025	6.75	25,341,250.00

<sup>5</sup> PARTIAL AMOUNT

STERLING BANK TRUST	December 04, 2024	March 05, 2025	6.75	23,313,950.00
STERLING BANK TRUST	December 04, 2024	March 05, 2025	6.75	8,109,200.00
STERLING BANK TRUST	December 04, 2024	March 05, 2025	6.75	4,054,600.00
PCCI TIG	December 13, 2024	March 14, 2025	6.75	5,975,062.69
PCCI TIG	December 13, 2024	March 14, 2025	6.75	6,923,491.00
PCCI TIG	December 13, 2024	March 14, 2025	6.75	10,170,625.00
PCCI TIG	December 13, 2024	March 14, 2025	6.75	10,421,379.03
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	5,068,250.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	5,068,250.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	5,068,250.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	5,068,250.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	5,068,250.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	11,150,150.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	3,040,950.00
STERLING BANK TRUST	December 16, 2024	March 17, 2025	6.75	3,040,950.00
PCCI TIG	December 19, 2024	February 20, 2025	6.75	30,283,500.00
PCCI TIG	December 19, 2024	March 21, 2025	6.75	5,069,000.00
STERLING BANK TRUST	January 03, 2025	April 04, 2025	6.75	6,081,900.00
PBCOM TRUST GROUP	January 06, 2025	April 07, 2025	6.75	40,546,000.00
PBCOM TRUST GROUP	January 06, 2025	April 07, 2025	6.75	60,819,000.00
STERLING BANK TRUST	January 06, 2025	April 07, 2025	6.75	3,040,950.00
PCCI TIG	January 06, 2025	April 10, 2025	6.75	20,282,000.00
PCCI TIG	January 06, 2025	April 10, 2025	6.75	8,363,628.80
PCCI TIG	January 06, 2025	April 10, 2025	6.75	7,098,700.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	10,130,500.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	10,130,500.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	10,130,500.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	5,065,250.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	5,065,250.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	20,261,000.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	18,234,900.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	5,065,250.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	10,130,500.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	20,261,000.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	20,261,000.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	10,130,500.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	5,065,250.00
PBCOM TRUST GROUP	January 10, 2025	April 07, 2025	6.75	17,221,850.00
PCCI TIG	January 10, 2025	April 10, 2025	6.75	55,742,500.00
PCCI TIG	January 10, 2025	April 10, 2025	6.75	5,067,500.00
PCCI TIG	January 10, 2025	March 13, 2025	6.75	10,093,000.00

PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	20,270,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	10,135,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	6,081,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	12,162,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	12,162,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	10,135,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	5,067,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	30,405,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	15,202,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	35,472,500.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	40,540,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	20,270,000.00
PBCOM TRUST GROUP	January 16, 2025	April 16, 2025	6.75	10,135,000.00
<b>TOTAL</b>				<b>1,298,117,964.55</b>

**Note:** For short-term obligations maturing before the issue date, these will be rolled over at current market terms.

### ANNEX III: PERMITS AND LICENSES

Companies	License/ Permits	Issuing Body	Issue Date	Validity Date
ACR	Business Permit	LGU-Makati	January 25, 2024	December 31, 2024 <i>For renewal in January 2025</i>
ACR	Sanitary Permit	Environmental Health & Sanitary	January 25, 2024	December 31, 2024 <i>For renewal in January 2025</i>
SEC	Environmental Compliance Certificate	DENR	October 24, 2017	October 24, 2042
SEC	Maritime Industry Authority - Bay and River License	Maritime	March 14, 2024	March 03, 2025
SEC	Water Permit	NWRB	February 26, 2015	February 26, 2040
SEC	PDEA License to Handle Controlled Precursors and Essential Chemicals	PDEA	April 19, 2024	March 25, 2025
SPPC	Environmental Compliance Certificate- for the additional 5.5MW Bunker Fired Diesel Generating Set Project	DENR	August 26, 1997	N/A
SPPC	Environmental Compliance Certificate- for the 50MW Bunker Fired Diesel Power Plant	DENR	June 04, 2004	N/A
WMPC	Permit to Operate - Internal Combustion Engine	DOLE	February 22, 2024	December 31, 2024 On process for renewal
WMPC	Permit for Power Piping Line Operation Permit	DOLE	February 22, 2024	December 31, 2024 On process for renewal
WMPC	Permit to Operate- Pressure Vessel	DOLE	February 22, 2024	December 31, 2024 On process for renewal

WMPC	Permit to Operate - Steam Boiler	DOLE	February 22, 2024	December 31, 2024 On process for renewal
WMPC	Permit to Transport	DENR	June 21, 2024	December 21, 2024 On process for renewal
WMPC	Water Permit	NWRB	May 19, 1998	N/A
WMPC	License to Handle Controlled Precursors and Essential Chemicals	PDEA	October 18, 2023	October 25, 2025
WMPC	Wastewater Discharge Permit	DENR	February 08, 2024	February 08, 2025
WMPC	Permit to Operate- Air Pollution Source and Control Installation	DENR	March 21, 2023	August 21, 2027
WMPC	Environmental Compliance Certificate	DENR	November 08, 1996	N/A
SHPC	Sanitary Permit (for Business Permit- Head Office) 2024	MHO-Maasim	Jan. 04, 2024	Dec. 31, 2024 On process for renewal
SHPC	ECC- AMENDED	DENR-EMB	Jan. 22, 2019	N/A
SHPC	Mayor's Permit	LGU	Jan. 21, 2024	Dec. 31, 2024 On process for renewal
SHPC	RESHERR – Safety Officer's Permit	DOE	Mar. 20, 2024	March 20, 2025
SHPC	Makati Business Permit 2024	LGU	Jan. 21, 2024	Dec. 31, 2024 On process for renewal
SHPC	Forest Land use Agreement (FLAg)	DENR	Dec. 21, 2022	Dec. 21, 2046
SHPC	Hazwaste Generator's COR	DENR-EMB	Feb. 12, 2024	N/A
SHPC	Wastewater Discharge Permit	DENR-EMB	Jan. 25, 2024	Jan. 25, 2029

SHPC	Permit to Operate-Powerhouse Genset	DENR-EMB	Jan. 15, 2024	Jan. 15, 2029
SHPC	Certificate of Registration	BOI	Sep. 27, 2017	N/A
SHPC	Water Permit	NWRB	May 24, 2024	N/A
SHPC	Certificate of Registration	ERC	Dec. 09, 2022	N/A
SHPC	Certificate of Registration	DOLE	Feb. 11, 2020	N/A
SHPC	Certificate of Precondition	NCIP	Mar. 18, 2021	N/A
SHPC	Sanitary Permit (for Business Permit- Head Office) 2024	MHO-Maasim	Jan. 04, 2024	Dec. 31, 2024 On process for renewal
SPPC	Business permit	LGU Alabel, Sarangani Province	Jan 17, 2024	Dec 31, 2024 On process for renewal
SPPC	Sanitary permit	LGU Alabel, Sarangani Province	Jan 11, 2024	Dec 31, 2024 On process for renewal
SPPC	MENRO Certification (Solid & liquid waste)	LGU Alabel, Sarangani Province	Jan 11, 2024	Dec 31, 2024 On process for renewal
SPPC	Business clearance	LGU Brgy. Baluntay, Alabel, S.P.	Jan 17, 2024	Dec 31, 2024 On process for renewal
SPPC	Fire Safety inspection Certificate	BFP, Alabel, S.P.	May 28, 2024	May 28, 2025
SPPC	Water Permit #: 021990; LPS =10.400	NWRB	June 2024	June 2025
SPPC	Water Permit #: 020314; LPS = 15.2000	NWRB	July 2024	July 2025
SPPC	Water Permit #: 018212; LPS = 23.3400	NWRB	Sept 2024	Sept 2025
SPPC	Water Permit #: 018211; LPS = 23.1800	NWRB	Sept 2024	Sept 2025
SPPC	Water Permit #: 018179; LPS = 11.4100	NWRB	Sept 2024	Sept 2025

SPPC	License to Handle CPECS	PDEA	Nov 24, 2023	Nov 24, 2024 On process for renewal
SPPC	ECC # 9611-004-207	DENR-EMB-CO	Aug 25, 1997	N/A
SPPC	ECC # 120403-25-054-207	EMB 12	Apr 6, 2004	N/A
MPC	Permit to Operate- APSCI, MPC2 Only	DENR	April 9, 2024	April 9, 2029
MPC	Permit to Operate- Steam Boiler MPC 2 Exhaust Gas	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- ICE-X-21- 2013M I.C.E MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- ICE-X-22- 2013M I.C.E MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- ICE-X-23- 2013M I.C.E MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- ICE-X-23- 2018M I.C.E MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- ICE-X-24- 2013M I.C.E MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- ICE-X-25- 2013M I.C.E MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- ICE-X-26- 2013M I.C.E MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- ICE-X-27- 2013M I.C.E MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- ICE-X-28- 2013M	DOLE	April 19, 2024	April 19, 2025

	I.C.E MPC 2			
MPC	Permit to Operate- PPDL-X-1-2013M Power Piping Line Operation Permit Fuel	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- PPDL-X-2-2013M Power Piping Line Operation Permit Steam	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- PVDL-X-51-2013M Pressure Vessel MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- PVDL-X-52-2013M Pressure Vessel MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- PVDL-X-53-2013M Pressure Vessel MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- PVDL-X-54-2013M Pressure Vessel MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- PVDL-X-55-2013M Pressure Vessel MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- PVDL-X-56-2013M Pressure Vessel MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Permit to Operate- PVDL-X-57-2013M Pressure Vessel MPC 2	DOLE	April 19, 2024	April 19, 2025
MPC	Business Permit	LGU-Iligan	February 6, 2024	December 31, 2024 On process for renewal
MPC	Wastewater Discharge Permit- Domestic	DENR	July 29, 2024	July 29, 2029
MPC	Environmental Compliance	DENR		

	Certificate- Exemption MPC 2013_1992		July 03, 2013	July 03, 2028
MPC	Water Permit- NWRB	NWRB	May 5, 2017	No expiry
MPC	PDEA License	PDEA	April 11, 2024	April 02, 2025
SRPI	Environmental Compliance Certificate	DENR	March 20, 2012	March 20, 2037
SRPI	Water Permit (Saaz River water)	NWRB	June 08. 2024	June 8, 2025
SRPI	Water Permit (sea water)	NWRB	November 30, 2023	November 30, 2024 On process for renewal
SRPI	Permit to Develop Private Port	PPA	March 20, 2015	March 20, 2037
SRPI	Certificate of Registration as a locator	ZFA	November 12, 2023	November 2025
SRPI	SRPI Business Permit	LGU Makati	December 31, 2023	December 31, 2024 On process for renewal

## ANNEX IV: LIST OF PROMISSORY NOTES (UNREGISTERED) AND REGISTERED COMMERCIAL PAPERS ISSUED

ALSONS CONSOLIDATED RESOURCES, INC AND SUBSIDIARIES  
 Supplementary Schedules  
 As of June 30, 2024

Attachment 8

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	Short Term Notes Payable in the Balance Sheet	Current Portion of Long-Term Debt in the Balance Sheet	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
<b>Parent Company</b>							
Development Bank of the Phils.			417,165,045	Fixed 3%	Semi-Annual	December 3, 2025	2,253,555,565
Land Bank of the Philippines			259,511,692	Fixed 3%	Semi-Annual	December 3, 2025	1,401,900,818
Robinsons Bank Corporation			23,505,771	Fixed 5%	Semi-Annual	December 3, 2027	721,954,065
CHRIST THE KING COLLEGE	6,597,034			7%	90days	July 29, 2024	
DEVELOPMENT BANK OF THE PHILIPPINES	80,000,000			7%	60days	August 27, 2024	
DEVELOPMENT BANK OF THE PHILIPPINES	100,000,000			7%	91days	August 27, 2024	
DEVELOPMENT BANK OF THE PHILIPPINES	120,000,000			7%	90days	July 25, 2024	
EASTWEST BANK TRUST	119,459,000			7%	90days	July 29, 2024	
EASTWEST BANK TRUST	130,000,000			7%	91days	August 28, 2024	
MIB CAPITAL CORPORATION	35,000,000			8%	91days	July 29, 2024	
MISSIONARY SISTERS OF IMMACULATE HEART	4,552,045			7%	90days	July 29, 2024	
MISSIONARY SISTERS OF IMMACULATE HEART	7,958,182			7%	90days	July 29, 2024	
MULTINATIONAL FOUNDATION INC.	15,000,000			7%	90days	July 01, 2024	
PAG ASA HUMAN DEVELOPMENT FOUNDATION INC.	5,658,980			7%	90days	July 29, 2024	
PAG ASA HUMAN DEVELOPMENT FOUNDATION INC.	9,344,785			7%	90days	July 29, 2024	
PAN MALAYAN MANAGEMENT & INVESTMENT CORP.	25,000,000			7%	92days	September 11, 2024	
PBCOM TRUST GROUP IMA	100,000,000			7%	122days	October 07, 2024	
PCCI TIG AS INVESTMENT MANAGER	21,490,000			7%	91days	August 28, 2024	
PCCI TIG AS INVESTMENT MANAGER	25,733,265			7%	63days	August 08, 2024	
PCCI TRUST & INVESTMENT GROUP	35,000,000			7%	64days	July 18, 2024	
PCCI TRUST & INVESTMENT GROUP	56,000,000			7%	92days	September 13, 2024	
PCCI TRUST AND INVESTMENT GROUP	5,000,000			7%	92days	July 26, 2024	
PCCI TRUST AND INVESTMENT GROUP	5,000,000			7%	64days	August 16, 2024	
PCCI TRUST AND INVESTMENT GROUP	5,614,073			7%	91days	July 18, 2024	
PCCI TRUST AND INVESTMENT GROUP	10,500,000			7%	92days	August 08, 2024	
PCCI TRUST AND INVESTMENT GROUP	15,000,000			7%	63days	July 10, 2024	
PCCI TRUST AND INVESTMENT GROUP	20,000,000			7%	63days	July 10, 2024	
PCCI TRUST AND INVESTMENT GROUP	25,000,000			7%	91days	July 12, 2024	
PCCI TRUST AND INVESTMENT GROUP	26,326,019			7%	91days	August 15, 2024	
PCCI TRUST AND INVESTMENT GROUP	55,000,000			7%	92days	August 23, 2024	
PCCI TRUST AND INVESTMENT GROUP	71,000,000			7%	92days	September 05, 2024	
PCCI TRUST AND INVESTMENT GROUP	85,000,000			7%	90days	August 08, 2024	
PCCI TRUST AND INVESTMENT GROUP	137,101,647			7%	91days	August 02, 2024	
PHILIPPINE BANK OF COMMUNICATIONS	76,000,000			7%	120days	July 17, 2024	
PHILIPPINE BANK OF COMMUNICATIONS	79,000,000			7%	91days	August 28, 2024	
PHILIPPINE BANK OF COMMUNICATIONS	87,000,000			7%	90days	July 03, 2024	
PHILIPPINE BANK OF COMMUNICATIONS	100,000,000			7%	90days	July 15, 2024	
PHILIPPINE BANK OF COMMUNICATIONS	120,000,000			7%	120days	October 09, 2024	
PHILIPPINE BANK OF COMMUNICATIONS	130,000,000			9%	60days	August 12, 2024	
PHILIPPINE BANK OF COMMUNICATIONS	143,000,000			7%	120days	July 25, 2024	
PHILIPPINE BANK OF COMMUNICATIONS	175,000,000			7%	120days	October 03, 2024	
PHILIPPINE BANK OF COMMUNICATIONS	202,000,000			7%	90days	September 23, 2024	

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	Short Term Notes Payable in the Balance Sheet	Current Portion of Long-Term Debt in the Balance Sheet	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
PRIVATE EDUCATION RETIREMENT ANNUITY ASS. (P.E.R.A.A) PLAN	15,000,000			7%	60days	July 16, 2024	
RCBC TRUST CORPORATION	46,500,000			7%	92days	August 27, 2024	
RCBC TRUST CORPORATION	71,000,000			7%	91days	July 08, 2024	
RCBC TRUST CORPORATION	242,100,000			7%	91days	September 23, 2024	
RCBC TRUST CORPORATION	12,000,000			7%	91days	July 30, 2024	
RCBC TRUST CORPORATION	60,000,000			7%	90days	August 27, 2024	
RCBC TRUST CORPORATION	65,000,000			7%	91days	September 02, 2024	
RCBC TRUST CORPORATION	101,800,000			7%	91days	July 29, 2024	
RCBC TRUST CORPORATION	104,000,000			7%	91days	September 09, 2024	
RCBC TRUST CORPORATION	108,000,000			7%	90days	August 20, 2024	
RCBC TRUST CORPORATION	108,500,000			7%	91days	July 01, 2024	
RCBC TRUST CORPORATION	137,000,000			7%	91days	July 15, 2024	
RCBC TRUST CORPORATION	190,000,000			7%	90days	September 16, 2024	
RCBC TRUST CORPORATION	212,300,000			7%	91days	August 19, 2024	
RCBC TRUST CORPORATION	276,000,000			7%	91days	August 12, 2024	
RCBC TRUST CORPORATION	25,000,000			7%	92days	July 03, 2024	
RCBC TRUST CORPORATION	50,000,000			7%	90days	September 12, 2024	
RCBC TRUST CORPORATION	119,000,000			7%	91days	July 30, 2024	
RCBC TRUST CORPORATION	28,000,000			7%	91days	August 23, 2024	
RCBC TRUST CORPORATION	67,000,000			7%	91days	September 25, 2024	
ST LOUIS SCHOOL INC.	3,555,118			7%	90days	July 29, 2024	
ST LOUIS SCHOOL INC.	4,187,929			7%	90days	July 29, 2024	
ST. AUGUSTINE'S SCHOOL INC.	8,886,082			7%	90days	July 29, 2024	
ST. AUGUSTINE'S SCHOOL INC.	2,293,986			7%	90days	July 29, 2024	
ST. AUGUSTINE'S SCHOOL INC.	3,459,433			7%	90days	July 29, 2024	
STELLA MARIS COLLEGE	5,978,148			7%	91days	September 02, 2024	
STERLING BANK OF ASIA TRUST GROUP	6,000,000			7%	90days	July 03, 2024	
STERLING BANK OF ASIA TRUST GROUP	15,000,000			7%	90days	September 16, 2024	
STERLING BANK OF ASIA TRUST GROUP	18,000,000			7%	90days	August 20, 2024	
STERLING BANK OF ASIA TRUST GROUP	34,500,000			7%	91days	July 08, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310029223		767,686		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310031432		1,919,216		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310031441		479,804		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310030922		479,804		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001320031454		15,353,730		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310031160		575,765		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001320031439		1,439,412		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310030928		767,686		8.6107%	364days	November 27, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9052		959,608		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310029701		479,804		8.6107%	364days	November 27, 2024	
KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILIPPINES, INC.		7,005,139		8.6107%	364days	November 27, 2024	
MAYBANK PHILIPPINES, INCORPORATED		35,697,421		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310031442		479,804		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310030201		479,804		8.6107%	364days	November 27, 2024	
PCCI TIC AS INVESTMENT MANAGER FOR IMA 2335		479,804		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310017779		479,804		8.6107%	364days	November 27, 2024	
Antrilia Resources Corporation		1,919,216		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310024191		1,055,569		8.6107%	364days	November 27, 2024	
Alcantara Group Multi Purpose Cooperative		4,798,041		8.6107%	364days	November 27, 2024	
PBB TIC AS INVESTMENT FAO IMA NO 001310031440		479,804		8.6107%	364days	November 27, 2024	

Title of Issue and Type of Obligation	Loans Payable In the Balance Sheet	Short Term Notes Payable in the Balance Sheet	Current Portion of Long-Term Debt in the Balance Sheet	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
MB Capital Corporation		28,788,243		8.6107%	364days	November 27, 2024	
SOCIAL SECURITY SYSTEM		220,517,942		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540125586		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000360		4,798,041		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100003417		2,686,903		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004C78		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540231033		1,055,589		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000927		2,015,177		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239883		2,878,824		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004051		2,015,177		8.6107%	364days	November 27, 2024	
OTHERS		4,798,041		8.6107%	364days	November 27, 2024	
OTHERS		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000388		7,197,061		8.6107%	364days	November 27, 2024	
OTHERS		4,798,041		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002171		57,576,486		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100003899		1,439,412		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004054		1,055,589		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000389		5,085,923		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100001238		1,919,216		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540232994		9,596,081		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004050		3,934,393		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540235020		2,974,785		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540155167		1,919,216		8.6107%	364days	November 27, 2024	
OTHERS		1,439,412		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138238		1,631,334		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002845		5,181,884		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004066		3,070,746		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002154		10,939,532		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004065		2,878,824		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540231327		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000972		19,192,162		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004077		1,919,216		8.6107%	364days	November 27, 2024	
OTHERS		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000424		959,608		8.6107%	364days	November 27, 2024	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2215		1,535,373		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000356		9,596,081		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540026324		9,596,081		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540236434		4,798,041		8.6107%	364days	November 27, 2024	
OTHERS		479,804		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540140062		1,919,216		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540242485		479,804		8.6107%	364days	November 27, 2024	
OTHERS		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002116		575,765		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540240350		3,646,511		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540228644		8,156,669		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004048		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004049		3,838,432		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002118		1,439,412		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100002204		14,394,122		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540125616		1,919,216		8.6107%	364days	November 27, 2024	

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	Short Term Notes Payable in the Balance Sheet	Current Portion of Long-Term Debt in the Balance Sheet	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
STERLING BANK OF ASIA AS INVESTMENT MANAGER OF TA NO 280.000732		863,647		8.6107%	364days	November 27, 2024	
STERLING BANK OF ASIA AS INVESTMENT MANAGER OF TA NO 280.001221		863,647		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540099399		1,055,569		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540138327		959,608		8.6107%	364days	November 27, 2024	
OTHERS		4,798,041		8.6107%	364days	November 27, 2024	
OTHERS		1,247,491		8.6107%	364days	November 27, 2024	
OTHERS		479,804		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540142219		959,608		8.6107%	364days	November 27, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9518		1,919,216		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540241950		2,015,177		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100003265		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239060		4,798,041		8.6107%	364days	November 27, 2024	
OTHERS		1,919,216		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540097949		1,919,216		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004C50		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004063		2,878,824		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540150106		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540043253		959,608		8.6107%	364days	November 27, 2024	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2447		479,804		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100001320		2,974,785		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004052		15,353,730		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540239913		9,212,238		8.6107%	364days	November 27, 2024	
OTHERS		479,804		8.6107%	364days	November 27, 2024	
OTHERS		1,919,216		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100000201		5,181,884		8.6107%	364days	November 27, 2024	
OTHERS		1,919,216		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100003903		7,576,855		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540101830		1,919,216		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 1000003253		91,162,770		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000642		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100004064		7,005,139		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000423		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 515402339964		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540148438		479,804		8.6107%	364days	November 27, 2024	
OTHERS		1,919,216		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000892		2,878,824		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540098368		959,608		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 100001811		1,439,412		8.6107%	364days	November 27, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9601		575,765		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540240539		30,707,459		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000212		1,439,412		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540145471		479,804		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 900000616		5,757,649		8.6107%	364days	November 27, 2024	
RCBC TIG AS INVESTMENT MANAGER OF TA 51540127082		1,055,569		8.6107%	364days	November 27, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310024734		9,670,063		7.4051%	182days	November 22, 2024	
PHILIPPINE VETERANS BANK		7,542,649		7.4051%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031056		9,670,063		7.4051%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031697		5,802,036		7.4051%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 958986		38,680,251		7.4051%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031100		13,054,585		7.4051%	182days	November 22, 2024	

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	Short Term Notes Payable in the Balance Sheet	Current Portion of Long-Term Debt in the Balance Sheet	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
MAYBANK PHILIPPINES INCORPORATED		10,346,967		7.4053%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310024191		4,835,031		7.4053%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310024212		4,835,031		7.4053%	182days	November 22, 2024	
KC PHILIPPINES FOUNDATION INC		483,503		7.4053%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310017930		5,802,038		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100004991		9,670,063		7.4053%	182days	November 22, 2024	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2260		483,503		7.4053%	182days	November 22, 2024	
KNIGHTS OF COLUMBUS FR GEORGE J WILLMANN CHARITIES INC		967,006		7.4053%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031454		96,700,627		7.4053%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031699		20,307,132		7.4053%	182days	November 22, 2024	
KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILIPPINES INC		19,340,125		7.4053%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310027012		6,769,044		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100000656		967,006		7.4053%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031698		4,835,031		7.4053%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310031159		7,736,050		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100000964		14,505,094		7.4053%	182days	November 22, 2024	
PBBTIC AS INVESTMENT MANAGER FAO IMA NO 001310028690		4,835,031		7.4053%	182days	November 22, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9543		1,450,509		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100004262		2,997,719		7.4053%	182days	November 22, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9337		483,503		7.4053%	182days	November 22, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8892		1,934,013		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100004993		4,835,031		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540139161		967,006		7.4053%	182days	November 22, 2024	
STERLING BANK OF ASIA AS INVESTMENT MANAGER OF TA NO 280 000884		2,514,216		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540240415		967,006		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540101318		967,006		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100001187		9,379,961		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100004906		3,964,726		7.4053%	182days	November 22, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9016		2,901,019		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100002596		3,094,420		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540098996		967,005		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540240415		967,006		7.4053%	182days	November 22, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9547		483,503		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100004855		9,960,165		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540138831		4,835,031		7.4053%	182days	November 22, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9077		483,503		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540231033		967,006		7.4053%	182days	November 22, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9016		2,901,019		7.4053%	182days	November 22, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9543		1,450,509		7.4053%	182days	November 22, 2024	
PCCI TIG AS INVESTMENT MANAGER FOR IMA 2395		483,503		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540125616		967,006		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100004578		4,835,031		7.4051%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100000201		5,028,433		7.4051%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100004054		967,006		7.4051%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100000882		967,006		7.4051%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540227206		7,736,050		7.4053%	182days	November 22, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9547		483,503		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100000804		2,417,516		7.4053%	182days	November 22, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9742		967,006		7.4053%	182days	November 22, 2024	
PBCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9521		1,934,013		7.4053%	182days	November 22, 2024	

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	Short Term Notes Payable in the Balance Sheet	Current Portion of Long-Term Debt in the Balance Sheet	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100001045		773,605		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100004413		4,835,031		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540150270		1,450,509		7.4053%	182days	November 22, 2024	
STERLING BANK OF ASIA AS INVESTMENT MANAGER OF TA NO 280 001777		2,514,216		7.4053%	182days	November 22, 2024	
PBCCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9740		967,006		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540239425		1,257,108		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100003218		1,934,013		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540236515		10,056,865		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540240415		967,006		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540147369		2,901,019		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540243007		967,006		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540145218		9,670,063		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540096020		4,835,031		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100000388		967,006		7.4053%	182days	November 22, 2024	
PBCCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9563		16,439,107		7.4053%	182days	November 22, 2024	
PBCCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 8166		967,006		7.4053%	182days	November 22, 2024	
PBCCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9743		967,006		7.4053%	182days	November 22, 2024	
PCI TIG AS INVESTMENT MANAGER FOR IMA 2072		483,503		7.4053%	182days	November 22, 2024	
PCI TIG AS INVESTMENT MANAGER FOR IMA 2535		483,503		7.4053%	182days	November 22, 2024	
PBCCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9303		967,006		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100000927		967,006		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540144882		1,934,013		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100000175		2,901,019		7.4053%	182days	November 22, 2024	
PBCCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9227		967,006		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540150270		1,450,509		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100004894		1,934,013		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51540127082		1,934,013		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100001863		1,934,013		7.4053%	182days	November 22, 2024	
PBCCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9692		967,006		7.4053%	182days	November 22, 2024	
PBCCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9329		483,503		7.4053%	182days	November 22, 2024	
PBCCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9380		483,503		7.4053%	182days	November 22, 2024	
STERLING BANK OF ASIA AS INVESTMENT MANAGER OF TA NO 280 000783		1,257,108		7.4053%	182days	November 22, 2024	
PBCCOM TRUST GROUP AS INVESTMENT MANAGER FOR IMA 9369		4,835,031		7.4053%	182days	November 22, 2024	
PCI TIG AS INVESTMENT MANAGER FOR IMA 2304		967,006		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100004984		7,929,451		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 100002154		10,153,566		7.4053%	182days	November 22, 2024	
RCBC TRUST CORP AS INVESTMENT MGR OF TA 51541144947		10,056,864		7.4053%	182days	November 22, 2024	
ALSONS LAND CORP.		200,000,000			30days	July 30, 2024	
SIGUIL HYDRO POWER CORP.							
DEVELOPMENT BANK OF THE PHILS.				2%	15YRS	December 02, 2037	1,676,290,265
MAPALAD POWER CORPORATION							
OTHERS	50,000,000				30days	July 30, 2024	
SECURITY BANK	300,000,000			7.25%	30days	July 14, 2024	
SARANGANI ENERGY CORPORATION							
BDO Unibank Inc.			1,140,823,677	Fixed 8.06%	Semi-Annual	Oct. 19, 2026 and April 17, 2030	4,415,533,947

Title of Issue and Type of Obligation	Loans Payable in the Balance Sheet	Short Term Notes Payable in the Balance Sheet	Current Portion of Long-Term Debt in the Balance Sheet	Interest Rates	Term	Maturity	Non-Current Portion of Long-Term Debt in the Balance Sheet
Rizal Commercial Banking Corporation			224,634,892	Fixed 8.06%	Semi-Annual	Oct. 19, 2026 and April 17, 2030	872,031,814
Lanad Bank of the Philippines			222,958,280	Fixed 8.06%	Semi-Annual	Oct. 19, 2026 and April 17, 2030	860,947,330
Asia United Bank			334,437,419	Fixed 8.06%	Semi-Annual	Oct. 19, 2026 and April 17, 2030	1,291,420,995
Philippine Business Bank			105,730,753	Fixed 8.06%	Semi-Annual	Oct. 19, 2026 and April 17, 2030	392,469,719
China Bank Savings			22,463,489	Fixed 8.06%	Semi-Annual	Oct. 19, 2026 and April 17, 2030	87,203,181
Bank of the Philippine Islands			22,463,489	Fixed 8.06%	Semi-Annual	Oct. 19, 2026 and April 17, 2030	87,203,181
<b>TOTAL</b>	<b>4,959,395,727</b>	<b>Php1,285,475,211</b>	<b>Php2,973,694,507</b>				<b>Php14,060,510,879</b>

## **ANNEX V: SUBSIDIARIES OF THE REGISTRANT**

The consolidated financial statements include the accounts of ACR and the subsidiaries (collectively referred to as “the Group”) listed in the table below:

Subsidiaries	Nature of business	Percentage of Ownership			
		2024		2023	
		Direct	Indirect	Direct	Indirect
Conal Holdings Corporation (CHC)	Investment holding	100.00	—	100.00	—
Alsing Power Holdings, Inc. (APHI)	Investment holding	20.00	80.00	20.00	80.00
Western Mindanao Power Corporation (WMPC)	Power generation	—	55.00	—	55.00
Southern Philippines Power Corporation (SPPC)	Power generation	—	55.00	—	55.00
Alto Power Management Corporation (APMC)	Management services	—	60.00	—	60.00
APMC International Limited (AIL)	Management services	—	100.00	—	100.00
Mapalad Power Corporation (MPC)	Power generation	—	100.00	—	100.00
Ubay Power Corporation (UPC)	Power generation	—	100.00	—	—
Alsons Renewable Energy Corporation (AREC)	Investment holding	80.00	—	80.00	—
Sigil Hydro Power Corporation (Sigil)	Power generation	—	80.00	—	80.00
Kalaong Power Corporation (Kalaong)	Power generation	—	80.00	—	80.00
Sindangan Zambo-River Power Corp. (Sindangan)	Power generation	—	80.00	—	80.00
Bago Hydro Resources Corporation	Power generation	—	80.00	—	80.00
Alabel Solar Energy Corporation (ASEC)	Power generation	—	80.00	—	80.00
Alsons Green Energy Corporation	Power generation	—	80.00	—	80.00
Alsons Renewable Resources Corp	Power generation	—	80.00	—	80.00
Alsons Thermal Energy Corporation (ATEC)	Power generation	50.00*	—	50.00*	—
Sarangani Energy Corporation (Sarangani)	Power generation	—	37.50	—	37.50
ACES Technical Services Corporation (ACES)	Management services	—	50.00	—	50.00
San Ramon Power, Inc. (SRPI)	Power generation	—	50.00	—	50.00
Alsons Power International Limited (APIL)	Power generation	100.00	—	100.00	—
Alsons Land Corporation (ALC)	Real estate	99.55	—	99.55	—
MADE (Markets Developers), Inc.	Distribution	80.44	—	80.44	—
Kamanga Agro-Industrial Ecozone Development Corporation (KAED)	Real estate	100.00	—	100.00	—
Alsons Power Supply Corporation (APSC)	Customer Service	100.00	—	100.00	—

\*50% ownership plus 1 share of the total voting and total outstanding capital stock.