

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Feb 28, 2022
2. SEC Identification Number
CS201627300
3. BIR Tax Identification No.
009468103
4. Exact name of issuer as specified in its charter
Solar Philippines Nueva Ecija Corporation
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
20th Floor Philamlife Tower, 8767 Paseo de Roxas, Makati City, Philippines
Postal Code
1226
8. Issuer's telephone number, including area code
(+632) 8817-2585
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	8,124,350,005

11. Indicate the item numbers reported herein
Item 9 - Other Items

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Solar Philippines Nueva Ecija Corporation

SPNEC

PSE Disclosure Form LR-1 - Comprehensive Corporate Disclosure on Issuance of Shares (Private Placements, Share Swaps, Property-for-Share Swaps or Conversion of Liabilities/Debt into Equity) *Reference: Rule on Additional Listing of Securities*

Subject of the Disclosure

Comprehensive Corporate Disclosure on the asset-for-share swap between Solar Philippines Nueva Ecija Corporation ("SPNEC") and Solar Philippines Power Project Holdings, Inc. and affiliates ("SPNEC Parent")

Background/Description of the Disclosure

The Board of Directors of SPNEC approved on February 24 2022 the acquisition of 100% of the outstanding shares of SPNEC Parent in various entities ("Solar Philippines Assets") including but not limited to:

- Solar Philippines Calatagan Corporation
- Solar Philippines Tarlac Corporation
- Solar Philippines Tanauan Corporation
- Terra Solar Philippines, Inc.
- SP Holdings, Inc.
- Solar Philippines Batangas Baseload Corporation
- Solar Philippines Tarlac Baseload Corporation
- Solar Philippines Central Luzon Corporation
- Solar Philippines South Luzon Corporation
- Solar Philippines Southern Tagalog Corporation
- Solar Philippines Eastern Corporation
- Solar Philippines Western Corporation
- Solar Philippines Visayas Corporation
- Solar Philippines Central Visayas Corporation
- Solar Philippines Southern Mindanao Corporation
- Solar Philippines Batangas Corporation
- Solar Philippines Retail Electricity, Inc.
- Laguna Solar Rooftop Corporation
- Solar Philippines Rooftop Corporation
- Solar Philippines Commercial Rooftop Projects, Inc.

SPNEC would acquire the Solar Philippines Assets through an asset-for-share swap, with SPNEC Parent subscribing to 24,373,050,000 shares of SPNEC at Php 2.50 per share ("Share Swap").

This Share Swap is supported by a third-party valuation and fairness opinion by FTI Consulting Philippines, Inc., an independent valuation and fairness opinion provider accredited with the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE").

This Share Swap would be enabled by the increase in authorized capital stock from 10 billion shares to 50 billion shares approved by SPNEC's Board of Directors on January 10 2022, for approval at SPNEC's Stockholder's Meeting set for March 7 2022, and subject to regulatory approvals. Definitive agreements for this Share Swap have yet to be executed and will be duly disclosed upon execution.

This Share Swap would expand SPNEC's portfolio, from currently one solar project in Nueva Ecija to a portfolio including operational projects as well as developments in various provinces of the Philippines, in support of its goal of developing 10 GW of solar projects.

Date of Approval by Board of Directors	Feb 24, 2022
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Comprehensive Corporate Disclosure

Description of the proposed transaction including the timetable for implementation, and related regulatory requirements

This Share Swap involves the issuance by SPNEC of 24,373,050,000 shares to SPNEC Parent at an issue price of Php 2.50 per share in exchange for 100% of the outstanding shares of SPNEC Parent in the Solar Philippines Assets.

The Solar Philippines Assets would serve as SPNEC's subscription payment for the increase in SPNEC's authorized capital stock from 10 billion shares to 50 billion shares, which is for approval at SPNEC's Stockholder's Meeting set for March 7 2022, after which SPNEC would file its application for the increase in authorized capital stock to the SEC. SPNEC would also file an application for a tax-free exchange with the Bureau of Internal Revenue for this Share Swap.

SPNEC targets to complete this Share Swap by the middle of 2022, subject to the time to obtain approvals after SPNEC would make relevant filings to regulators after its Stockholder's Meeting set for March 7 2022. After that, SPNEC would have 32,497,400,005 shares, and would plan to issue to the public at least 5,124,832,502 shares, resulting in an over 20% public float, through a possible stock rights offering ("SRO"), private placement, or follow-on offering ("FOO"), which are currently under evaluation.

Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction

This Share Swap would support the existing business model and strategy of SPNEC as a solar project development company, and support its goal of developing 10 GW of solar projects, by significantly expanding its portfolio in exchange for the issuance of only three times its currently outstanding shares.

This Share Swap would enable SPNEC to achieve profitability earlier due to the addition of already operational projects as well as economies of scale due to the expansion of its portfolio of developments. These aim to make SPNEC more attractive to a wider base of investors, including institutional investors, improving SPNEC's access to capital to support its growth plans, for the benefit of SPNEC's existing public shareholders.

The aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any agreements for payment on a deferred basis

In exchange for the Solar Philippines Assets, SPNEC Parent would subscribe to 24,373,050,000 shares of SPNEC at Php 2.50 per share, for a value of Php 60,932,625,000. This issuance of shares would be enabled by the increase in authorized capital stock from 10 billion shares to 50 billion shares approved by SPNEC's Board of Directors on January 10 2022, for approval at SPNEC's Stockholder's Meeting set for March 7 2022, and subject to regulatory approvals.

The basis upon which the consideration or the issue value was determined

This issue value is supported by a third-party valuation and fairness opinion by FTI Consulting Philippines, Inc., an independent valuation and fairness opinion provider accredited with the SEC and PSE. This is based on sum-of-the-parts, discounted cash flows, adjusted book value, and comparable valuation methodologies to determine a fair value for the Solar Philippines Assets.

Detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were financed by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project

According to the list of Awarded Solar Projects as of 31 December 2021 on the Department of Energy (“DOE”) website, the Solar Philippines companies subject to this Share Swap hold over 30 DOE Solar Energy Service Contracts with over 10 GW of potential capacity, as shown in the attached and as accessible in the list at <https://www.doe.gov.ph/renewable-energy/awarded-solar>.

Many of the projects on this list will not materialize, and for those that do, the above may not represent the project’s ultimate planned capacity, which is subject to change, given the nature of project under development. Risks in developing solar projects include the unavailability of land, transmission, off-take, and financing. On the other hand, the DOE has increased its Renewable Portfolio Standard target to 35% of the country’s energy that would need to be sourced from renewable energy by 2030. As such, SPNEC aims to achieve its goal of developing a total of 10 GW of solar projects from the above list, supported by the scarcity of solar projects developed relative to the growing demand for renewable energy in the Philippines.

In the near-term, SPNEC would have two goals:

First, to reach 1 GW of operational capacity across its portfolio. This would comprise the projects of Solar Philippines that are already operating or under construction, the first phase of SPNEC’s Nueva Ecija solar farm, and additional developed capacity.

Second, to complete the development of the rest of its 10 GW target. Much of the rest of SPNEC’s developments would be located in the provinces of Nueva Ecija, Bulacan, Tarlac, Batangas, and Quezon, where Solar Philippines has spent the past years consolidating land suitable for solar in relative proximity to the Greater Manila Area. Once these projects are shovel-ready, joint-venture partners may help fund the construction of its projects, in line with SPNEC’s view that partnerships are key in executing larger-scale projects. Several of the Solar Philippines Assets are subject to existing joint ventures.

To complete the development of these projects, and particularly to fund land acquisition, SPNEC plans to issue to the public at least an additional 5,124,832,502 shares. On February 14 2022, the Board of Directors of SPNEC approved the conduct of an SRO, where eligible stockholders would have the opportunity to subscribe to shares. The company plans to file the SRO in the second quarter of 2022, from which point the SRO’s timing would depend on regulatory approvals. The company may also raise capital from private placements with institutional investors to complete the capital required for the company’s expansion plans.

From that point, a project may become shovel-ready within 2-3 years, after which a project may be constructed over another 1-2 years, subject to possible delays due to the challenges of solar project development and market conditions. While external factors such as the demand for renewable energy are outside any one company’s control, SPNEC is focused on executing on its business model as a solar project development company, preparing the supply of projects in anticipation of demand when it comes.

Identity and/or corporate background of the beneficial owners of the shares subscribed, including the following

Beneficial Owners/Subscribers	Nature of Business	Nature of any material relationship with the Issuer and the parties to the transaction, their directors/officers or any of their affiliates
Solar Philippines Power Project Holdings Inc.	Holding Company	Aside from ownership of shares in SPNEC and SPPPHI, the directors of the parties to the transaction do not have an interest in the proposed transaction, other than Mr. Leviste, who is the beneficial owner of SPNEC Parent and the Solar Philippines Assets.

Organizational/Ownership Structure of Subscribers

Controlling Shareholders of Subscribers	Number of Shares Held	%	
Leandro Antonio L. Leviste	99,999,998	100	Hazel Iris P. Lafuente
1	0	Irma C. Flaminiano	1
0			

For subscribers with no track record or with no operating history: the Subscriber must present a statement of active business pursuits and objectives which details the step undertaken and proposed to be undertaken by the Issuer in order to advance its business. Projected financial statements shall only be required should there be references made in the Statement to forecasts or targets

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The interest which directors of the parties to the transaction have in the proposed transaction

Aside from ownership of shares in SPNEC and SPNEC Parent, the directors of the parties to the transaction do not have an interest in the proposed transaction, other than Mr. Leviste, who is the beneficial owner of SPNEC Parent and the Solar Philippines Assets.

Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders

SPNEC's increase in the authorized capital stock from 10 billion shares to 50 billion shares will be for approval at SPNEC's Stockholder's Meeting set for March 7 2022. In addition, this Share Swap is supported by a third-party valuation and fairness opinion by FTI Consulting Philippines, Inc., an independent valuation and fairness opinion provider accredited with the SEC and PSE.

Any conditions precedent to closing of the transaction

The closing of the transaction would be subject to SEC approval of the increase in authorized capital stock, BIR issuance of a certificate authorizing registration for the new shares as part of a tax-free-exchange, and PSE approval for the listing of the newly-issued shares.

Change(s) in the composition of the Board of Directors and Management

This Share Swap has not caused any change in the Board of Directors or Officers of SPNEC.

Effects on the following

Ownership structure

Principal Shareholders	Before		After	
	Number of shares	%	Number of shares	%
Solar Philippines Power Project Holdings, Inc.	5,525,349,998	66.77	29,797,399,998	91.69

Capital structure

Issued Shares

Type of Security /Stock Symbol	Before	After
SPNEC	8,124,350,005	32,497,400,005

Outstanding Shares

Type of Security /Stock Symbol	Before	After
SPNEC	8,124,350,005	32,497,400,005

Treasury Shares

Type of Security /Stock Symbol	Before	After
SPNEC	0	0

Listed Shares

Type of Security /Stock Symbol	Before	After
SPNEC	8,124,350,005	32,497,400,005

Effect(s) on the public float, if any

After this Share Swap, the public ownership of SPNEC will change from 29.54% to 7.39%. The issuance to the public of at least an additional 5,124,832,502 shares through a possible SRO, private placement, or FOO would result in an over 20% public float.

Effect(s) on foreign ownership level, if any

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Other Relevant Information

After extensive consultations, SPNEC has determined it to be accretive to its public shareholders to pursue this Share Swap, which would support SPNEC's goal of developing 10 GW of solar projects, by significantly expanding SPNEC's portfolio in exchange for the issuance of only three times its currently outstanding shares. This would enable SPNEC to achieve profitability earlier due to the addition of already operational projects as well as economies of scale due to the expansion of its portfolio of developments. These aim to make SPNEC more attractive to a wider base of investors, including institutional investors, improving SPNEC's access to capital to support its growth plans.

Moreover, SPNEC has determined it to be advantageous to its public shareholders to pursue this plan now given the myriad of time-sensitive opportunities to develop solar projects in the Philippines.

For more information, please refer to the following attachments:

1. SPNEC Comprehensive Corporate Disclosure
2. SPPPHI Financial Statements
3. SPPPHI AOI, By-Laws and GIS
4. SP Corporate Structure
5. DOE List of Awarded Solar Projects as of 31 December 2021

Filed on behalf by:

Name	Hazel Iris Lafuente
Designation	Director, Treasurer, Assistant Corporate Secretary, Head of Community Development and Chief Information Officer