

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Principal Address of the Company)

Hazel Iris P. Lafuente

Contact Person

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Company Telephone Number

0	6
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Month

3	0
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Day

Fiscal Year

SEC Form 20-IS

Form Type

1 st Monday of May each year

Regular Meeting

Certificate of Permit to Offer Securities for Sale (Pursuant to SEC MSRD Order No. 87 Series of 2021)

Secondary License type, if applicable

MSRD

Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total amount of Borrowings	

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

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Remarks = Pls. use black ink for scanning purposes.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of **SOLAR PHILIPPINES NUEVA ECIJA CORPORATION** (the “**Issuer**” or the “**Corporation**”) will be presided over and called at the Issuer’s offices on the 20th Floor PhilamLife Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City 1226, Philippines and conducted by remote communication via [https://us02web.zoom.us/webinar/register/WN_QOw1LSWWQF65MACspVePIA] on **30 August 2022 at 9:00 AM**.

A G E N D A¹

1. Call to Order
2. Certification of Notice and Quorum
3. [Approval of Minutes of Previous Stockholders’ Meetings²]
4. [Annual Report of the President and Chief Executive Officer]
5. [Presentation of the Audited Financial Statements and Management Report for the Fiscal Year Ended 30 June 2022]
6. [Election of Directors]
7. [Approval of the Change in Corporate Name of the Corporation and Amendment of the Relevant Sections of the Corporation’s Articles of Incorporation and By-Laws]
8. [Approval of the Change in Fiscal Year of the Corporation and Amendment of the Relevant Section of the Corporation’s By-Laws]
9. [Appointment of External Auditor]
10. [Ratification of Acts, Resolutions, and Decisions of the Board of Directors and Management During the Previous Year]
11. [Other Matters]
12. Adjournment

The Organizational Meeting of the new Board of Directors will be held immediately after the Annual Meeting of the Stockholders.

Only stockholders of record as of **28 July 2022** are entitled to notice of, to attend, and to vote in the meeting.

Given the current circumstances, stockholders may only attend and/or vote in the meeting by remote communication, by appointing the Chairman of the meeting as their proxy, or by voting *in absentia*. Stockholders intending to participate by remote communication should notify the Corporation by registering through [https://us02web.zoom.us/webinar/register/WN_QOw1LSWWQF65MACspVePIA] on or before **20 August 2022**.

Stockholders may vote by remote communication or *in absentia*, subject to validation procedures. Upon registering and subject to validation, stockholders may vote *in absentia* through [**Registration/Videoconferencing Link**].³ Further details on the procedures for participating in the meeting through remote communication and for casting votes *in absentia* will be set forth in the Information Statement.

¹ The agenda items below are subject to change. The final list is pending approval by the Issuer’s Board of Directors, which approval shall be sought before the Issuer submits the Definitive Information Statement to the Securities and Exchange Commission (“SEC”) for clearance to distribute to stockholders as of the record date fixed for this year’s Annual Stockholders’ Meeting.

² The minutes of the 2021 Annual Stockholders’ Meeting are attached hereto as **Annex “A,”** while the minutes of the Special Meeting of the Stockholders held on 7 March 2022 are attached hereto as **Annex “B.”**

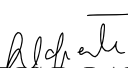
³ Registration/Videoconferencing link not yet available. It will be inserted in the Definitive Information Statement.

The Information Statement and meeting materials may be downloaded from PSE EDGE and the Corporation's website at <https://solarnuevaecija.ph/Corporation-disclosures/>.⁴

Duly accomplished proxies⁵ should be submitted on or before **9:00 AM of 20 August 2022** to the Office of the Corporate Secretary at the 20th Floor PhilamLife Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City 1226, Philippines or by email at spnec@solarphilippines.ph. Validation of proxies is set for **22 August 2022**, starting at 9:00 AM. **Management is not asking you for a proxy nor is it requesting you to send a proxy in its favor.**

All communications should be sent by email to spnec@solarphilippines.ph on or before the designated deadlines.

Makati City, 1 August 2022.


HAZEL IRIS P. LAFUENTE
Assistant Corporate Secretary
and Chief Information Officer

⁴ With the ongoing pandemic and quarantine restrictions, the Issuer will not provide hardcopies of the Information Statement and other meeting materials.

⁵ This proxy form will be digitized and made accessible via [**Registration Link/Videoconferencing Link**] once registration is verified.

EXPLANATIONS OF AGENDA ITEMS

Call to Order

The Chairman will formally open the meeting at approximately 9:00 o'clock in the morning.

Certification of Notice and Quorum

The Corporate Secretary or Assistant Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Corporation will set up a designated online web address which may be accessed by the stockholders to register and vote on the matters at the meeting *in absentia*. A stockholder participating by remote communication or who votes *in absentia* shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting to be conducted in virtual format:

1. Stockholders may attend the meeting remotely through the online web address (URL) to be provided. Questions and comments may be sent prior to or during the meeting at spnec@solarphilippines.ph or any web link that may be provided hereafter by the Issuer to the stockholders of record and shall be limited to the items in the Agenda.
2. In the event that physical attendance will be allowed at the meeting –
 - a. Anyone who wishes to make a remark shall identify himself after being acknowledged by the Chairman and shall limit his/her remarks to the item in the Agenda under consideration; and
 - b. Stockholders present at the meeting may opt for manual or electronic voting. For manual voting, each stockholder will be given, upon registration, a ballot where he can write his vote on every item in the Agenda or proposed resolution. For electronic voting, there will be computer stations near the registration table where stockholders may cast their votes electronically using a digital version of the ballot.
3. Each of the proposed resolutions will be shown on the screen in the venue and during the livestreaming as the same is taken up at the meeting.
4. Stockholders must notify the Corporation on or before **20 August 2022** of their intention to participate in the meeting by remote communication to be included in determining quorum, together with the stockholders who intend to vote *in absentia* and by proxy.
5. Voting shall only be allowed for stockholders registered to be voting *in absentia* via **[Registration/Videoconferencing Link]**⁶ or by authorizing the Chairman of the meeting as proxy.
6. Stockholders voting *in absentia*, who have registered at **[https://us02web.zoom.us/webinar/register/WN_QOw1LSWWQF65MACspVePIA]** prior to the meeting, may cast their votes electronically at any time using the system prior to or during the meeting.
7. All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present or represented at the meeting, unless the law or the Corporation's Articles of Incorporation or By-Laws require otherwise.

⁶ Registration/Videoconferencing link not yet available. It will be inserted in the Definitive Information Statement.

8. Election of directors shall be by plurality of votes and every stockholder present (including those participating by remote communication) or represented at the meeting or voting *in absentia* shall be entitled to cumulate his/her votes. Each outstanding share of stock shall be counted as one (1) vote.
9. The Issuer's accredited service provider will tabulate all votes received and the Stock Transfer Agent and Corporate Secretary or Assistant Corporate Secretary will validate the results. The Corporate Secretary or Assistant Corporate Secretary shall report the results of voting during the meeting.
10. The meeting proceedings shall be recorded in audio and video format.

Approval of Minutes of Previous Stockholders' Meetings

The minutes of the Annual Stockholders' Meeting held on 2 July 2021 and Special Stockholders' Meeting held on 7 March 2022 are attached hereto as **Annex "A" and Annex "B."** The said minutes are also available for download from the Corporation's website: <https://www.solarnuevaecija.ph/>.

Annual Report of the President and Chief Executive Officer

The President and Chief Executive Officer, Mr. Leandro Antonio L. Leviste, will report on the progress in 2022 and the plans of the Corporation moving forward.

Presentation of the Audited Financial Statements and Management Report for the Fiscal Year Ended 30 June 2022

The Audited Financial Statements and Management Report for the fiscal year ended 30 June 2022, as approved by the Board of Directors upon the recommendation of the Audit and Risk Management Committee, will be included in the Information Statement to be sent to the stockholders at least fifteen (15) business days prior to the meeting.

Election of Directors

After careful evaluation, it has been determined that the seven (7) nominees for directorships have all the qualifications and competences necessary for the effective performance of the Board of Directors' roles and responsibilities, and none of the disqualifications to serve as members of the Board of Directors. As such, they shall be presented for election to the stockholders. The profiles of the nominees to the Board of Directors are found under Item 5 of the Information Statement.

Approval of the Change in Corporate Name of the Corporation and Amendment of the Relevant Sections of the Corporation's Articles of Incorporation and By-Laws

Approval by the stockholders representing at least two-thirds (2/3) of the total outstanding capital stock of the Corporation entitled to vote will be sought to amend the relevant sections of both the Articles of Incorporation and By-Laws to effect the change in corporate name from Solar Philippines Nueva Ecija Corporation to [Solar Philippines New Energy Corporation].

Approval of the Change in Fiscal Year of the Corporation and Amendment of the Relevant Section of the Corporation's By-Laws

Approval by the stockholders representing at least two-thirds (2/3) of the total outstanding capital stock of the Corporation entitled to vote will be sought to amend the relevant section of the Corporation's By-Laws to change the fiscal year from July 1 to June 30 to January 1 to December 31.

Appointment of External Auditor

The Board of Directors, upon the recommendation of the Audit and Risk Management Committee, will endorse to the stockholders the appointment of SyCip Gorres Velayo & Co. (“SGV”) as the Corporation’s external auditor for the ensuing fiscal year. The external auditor of the Corporation conducts an independent verification of the financial statements and provides an objective assurance on their accuracy. The profile of the external auditor is found under Item 7 of the Information Statement.

Ratification of Acts, Resolutions, and Decisions of the Board of Directors and Management During the Previous Year

The acts, resolutions, and decisions of the Board of Directors and its Committees for ratification are those taken and adopted since the previous Annual Stockholders’ Meeting held on 2 July 2021 up to present. These include the approval of agreements, projects, investments, treasury-related matters, and other matters covered by disclosures to the Securities and Exchange Commission (“SEC”) and the Philippine Stock Exchange (“PSE”). The acts, resolutions, and decisions of the Corporation’s officers are those taken and adopted to implement the resolutions of the Board of Directors or its Committees and/or those made in the general conduct of business.

Other Matters

These include such other matters as they may arise before or during the meeting, to be voted upon by stockholders. Stockholders, likewise, may email questions or comments prior to the commencement of or during the Annual Stockholders’ Meeting at spnec@solarphilippines.ph. The Chairman will take up agenda items received from stockholders on or before **28 July 2022** in accordance with existing laws, rules, and regulations of the SEC and the Corporation’s internal guidelines.⁷

[The proxy form follows]

⁷ SEC Memorandum Circular No. 14, series of 2020, provides that shareholders who, alone or together with other shareholders, hold at least five percent (5%) of the outstanding capital stock of a publicly listed Corporation shall have the right to include items on the agenda prior to the regular/special stockholders’ meeting.

We are not soliciting your proxy. However, if you would be unable to attend the meeting but would like to be represented thereat, you may accomplish the proxy form herein and submit the same to the Office of the Corporate Secretary.

P R O X Y⁸

I/WE hereby name and appoint the Chairman of the meeting as my/our proxy at the Annual Meeting of the Stockholders of **SOLAR PHILIPPINES NUEVA ECIJA CORPORATION** (the “Corporation”) to be held via videoconferencing at **[https://us02web.zoom.us/webinar/register/WN_QOw1LSWWQF65MACspVePIA]** on **30 August 2022 at 9:00 AM** and at any postponement or adjournment thereof for the purpose of acting on the following matters:

#	Agenda Item	Yes	No	Abstain
1	Approval of Minutes of Previous Stockholders’ Meetings:			
	a. Minutes of the 2021 Annual Stockholders’ Meeting			
	b. Minutes of the Special Meeting of the Stockholders held on 7 March 2022			
2	Approval of the Audited Financial Statements and Management Report for the Fiscal Year Ended 30 June 2022			
3	Election of Directors:			
	a. Leandro Antonio L. Leviste			
	b. Atty. Jesusa Loreto A. Arellano			
	c. Hazel Iris P. Lafuente			
	d. Aresty M. Lapitan			
	Independent Directors:			
	e. J. Carlitos G. Cruz			
	f. Benjamin I. Espiritu			
	g. Carlos Jose P. Gatmaitan			
4	Approval of the Change in Corporate Name of the Corporation and Amendment of the Header and the First Article of the Articles of Incorporation and the Header and Article IX, Section 1 of the By-Laws of the Corporation to Implement Such Change			
5	Approval of the Change in Fiscal Year of the Corporation and Amendment of Article VII, Section 2 of the Corporation’s By-Laws to Implement Such Change			
6	Appointment of SyCip Gorres Velayo & Co. as the Corporation’s External Auditor for the Ensuing Fiscal Year			
7	Ratification of Acts, Resolutions, and Decisions of the Board of Directors and Management During the Previous Year			

Place/Date : _____

Name of Shareholder : _____

Signature : _____

⁸ This proxy form will also be digitized and accessible via **[Registration/Videoconferencing Link]** once registration is verified. Registration/Videoconferencing link not yet available. It will be inserted in the Definitive Information Statement.

Number of Shares : _____

Duly accomplished proxies should be submitted on or before **9:00 AM of 20 August 2022** to the **Office of the Corporate Secretary at the 20th Floor PhilamLife Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City 1226, Philippines or by e-mail at spnec@solarphilippines.ph**. Validation of proxies is set for **22 August 2022**. Stockholders who are natural persons must submit this proxy together with competent evidence of identity, e.g. passport, driver's license, and other valid government-issued ID. Proxies of corporate shareholders or juridical entities must be accompanied by a duly sworn secretary's certificate or any similar document showing his/her authority to represent the corporation/entity.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder. If no direction is made, this proxy will be voted for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by the Board of Directors or Management. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his/her/its intention to vote in person.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

- ☒ Preliminary Information Statement
☐ Definitive Information Statement

2. Name of Issuer as specified in its charter: **SOLAR PHILIPPINES NUEVA ECIJA CORPORATION**

3. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**

4. SEC Identification Number: **CS201627300**

5. BIR Tax Identification Code: **009-468-103-000**

6. Address of principal office: **112 Legaspi Street, Legaspi Village, Barangay San Lorenzo, Makati City, Philippines**

Postal Code: **1229**

7. Issuer's telephone number, including area code: **(02) 8817-2585**

8. Date, time and place of the meeting of security holders: **30 August 2022, 9:00 AM, to be called and presided over at the Issuer's offices on the 20th Floor PhilamLife Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City 1226, Philippines and conducted via videoconferencing:**
[https://us02web.zoom.us/webinar/register/WN_QOw1LSWWQF65MACspVePIA]

9. Approximate date on which the proxy statement is first to be sent or given to security holders: **8 August 2022**

10. In case of proxy solicitation:

Name of the person filing the statement/solicitor: **N.A.**

Mailing address and telephone no.: **N.A.**

11. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code ("SRC") or Sections 4 and 8 of the Revised Securities Act ("RSA") (information on number of shares and amount of debt is applicable only to corporate issuers):

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

12. Are there securities of the Issuer listed on a stock exchange?

Yes.

If yes, disclose the name of such stock exchange and the class of securities listed therein:

The common shares of Solar Philippines Nueva Ecija Corporation (the “Issuer”) are listed on the Philippine Stock Exchange (“PSE”).

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

The Annual Meeting of the Stockholders of the Issuer will be held on **30 August 2022, 9:00 AM, to be called and presided over at the Issuer’s offices at the 20th Floor PhilamLife Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City 1226, Philippines, and conducted via videoconferencing at [https://us02web.zoom.us/webinar/register/WN_QOw1LSWWQF65MACspVePIA].**

- a. The complete mailing address of the Issuer is the **20th Floor PhilamLife Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City 1226, Philippines.**
- b. The approximate date on which this Information Statement, form of proxy, and other materials are first to be sent or given to security holders is on **8 August 2022.**

Item 2. Dissenters’ Right of Appraisal

Under Section 80 of the Revised Corporation Code, any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his or her shares only in the following instances:

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

None of the matters to be acted upon at this Special Meeting of the Stockholders qualify under Section 80 of the Revised Corporation Code. As such, the right of appraisal will not be relevant to any shareholder in the said Annual Meeting of the Stockholders.

In any event, the stockholder must have voted against the proposed corporate action in order for such stockholder to invoke the appraisal right provided under the law.

The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken; provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder’s shares, the fair value thereof as of the day before the vote was taken excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made; provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment. Provided further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation. (Revised Corporation Code, Section 81)

The costs and expenses of appraisal shall be borne by the corporation, unless the fair value ascertained by the appraisers is approximately the same as the price which the corporation may have offered to pay the stockholder, in which case they shall be borne by the latter. In the case of an action to recover such fair value, all costs and expenses shall be assessed against the corporation, unless the refusal of the stockholder to receive payment was unjustified. (Revised Corporation Code, Section 84)

From the time of demand for payment of the fair value of a stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend rights, shall be suspended in accordance with the provisions of the Revised Corporation Code, except the right of such stockholder to receive payment of the fair value thereof; provided, that if the dissenting stockholder is not paid the value of the said shares within thirty (30) days after the award, the voting and dividend rights shall immediately be restored. (Revised Corporation Code, Section 82)

No demand for payment of the fair value of a dissenting stockholder's shares may be withdrawn unless the corporation consents thereto. If, however, such demand for payment is withdrawn with the consent of the corporation, or if the proposed corporate action is abandoned or rescinded by the corporation or disapproved by the Securities and Exchange Commission ("SEC") where such approval is necessary, or if the SEC determines that such stockholder is not entitled to the appraisal right, then the right of the stockholder to be paid the fair value of the shares shall cease, the status of the stockholder shall be restored and all dividend distributions which would have accrued on the shares shall be paid to the stockholder. (Revised Corporation Code, Section 83)

Within ten (10) days after demanding payment for shares held, a dissenting stockholder shall submit the certificates of stock representing the shares to the corporation for notation that such shares are dissenting shares. Failure to do so shall, at the option of the corporation, terminate the appraisal right of the dissenting stockholder. If shares represented by the certificates bearing such notation are transferred, and the certificates consequently cancelled, the rights of the transferor as a dissenting stockholder shall cease and the transferee shall have all the rights of a regular stockholder; and all dividend distributions which would have accrued on such shares shall be paid to the transferee. (Revised Corporation Code, Section 85)

The Issuer's By-Laws have no special provisions different from or giving any stockholder any special appraisal or dissenter's rights.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

The following matters are going to be acted upon by the Issuer's stockholders during the Annual Stockholders' Meeting:

- a. Approval of the minutes of the following meetings: (i) 2021 Annual Stockholders' Meeting and (ii) Special Meeting of the Stockholders held on 7 March 2022;
- b. Approval of the Audited Financial Statements and Management Report for the fiscal year ended 30 June 2022;
- c. Election of directors;

- d. Approval by stockholders representing at least two-thirds (2/3) of the total outstanding capital stock of the Corporation entitled to vote will be sought to amend the relevant sections of both the Articles of Incorporation and By-Laws to effect the change in corporate name from Solar Philippines Nueva Ecija Corporation to [Solar Philippines New Energy Corporation];
- e. Approval by stockholders representing at least two-thirds (2/3) of the total outstanding capital stock of the Corporation entitled to vote will be sought to amend the relevant sections of the Corporation's By-Laws to change the fiscal year from July 1 to June 30 to January 1 to December 31;
- f. Appointment of SGV as external auditor of the Corporation for the ensuing fiscal year;
- g. Ratification of acts, resolutions, and decisions of the Board of Directors and Management during the previous year; and
- h. Other matters as they may arise during the meeting.

None of the Issuer's directors or officers, present and past, or any of their respective associates, at any time since the beginning of the last fiscal year have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Stockholders' Meeting.

Further, no director has informed the Issuer of his/her opposition to any matter to be acted upon during the Annual Meeting of the Stockholders to be held on 30 August 2022.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- a. The Issuer only has one (1) class of shares: common shares which are voting shares. As of the date of this Information Statement, the Issuer's issued and outstanding capital stock consists of 8,124,350,005 common shares. Each outstanding share held as of the record date is entitled to one (1) vote.
- b. The record date with respect to the Annual Meeting of the Stockholders on 30 August 2022 is fixed at 28 July 2022. Only persons, natural and juridical, recorded in the books of the Issuer as stockholders as of 28 July 2022 shall be entitled to notice and shall be allowed to vote at the Annual Stockholders' Meeting on 30 August 2022 at 9:00 AM or any adjournment thereof.

There is no record date with respect to the solicitation of proxies as the Issuer is not going to solicit proxies from stockholders for this Annual Stockholders' Meeting, as indicated in the proxy form attached to this Information Statement.

- c. Voting Procedures:

Stockholders entitled to participate and vote in the Annual Stockholders' Meeting may vote in person or by proxy during the meeting via the online platform for the meeting and via remote communication or *in absentia* as provided in this Information Statement, subject to validation procedures. The URL for the online voting platform is [**Registration/Videoconferencing Link**].⁹ A stockholder voting via remote communication or *in absentia* shall be deemed present for purposes of quorum.

Election of directors shall be by plurality of votes and every stockholder entitled to vote present (including those participating via remote communication) or represented at the meeting or voting *in absentia* has the option to cumulate his/her votes. Each outstanding share of stock shall be counted as one (1) vote. Specifically, a stockholder may vote such number of shares registered in his/her name as of the record date for as many persons as there are directors to be

⁹ Registration/Videoconferencing link not yet available. It will be inserted in the Definitive Information Statement.

elected or he/she may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his/her shares shall equal, or he/she may distribute them on the same principle among as many candidates as he/she may see fit; provided, that the total number of votes cast by him/her shall not exceed the number of shares owned by him/her as shown in the books of the Corporation and records of its Stock Transfer Agent multiplied by the whole number of directors to be elected. (Revised Corporation Code, Section 23) There are no stated conditions precedent to the exercise of cumulative rights. The total number of votes that may be cast by a stockholder of the Corporation is computed as follows: No. of Shares Held on Record as of Record Date x Seven (7) Directors. Nominees receiving the highest number of votes will be declared elected.

For motions on the amendment of the Articles of Incorporation and By-Laws of the Corporation in connection with the change in corporate name and change in fiscal year of the Corporation, each stockholder entitled to vote shall be entitled to one (1) vote per share. Pursuant to the Revised Corporation Code, a vote comprising two-thirds (2/3) of the Issuer's outstanding capital stock shall be required to approve a motion to amend the Issuer's Articles of Incorporation and By-Laws.

Each of the proposed resolutions will be posted on the online voting platform for those voting *in absentia*. For those voting during the meeting, each proposed resolution will be shown on the screen as the same is taken up.

The Issuer's accredited service provider will tabulate all votes received and the Stock Transfer Agent and Corporate Secretary or Assistant Corporate Secretary will validate the results. The Corporate Secretary or Assistant Corporate Secretary will report the results of the voting during the meeting.

d. Security Ownership of Certain Record and Beneficial Owners and Management:

As of 30 June 2022, the following persons or groups own more than five percent (5%) of the Corporation's voting securities:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	<i>Solar Philippines Power Project Holdings, Inc. ("SPPPHI")</i> 20 th Floor PhilamLife Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City 1226, Philippines <i>Parent Corporation</i>	Mr. Leandro Antonio L. Leviste ("Mr. Leviste") owns 99% of SPPPHI's outstanding capital stock.	Filipino	5,424,349,998	66.77%
Common	<i>PCD Nominee Corporation (Filipino)</i> 29 th Floor BDO Equitable Tower, 8751 Paseo de Roxas, Makati City, Philippines	PCD Nominee Corporation, a wholly owned subsidiary of the PDTC, is the registered owner of the shares in the books of the Corporation's Stock Transfer Agent. The beneficial owner of such shares entitled to vote the same are PDTC's participants who hold the shares either in	Filipino	2,661,214,631	32.76%

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
	<i>Stockholder of record for shares lodged with the Philippine Depository and Trust Corporation, Inc. (“PDTC”)</i>	their own behalf or on behalf of their clients.			

The following table shows the ownership of the following directors and officers in the Issuer’s common shares as of 30 June 2022:

Title of Class	Name of Beneficial Owner	Citizenship	Amount and Nature of Beneficial Ownership		Percent of Class
Common	Leandro Antonio L. Leviste	Filipino	1	Direct*	70.461%
			5,724,485,998	Indirect**	
Common	Atty. Jesusa Loreto A. Arellano (“ Atty. Arellano ”)	Filipino	0	Direct	0.000%
			9,000	Indirect***	
Common	Hazel Iris P. Lafuente (“ Ms. Lafuente ”)	Filipino	0	Direct	0.002%
			200,001	Indirect****	
Common	J. Carlitos G. Cruz (“ Mr. Itos Cruz ”)	Filipino	1	Direct	0.000%
			0	Indirect	
Common	Benjamin I. Espiritu (“ Mr. Espiritu ”)	Filipino	1	Direct	0.000%
			0	Indirect	
Common	Carlos Jose P. Gatmaitan (“ Mr. Gatmaitan ”)	Filipino	1	Direct	0.002%
			150,000	Indirect*****	
Common	Gino Antonio C. Cruz (“ Mr. Gino Cruz ”)	Filipino	1	Direct*	0.000%
			0	Indirect	
Common	Aresty M. Lapitan (“ Mr. Lapitan ”)	Filipino	1	Direct*	0.000%
			0	Indirect	
Common	Atty. Gabriel A. Dee (“ Atty. Dee ”)	Filipino	0	Direct	0.000%
			0	Indirect	0.000%
Total			5,724,845,005	-	70.465%

*The single shares of Mr. Leviste, Mr. Gino Cruz, and Mr. Lapitan are held by them in trust for SPPPHI.

Mr. Leviste holds 5,424,349,998 shares through SPPPHI. The remaining 300,136,000 shares are held by him through Countryside Investments Holdings Corporation (“CIHC**”), which shares are currently lodged with the PDTC under PCD Nominee Corporation.

***Atty. Arellano’s entire shareholding is currently lodged with the PDTC under PCD Nominee Corporation.

****Ms. Lafuente’s entire shareholding is currently lodged with the PDTC under PCD Nominee Corporation, including the qualifying share she holds in trust for SPPPHI.

*****The indirect shares of Mr. Gatmaitan are currently lodged with the PDTC under PCD Nominee Corporation.

The aggregate number of common shares directly and indirectly owned by all officers and directors as a group as of 30 June 2022 is 5,724,845,005 or 70.465% of the Issuer’s outstanding capital stock.

Voting Trust Holders of 5% or More

To the knowledge of the Corporation, no such voting trust exists.

Changes in Control

On 25 June 2021, SPPPHI, the parent Corporation of the Issuer, executed a pledge over shares of the Issuer that it owns (the “**Pledged Shares**”) as security for a loan agreement entered by its affiliate, Provincia Investments Corporation (“**PIC**”), with AC Energy Corporation (“**AC Energy**”). Pursuant to this pledge, upon the occurrence of an event of default by PIC under the loan agreement with AC Energy and its subsequent failure to pay the outstanding principal amount of the loan and all interests accrued and unpaid, if any, AC Energy, as the lender, may sell the Pledged Shares. Sale by AC Energy of the Pledged Shares will result in a change in control in the Issuer. However, any sale of the Pledged Shares pursuant to the aforementioned pledge may not be implemented for as long as the Pledged Shares, which are now listed, are subject to the lock-up requirement of the PSE. The Ninth Article of the Issuer’s Amended Articles of Incorporation clearly state that the Issuer shall strictly comply with the lock-up requirements of the PSE.

Item 5. Directors and Executive Officers

As of the date of this Information Statement, the following are the seven (7) individuals comprising the Issuer’s Board of Directors:

Name	Position	Nationality	Age	Term of Office	Period Served
Leandro Antonio L. Leviste	Chairman	Filipino	29	< 6 years	2016 to present
J. Carlitos G. Cruz	Vice Chairman and Lead Independent Director	Filipino	62	< 2 years	2021 to present
Jesusa Loreto A. Arellano	Director	Filipino	42	< 1 year	4 July 2022 to present
Hazel Iris P. Lafuente	Director	Filipino	35	< 6 years	2016 to present
Aresty M. Lapitan	Director	Filipino	37	< 2 years	2021 to present
Benjamin I. Espiritu	Independent Director	Filipino	69	< 2 years	2021 to present
Carlos Jose P. Gatmaitan	Independent Director	Filipino	56	< 2 years	2021 to present

Leandro Antonio L. Leviste, 29, Filipino, Chairman, President, and CEO

Mr. Leviste founded the Solar Philippines Group in 2013. He has received numerous awards, including being ranked at the top of Forbes Magazine’s inaugural “30 Under 30” List for Asia in 2016. His first mall rooftop solar project was awarded the “2016 Sustainable Energy Finance Award” by The International Finance Corporation of the World Bank. His pioneering innovations won for the Corporation the Asian Power Awards for Independent Power Producer of the Year, Dual Fuel Power Plant of the Year, and Solar Power Project of the Year. He is the youngest ever member of two of the nation’s associations of business leaders: Management Association of the Philippines and Makati Business Club. He is currently serving as Chairman, President, and CEO of various entities within the Solar Philippines Group.

J. Carlitos G. Cruz, 62, Filipino, Vice Chairman and Lead Independent Director

Mr. Itos Cruz is the former Chairman and Managing Partner at SGV & Co. In his former capacity, he oversaw the Firm, ascertaining that its objectives, purpose, and policies are met and are in line with SGV & Co.’s growth strategy. Prior to this role, he was the Vice Chairman and Deputy Managing Partner, and Head of Assurance. He joined SGV & Co. in 1981 and was admitted to the partnership in

1995. He led the audit of multinational and Philippine companies across various industries including power generation, energy, and manufacturing. Mr. Cruz completed the Advanced Management Program of Harvard Business School in 2007 and the Advanced International Program in Oil and Gas Management at the University of Texas in 1994. He graduated from the University of Santo Tomas with a Bachelor of Science in Commerce degree major in Accounting in 1981 and passed the licensure examination for Certified Public Accountants in 1982. Mr. Cruz is currently serving as Independent Director, and Chairman of the Risk Oversight Committee and a Member of the Audit and Corporate Governance Committees of SM Prime Holdings, Inc., Independent Director and Chairman of the Audit Committee of Federal Land, Inc., Independent Director and Co-Chairman of Risk and Compliance Committee of Transnational Diversified Group, Inc., Independent Director and Chairman of Audit and Risk Management Committee of MarCoPay Inc., Independent Director, Chairman of Risk Management committee, and a Member, Audit Committee and Corporate Governance Committee of Vivant Corporation and a Member of the Audit and Risk Management Committee and Independent Director of Solar Philippines Project Holdings, Inc. He is currently a member of the Board of Trustees of the Makati Business Club. He is also a member of the Management Association of the Philippines and Philippine Institute of Certified Public Accountants.

Atty. Jesusa Loreto A. Arellano, 42, Filipino, Director, Treasurer, and Chief Financial Officer

Atty. Arellano is a Certified Public Accountant and a lawyer with extensive experience managing cross-functional finance, legal, HR, and operational teams in various industries. Before joining Solar Philippines as its Group Chief Financial Officer, she was with SM Investments Corporation as Vice President for Investments Portfolio and CFO and Treasurer of a portfolio corporation. Atty. Arellano graduated from the University of the Philippines College of Law with a Juris Doctor degree (cum laude, Class Salutatorian) and a Bachelor of Science degree in Business Administration and Accountancy (cum laude). She holds a Master of Laws degree from Harvard Law School. She is admitted to practice law in the Philippines and New York. She is also a member of the faculties of the College of Law of the University of the Philippines and the Pamantasan ng Lungsod ng Maynila.

Hazel Iris P. Lafuente, 35, Filipino, Director, Assistant Corporate Secretary, Assistant Treasurer, Chief Information Officer, and Chief Project Officer

Ms. Lafuente heads the land acquisition and permitting teams of Solar Philippines and its affiliates and manages the Corporation's overall project execution. With a background in both the private and public sectors, Ms. Lafuente brings 14 years of experience in project management, raw land acquisition, community and stakeholder management, and regulatory compliance and permitting. Prior to joining Solar Philippines, she worked at the Philippine Senate as a legislative staff. Ms. Lafuente graduated from the University of the Philippines with a degree in Social Sciences (Area Studies) cum laude and has taken units in Master of Public Management from the same university. She is also a Certified Project Manager and a lifetime member of the Pi Gamma Mu International Honor Society in Social Sciences.

Aresty M. Lapitan, 37, Filipino, Director and Head of Controllershship

Mr. Lapitan is a highly accomplished executive in accounting, financial management, and operations management. He is a Certified Public Accountant and a Certified Forensic Accountant with a proven track record of streamlining business operations for growth and profitability in the Philippines and China. He took on leading roles in finance and accounting at subsidiaries of New York-based Fownes Brothers Group of Companies. He holds a Bachelor's Degree in Accountancy and graduated cum laude from Polytechnic University of the Philippines and a Master of Business Administration from the Ateneo Graduate School of Business. He is a member of the Philippine Institute of Certified Public Accountants.

Benjamin I. Espiritu, 69, Filipino, Independent Director

Dr. Espiritu is a Certified Public Accountant, entrepreneur, corporate director, educator, military officer, and public servant. He is currently the President of Risks, Opportunities Assessment and Management, (ROAM) Inc., Chairman of Banco de Mindoro, Inc., Chairman and President of EC Ventures Corporation, and several other private firms. He is an Independent Director of two publicly-listed corporations – Central Azucarera de Tarlac, Inc. and Dizon Copper Silver Mines, Inc., and of an insurance corporation – Intrastrata Assurance Corporation. He is also President of the Mindoro Chamber of Commerce and Industry, Inc. and Chairman of the Board of Advisers of the Philippine Marine Corps.

He was Governor of Oriental Mindoro; a Brigadier General AFP (Res) and former Commander of the 7th Marine Brigade; Chairman of the Board of Regents of the Pamantasan ng Lungsod ng Maynila (University of the City of Manila), Chairman of the Board of Trustees of the Ospital ng Maynila (Hospital of Manila) Medical Center, and President of Don Bosco Technical College Mandaluyong.

He earned his Doctor of Philosophy major in Public Administration degree from the University of Santo Tomas, Master in National Security Administration from the National Defense College of the Philippines, Master of Business Administration from De La Salle University, Bachelor of Science in Commerce, Major in Accounting from De La Salle University, and completed the Naval Command and General Staff Course at the Naval Command and Staff College.

Carlos Jose P. Gatmaitan, 56, Filipino, Independent Director

Dr. Gatmaitan is the CEO of the Institute of Corporate Directors, where he has been a Fellow since 2015. He was President and CEO of PNOC Renewables Corporation, a government-owned and controlled corporation, during the administration of President Benigno Aquino, Jr. Dr. Gatmaitan was also Director for the National Renewable Energy Board. He previously served as Director for Colorplus Production Group, Inc., Printing Industries Association of the Philippines, Dasmariñas Village Association, Inc., and Pacific Plaza Corporation, Inc. He is currently the Chairman of Global Power Solutions Asia, Inc. and is also a member of the Audit Committee of Life Savings Bank. He is an alumnus of Pepperdine University in California, USA (Bachelor of Science in Business Administration and MBA). Dr. Gatmaitan also holds a Doctorate in Organizational Development from the University of Perpetual Help System Dalta. In addition, he teaches Strategy Management at the Ateneo Graduate School of Business.

As of the date of this Information Statement, the following are the corporate officers of the Corporation:

Name	Position	Age	Citizenship	Business Experience
Leandro Antonio L. Leviste	Chairman, President, and Chief Executive Officer	29	Filipino	Same as above
J. Carlitos G. Cruz	Vice Chairman	62	Filipino	Same as above
Atty. Gabriel A. Dee	Corporate Secretary	58	Filipino	Please see below
Atty. Jesusa Loreto A. Arellano	Treasurer and Chief Financial Officer	42	Filipino	Same as above
Hazel Iris P. Lafuente	Assistant Corporate Secretary, Assistant Treasurer, Chief Information Officer,	35	Filipino	Same as above

Name	Position	Age	Citizenship	Business Experience
	and Chief Project Officer			
Aresty M. Lapitan	Head of Controllershship	37	Filipino	Same as above
Gino Antonio C. Cruz	Head of Investor Relations	36	Filipino	Please see below

Atty. Gabriel A. Dee, 58, Filipino, Corporate Secretary

Atty. Dee is the Managing Partner at Picazo Buyco Tan Fider & Santos, a full-service law firm recognized internationally in the field of capital markets, banking and finance, and mergers and acquisitions (M&A) practices. He holds a Bachelor of Laws degree from the University of the Philippines (UP) College of Law and Master of Laws degree from the University of California Berkeley School of Law. He was admitted to the Philippine Bar in 1989.

Atty. Dee is also a director and/or is corporate secretary in various publicly listed companies including Macay Holdings, Inc., MJC Investments Corp., and Alliance Select Foods International, Inc. where he is the Vice Chairman.

A Senior Lecturer at the U.P. College of Law, Mr. Dee is a member of the Financial Executives Institute of the Philippines (FINEX) and is also a sought-after resource person for various seminars on IPOs, listings, and estate planning.

Gino Antonio C. Cruz, 36, Filipino, Head of Investor Relations

Mr. Gino Cruz is a highly experienced finance professional with a decade of experience in investments, mergers and acquisitions (M&As), valuation, and capital raising. He is currently the Senior Manager for Corporate Finance for Solar Philippines. He was formerly a Private Equity Analyst with KGL Investment Corporation Asia where he worked closely with senior executives in the evaluation and execution of big-ticket transactions. Prior to this, he was a Senior Associate at Sycip, Gorres, Velayo & Co. (a member practice of Ernst & Young) in Transactions Advisory and M&A consulting. He is a Certified Public Accountant and has passed the Level 1 Chartered Financial Analyst Exam. He holds a bachelor's degree in Accountancy from the De La Salle University.

The directors are elected by the stockholders entitled to vote. Each director holds office for a period of one (1) year and until the next annual election when his/her successor is duly elected and qualified, unless he/she resigns, dies, or is removed prior to said next annual election.

Aside from Mr. Gino Cruz who resigned as Director of the Corporation on 4 July 2022 due to an ongoing organizational restructuring within the Corporation, there was no other director elected during the Annual Stockholders' Meeting of the Issuer on 2 July 2021 who resigned from the Board of Directors prior to the 2022 Annual Stockholders' Meeting. Further, no incumbent director declined to stand for re-election due to a disagreement with the Issuer on any matter relating to the Issuer's operations, policies, or practices, and the required disclosures relevant to the existence thereof.

The nominees for election to the Board of Directors on 30 August 2022 are as follows:

1. Leandro Antonio L. Leviste,
2. Jesusa Loreto A. Arellano,
3. Hazel Iris P. Lafuente,
4. Aresty M. Lapitan,
5. J. Carlitos G. Cruz (Independent Director),
6. Benjamin I. Espiritu (Independent Director), and

7. Carlos Jose P. Gatmaitan (Independent Director).

The profiles of the foregoing are provided above.

The nominees meet the qualifications and none of the disqualifications to serve as directors of the Corporation.

Attached as **Annex “C”** is the certification issued by the Assistant Corporate Secretary that none of the current members of the Board of Directors and officers are appointed/employed in any government agency.

Likewise attached hereto as **Annex “D,” Annex “E,” and Annex “F”** are the certifications of Mr. Itos Cruz, Mr. Gatmaitan, and Mr. Espiritu, respectively, as to their compliance with Securities Regulation Code Rule 38 on the qualifications and disqualifications of independent directors.

Senior Advisors

The Corporation has also appointed senior advisors who have for years been guiding the leadership of the Solar Philippines Group with the benefit of their perspective and expertise. They will advise the Corporation’s leadership in the execution of its strategic initiatives. The following senior advisors are not officers of the Corporation:

Martin Charles Crotty

Mr. Crotty is an American with family ties in the Philippines who served as President of AES Asia where he managed power plants in Vietnam, India, Sri Lanka, and the Philippines, including the Masinloc Coal Plant, which was acquired by San Miguel with an enterprise value of \$2.4 billion in 2018. Previously, Mr. Crotty was CEO of Upwind Solutions, a wind asset management corporation backed by Silicon Valley investor Kleiner Perkins Caulfield & Byers. Since then, he has managed the operations of over 10 GW of solar and wind plants in North America at EDF Renewables.

Danny Kennedy

Mr. Kennedy is the CEO of New Energy Nexus, a platform for funds and incubators, with chapters in the United States, China, Indonesia, Vietnam, Thailand, the Philippines, Uganda, and India. He acts as Managing Director of the California Clean Energy Fund and serves as President of CalCharge. He co-founded Sungevity in 2007, the Corporation that created remote solar design, and Powerhouse, an incubator and fund in Oakland, California. He was the first backer of Mosaic in 2011, a solar loan provider backed by Warburg Pincus. In various capacities, Mr. Kennedy has been campaigning for clean energy since 1989.

Significant Employees

No single person is expected to make a significant contribution to the business since the Issuer considers the collective efforts of all of its employees as instrumental to the overall success of the Issuer’s performance.

Family Relationships

There are no known family relationships up to the fourth civil degree either by consanguinity or affinity among the current members of the Board of Directors and key officers of the Issuer.

Involvement in Legal Proceedings

To the best of the Issuer's knowledge, there has been no occurrence during the past five (5) years up to the date of this Information Statement of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, or executive officer:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;
- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his/her involvement in any type of business, securities, commodities, or banking activities; and
- Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

Please refer to Note 10 of the Audited Financial Statements as of 30 June 2022 and 2021 and for the years ended 30 June 2022, 2021, and 2020, attached hereto as **Annex "G,"** for details on related party transactions.

Item 6. Compensation of Directors and Executive Officers

There are no matters or actions to be taken up in the meeting with regard to: (i) any bonus, profit sharing, or other compensation plan, contract, or arrangement in which any director, nominee for election as a director, or executive officer of the Issuer will participate, (ii) any pension or retirement plan in which any such person will participate, or (iii) the granting or extension to any such person of any option/s, warrant/s, or right/s to purchase any securities, other than warrants or rights issued to security holders as such, on a pro rata basis. Neither is a solicitation to be made on behalf of persons, including the Issuer.

The Corporation did not employ any personnel from 31 December 2017 to 30 April 2021. During this period, the Corporation's operations, business development, administrative, and finance functions were handled by its parent Corporation, SPPPHI. On 30 April 2021, the Corporation entered into a Management Service Agreement with SPPPHI to provide executive and leadership support and execute its strategic direction while managing its business operations from 1 May 2021 to 30 April 2024, renewable or may be extended upon mutual agreement of the parties. The Management Service Agreement covers all necessary administrative and advisory services on management, investment, and technical matters involving the Corporation's operations, including but not limited to human resources, legal, finance, and information technology. The executive compensation of the Corporation's officers is part of the Management Service Agreement to be charged by SPPPHI as service fee for its executive and leadership support.

Atty. Gabriel A. Dee, the Managing Partner of Picazo Buyco Tan Fider & Santos Law Offices ("**Picazo Law**"), is currently engaged as Corporate Secretary of the Corporation for which Picazo Law is entitled to a monthly fee of ₱15,000.00.

Regular directors do not receive per diem and monthly compensation. Below are the fees received or projected to be received by the Corporation's independent directors:

Table 33: Summary of Independent Directors' Fees					
Name	Position	Year	Fees	Bonus	Other Compensation
Aggregate directors' fee for the following Independent Directors					
J. Carlitos G. Cruz	Vice Chairman; Lead Independent Director; Audit and Risk Committee Chairman	Actual FY 30 June 2021	N/A	N/A	N/A
Benjamin I. Espiritu	Independent Director; Corporate Governance Committee Chairman; Related Party Transactions Committee Chairman	Actual FY 30 June 2022	₱1.8 million	N/A	N/A
		Projected FY 30 June 2023	₱1.8 million	N/A	N/A
Carlos Jose P. Gatmaitan	Independent Director				

Employment Contracts and Other Arrangements

As of the date of this Information Statement, the Issuer has no existing arrangements with members of the Board of Directors, executive officers, and employees other than the Management Service Agreement. There are no special employment contracts between the Issuer and its executive officers. Further, there are no special retirement plans for executives. There is also no arrangement for special compensation to be received from the Issuer.

Warrants and Options Outstanding

As of the date of this Information Statement, there are no outstanding warrants or options held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

Item 7. Independent Public Accountants

SGV & Co. is a public accounting firm accredited by the SEC as a Group A auditing firm for public companies. Aside from the SEC, it is also accredited as an auditing firm by the Board of Accountancy, Bangko Sentral ng Pilipinas, Insurance Commission, and the Bureau of Internal Revenue. Globally, SGV & Co. is a member firm of Ernst & Young Global Limited.

SGV & Co. has acted as the Issuer's external auditor since its incorporation. The Audited Financial Statements of the Issuer as of 31 December 2018, 2019, and 2020 and 30 June 2021 and for the years ended 31 December 2018, 2019, and 2020, for the six-month periods ended 30 June 2020 and 2021, and as of and for the fiscal year ended 30 June 2022 (see Annex "G") have been audited by SGV & Co. The Issuer has not had any material disagreements on accounting matters or financial disclosure matters with SGV & Co. There are no plans to change independent auditors for the succeeding years.

Pursuant to SRC Rule 68(3)(b)(iv), the appointment of a signing partner of an auditing firm shall not exceed seven (7) consecutive years. Ms. Jhoanna Feliza C. Go commenced as engagement partner of the Issuer in 2017. Hence, the engagement of SGV & Co. as the Issuer's external auditor complies with the requirement on rotation of external auditors under SRC Rule 68(3)(b)(iv).

Representatives of SGV & Co. are expected to be present at the Annual Stockholders' Meeting on 30 August 2022 at 9:00 AM to respond to appropriate questions and will be given the opportunity to make a statement if they desire to do so.

Issuer's Audit Committee

The Issuer's Audit and Risk Management Committee shall be responsible for: (i) recommending the appointment of external auditors whose report they review, (ii) monitoring the system of internal controls and corporate compliance with laws, regulations, and code of ethics, and (iii) and serve as a direct channel of communication to the Board of Directors for the internal auditors. The Audit and Risk Management Committee also performs oversight functions over the Issuer's external auditors. It should ensure that the external auditors act independently of each other, and that it is given unrestricted access to all records, properties, and personnel to enable it to perform their respective audit functions. Further, prior to the commencement of the audit, the Audit and Risk Management Committee shall discuss with the external auditor the nature, scope, and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. Finally, it reviews the reports submitted by the internal and external auditors.

The current members of the Issuer's Audit and Risk Management Committee are as follows:

Chairman	- J. Carlitos G. Cruz
Member	- Leandro Antonio L. Leviste
Member	- Hazel Iris P. Lafuente
Member	- Benjamin I. Espiritu
Member	- Carlos Jose P. Gatmaitan

The Audit and Risk Management Committee plans to conduct an assessment within one (1) year from listing taking into consideration the relevant regulations and its charter.

Item 8. Compensation Plans

No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other Than for Exchange

As of the date of this Information Statement, there is no authorization or issuance of securities or shares other than for the currently listed shares of the Issuer with the PSE. The increase in authorized capital stock will be likely subscribed to and paid via one or more of the traditional options: cash, property or shares of other entities, private placement, or stock rights offer or even a follow-on offer. If after the date of this Information Statement any decisions are taken by the Board or the Management as ratified by the Board, the Issuer shall make all necessary disclosures to the PSE and the SEC.

Item 10. Modification or Exchange of Securities

As of the date of this Information Statement, no modification or exchange of securities or shares other than for the currently listed shares of the Issuer with the PSE has occurred. The increase in authorized capital stock will be likely subscribed to and paid via one or more of the traditional options: cash, property or shares of other entities, private placement, or stock rights offer or even a follow-on offer. If after the date of this Information Statement any decisions are taken by the Board or the Management as ratified by the Board, the Issuer shall make all necessary disclosures to the PSE and the SEC.

Item 11. Financial and Other Information

Attached as **Annex "G"** is the Audited Financial Statements of the Issuer as of and for the year ended 30 June 2022 and 2021, which include notes on the financial statements.

MANAGEMENT REPORT

MANAGEMENT DISCUSSION AND ANALYSIS of FINANCIAL CONDITION & RESULTS of OPERATIONS

Material Changes to the Statement of Financial Position as of June 30, 2022, compared to the Statement of Financial Position as of June 30, 2021

Amounts in ₱0.00	June 30, 2022	June 30, 2021	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		June 2022	June 2021
			Amount	Percentage		
Assets						
Cash	886,758,302	351,251	886,407,051	252357.16%	26.05%	0.04%
Due from a related party	541,700,000	-	541,700,000	100.00%	15.91%	0.00%
Other current assets	20,789,388	776,092	20,013,296	2578.73%	0.61%	0.09%
TOTAL CURRENT ASSETS	1,449,247,690	1,127,343	1,448,120,347	128454.28%	42.58%	0.13%
Construction in progress	921,385,618	-	921,385,618	100.00%	27.07%	0.00%
Deposit for land acquisition	621,499,933	537,000,000	84,499,933	15.74%	18.26%	64.14%
Right-of-use assets	286,910,494	297,751,234	(10,840,740)	-3.64%	8.43%	35.56%
Deferred income tax asset - net	10,466,264	-	10,466,264	100.00%	0.31%	0.00%
Other noncurrent assets	114,218,371	1,370,284	112,848,087	8235.38%	3.36%	0.16%
TOTAL NONCURRENT ASSETS	1,954,480,680	836,121,518	1,118,359,162	133.76%	57.42%	99.87%
TOTAL ASSETS	3,403,728,370	837,248,861	2,566,479,509	306.54%	100.00%	100.00%
Liabilities and Equity						
Accounts payable and accrued expenses	13,000,260	6,728,056	6,272,204	93.22%	0.38%	0.80%
Due to a related party	22,792,348	22,792,348	-	0.00%	0.67%	2.72%
Current portion of lease liabilities	4,538,676	14,004,465	(9,465,789)	-67.59%	0.13%	1.67%
TOTAL CURRENT LIABILITIES	40,331,284	43,524,869	(3,193,585)	-7.34%	1.18%	5.20%
Lease liabilities - Net of current portion	289,340,172	275,521,361	13,818,811	5.02%	8.50%	32.91%
Deferred tax liability	-	904,291	(904,291)	-100.00%	0.00%	0.11%
TOTAL NONCURRENT LIABILITIES	289,340,172	276,425,652	12,914,520	4.67%	8.50%	33.02%
TOTAL LIABILITIES	329,671,456	319,950,521	9,720,935	3.04%	9.69%	38.21%
Common stock	812,435,001	542,435,000	270,000,001	49.78%	23.87%	64.79%
Additional paid-in capital	2,347,338,021	-	2,347,338,021	100.00%	68.96%	0.00%
Deficit	(85,716,108)	(25,136,660)	-60,579,448	241.00%	-2.52%	-3.00%
TOTAL EQUITY	3,074,056,914	517,298,340	2,556,758,574	494.25%	90.31%	61.79%
TOTAL LIABILITIES AND EQUITY	3,403,728,370	837,248,861	2,566,479,509	306.54%	100.00%	100.00%

Cash

In July, August and November 2021, the Corporation received cash totaling to ₱18.0 million, as infusion of additional capital from the Parent Corporation. This is pursuant to the Memorandum of Agreement dated July 29, 2021 and November 12, 2021, where the Parent Corporation agreed to provide cash to the Corporation, and the Corporation agreed to record such capital infusion as the Parent Corporation's additional paid-in capital.

In December 2021, the Corporation completed its IPO and received proceeds totaling to ₱2,700 million. The Corporation paid various IPO-related expenses totaling ₱112.8 million.

In 2022, the Corporation made various deposits for land acquisition amounting to ₱84.5 million and incurred an amount of ₱906.8 million for the construction of the project. This resulted to a net increase of cash account by 252357.16 % from ₱0.35 million as of June 30, 2021 to ₱886.8 million as of June 30, 2022.

Due from A Related Party

On April 6, 2022, the Board of Directors (BOD) of the Corporation, pursuant to the BOD approval on December 20, 2021, approved the allocation of IPO proceeds to advance the funding for pursuing off take agreements and developing projects for Terra Renewables Holdings, Inc. (Terra) and its associated developments to SP Holdings, Inc. (SPHI), given that SPHI is a shareholder in Terra and that SPHI is planned to be a subsidiary of SPNEC through the share swap approved by SPNEC's stockholders on March 7 2022, provided this would only be from the excess of the amount needed by Phase 1A of the Nueva Ecija solar project and would form part of the expansion of the Corporation's projects.

As of June 30, 2022, the Corporation advanced ₱541.7 million to SPHI and presented as Due from A Related Party in the Corporation's audited financial statements.

Right-of-Use (ROU) Assets

On January 11, 2021 a Deed of Assignment was entered into between SPPPHI, as the assignor, and SPNEC, as the assignee, whereby the assignor assigned all of its rights and obligations under the original Lease Agreement dated September 6, 2016. The total annual lease payment is ₱9.4 million, net of tax.

On May 31, 2021, the Corporation entered into a land lease agreement with various landowners with a total area of 81.75 hectares. The land was made available for use on May 1, 2021, with a one (1) year rent-free period or until April 30, 2022. The lease will expire on April 30, 2047. Further, the lease is subject to renewal of five (5) years or for a reasonable period upon mutual agreement by parties. The total annual lease payment is ₱4.5 million, net of tax.

The Corporation recognized ROU assets in this regard, which decreased by 3.64% from ₱297.8 million as of June 30, 2021 to ₱286.9 million as of June 30, 2022 due to amortization during the period amounting to ₱10.8 million.

Deposit for Land Acquisition

On February 20, 2021, the Corporation entered into a MOA with an affiliate, PIC, which MOA was later amended on March 3, 2021, to secure land for future expansion in excess of the capacity contemplate for the Project. The MOA covers certain parcels of land with a total area of 68.621 hectares. Through the MOA, the Corporation was granted by PIC the right to use the subject properties exclusively for the development and construction of a power generating plant. It is the intention of the parties to executive definitive agreements, e.g., DOAS, to transfer the parcels of land to the Corporation.

Hence, at the Corporation's discretion, PIC undertakes to sell and transfer its rights over the parcels of land to the Corporation. Upon execution of the DOAS, the consideration for the sale and transfer of rights over the parcels of land shall be equal to the advance payments made by the Corporation in February and March 2021 totaling to ₱267.0 million, which represents the full payment.

On April 19, 2021, the Corporation entered into a MOA with an affiliate, LHHC, to secure land for future expansion in excess of the capacity contemplated for the Project. The MOA covers certain parcels of land with a total area of 56.81 hectares. Through the MOA, the Corporation was granted by LHHC the right to use the subject properties exclusively for the development and construction of a power generating plant. It is the intention of the parties to execute definitive agreements, e.g., DOAS to transfer the parcels of land to the Corporation. Hence, at the Corporation's discretion, LHHC undertakes to sell and transfer its rights over the parcels of land to the Corporation. Upon execution of the DOAS, the consideration for the sale and transfer of rights over the parcels of land shall be equal to the advance payments made by the Corporation in April and May 2021 totaling to ₱270.0 million, which represents the full payment.

Furthermore, in 2022, the Corporation made deposits for land acquisition to various landowners amounting to ₱84.5 million. This caused the deposits for land acquisition to increase by 15.74% from ₱537.0 million as of June 30, 2021 to ₱621.5 million as of June 30, 2022.

Other Current Assets

Other Current Assets increased by 2578.73% from ₱0.8 million as of June 30, 2021 to ₱20.8 million as of June 30, 2022. This is primarily due to the performance bond, which is valid until May 2023, provided to Angeles Electric Corporation as required under the Renewable Power Supply Agreement and surety bond for the Green Energy Auction Program (GEAP) of the Department of Energy (DOE), where the Corporation was awarded as one of the winning bidders in the DOE's Green Energy Auction.

Construction in progress

Construction in progress increased by 100% from nil as of June 30, 2021 to ₱921.4 million as of June 30, 2022. As the construction for the Project has begun last December 27, 2021, the Corporation incurred costs for materials needed for the Project such as solar photovoltaic modules, mounting structures, and other construction materials and equipment totaling to ₱906.7 million. The Corporation also capitalized the interest accretion of lease liability and amortization of ROU asset during the construction period totaling to ₱14.6 million.

Deferred Tax Asset/Deferred Tax Liability

The Corporation's net deferred tax asset as at June 30, 2022 and net deferred tax liability as at June 30, 2021 came from recognition on ROU assets and lease liabilities.

Other Noncurrent Assets

Increase in this account by 8236.25% from ₱1.37 million as of fiscal year ended June 30, 2021 to ₱114.2 million as of June 30, 2022, is mainly attributed to the payment of taxes on importation amounted to ₱90.6 million and advances to contractors of ₱8.3 million for rental of equipment and project-related studies. The Corporation also recognized deferred input VAT related to the management fee and input VAT on professional fees totaling to ₱7.0 million.

Accounts Payable and Accrued Expenses

Accounts Payable and Accrued Expenses increased by 93.22% from ₱6.7 million as of June 30, 2021 to ₱13.0 million as of June 30, 2022. This was primarily due to additional payable related to management fee of ₱5.82 million which was subsequently paid by the Corporation in July 2022.

Due to A Related Party

The Corporation, in the normal course of business, has transactions with its Parent Corporation, SPPPHI, which are recorded as advances. These advances are unsecured, non-interest bearing, due and demandable. No movement in the account from June 30, 2021 to June 30, 2022.

Lease Liabilities

In 2019, the Corporation entered into a land lease agreement with various landowners to develop solar farm projects in Peñaranda, Nueva Ecija for a total area of 95.8 hectares. The land was made available for use on January 1, 2019 with a one (1) year rent-free period plus 25-year term. Further, the lease is subject for renewal of five (5) years upon mutual agreement by parties. The total annual lease payment is ₱4.3 million, net of tax. As of June 30, 2022, the total lease liability recognized for this lease contract is ₱51.6 million.

On January 11, 2021 a Deed of Assignment was entered into between SPPPHI, as the assignor, and SPNEC, as the assignee, whereby the assignor assigned all of its rights and obligations under the original Lease Agreement dated September 6, 2016, among others, to the assignee, and the assignee accepted and assumed all of the said rights and obligations thus assigned, in pursuance of the said Deed of Assignment. In March 2021, the Corporation and the lessor executed an Addendum amending Section 4.1 (Annual Rental) and Section 4.2 (Advance Rental) to the September 6, 2016 lease agreement and agreed that the lease commencement date shall be on March 31, 2021, for the parcels of land with a total area of 169.86 hectares. The total annual lease payment is ₱9.4 million, net of tax. As of June 30, 2022, the total lease liability recognized for this lease contract is ₱161.8 million.

On May 31, 2021, the Corporation entered into a land lease agreement with various landowners with a total area of 81.75 hectares. The land was made available for use on May 1, 2021, with a one (1) year rent-free period or until April 30, 2022. The lease will expire on April 30, 2047. Further, the lease is subject to renewal of five (5) years or for a reasonable period upon mutual agreement by parties. The total annual lease payment is ₱4.5 million, net of tax. As of June 30, 2022, the total lease liability recognized for this lease contract is ₱80.5 million.

The increase in total lease liabilities of 3.17% from ₱289.53 million as of June 30, 2021 to ₱293.9 million as of June 30, 2022 is due to the accretion of interest during the period amounting to ₱18.4 million, which was partially offset by the payment of annual rental amounted to ₱14.0 million. A portion of ₱14.0 million covers advance payment for the year 2023 resulting to a decrease in current portion of lease liabilities.

Common Stock and Additional Paid-in Capital

In July 2021, the Corporation issued five (5) shares to the new directors.

On July 29, 2021 and November 12, 2021, the Corporation entered into a Memorandum of Agreement with its Parent Corporation, where the Parent Corporation obligated itself to pay SPNEC ₱16.0 million and ₱2.0 million, and SPNEC agreed to record such capital infusion as the Parent Corporation's additional paid-in capital.

Moreover, on December 17, 2021, the Corporation undertook a public offering of its 2.70 billion common shares with a total par value of ₱270.0 million for a total consideration of ₱2,700 million

pesos. As a result of the IPO, additional paid-in capital amounting to ₱2,329.34 million, net of share issuance costs of ₱100.66 million, has been recognized in the June 30, 2022 audited financial statements.

As of June 30, 2022, 8,124.4 million common shares are issued and outstanding with an amount of ₱812.4 million presented as Common Stock.

Deficit

Deficit increased by 241.0% from ₱25.1 million as of fiscal year ended June 30, 2021, to ₱85.7 million as of June 30, 2022. This is primarily due to the net losses incurred during the period amounted to ₱60.6 million.

Material Changes to the Statement of Comprehensive Income for the Fiscal Year Ended June 30, 2022 Compared to the Statement of Comprehensive Income for the Fiscal Year Ended June 30, 2021

Horizontal and Vertical Analysis of Comprehensive Income June 30, 2022 vs June 30, 2021						
Amounts in ₱0.00	June 30, 2022	June 30, 2021	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		June 2022	June 2021
			<i>Amount</i>	<i>Percentage</i>		
Interest income	548,180	6,090	542,090	8901.31%	0.90%	0.03%
Expenses						
Management fee	24,000,000	4,000,000	20,000,000	500.00%	39.62%	16.97%
Filing fees	12,465,411	-	12,465,411	100.00%	20.58%	0.00%
Taxes and licenses	10,589,980	1,453,987	9,135,993	628.34%	17.48%	6.17%
Interest expense	9,142,009	7,648,652	1,493,357	19.52%	15.09%	32.45%
Professional fee	6,540,000	2,652,032	3,887,968	146.60%	10.80%	11.25%
Amortization	5,420,370	4,038,265	1,382,105	34.23%	8.95%	17.13%
Bid-related cost	1,634,000	1,909,091	(275,091)	-14.41%	2.70%	8.10%
Others	2,706,413	972,966	1,733,447	178.16%	4.47%	4.13%
Total Expenses	72,498,183	22,674,993	49,823,190	219.73%	119.67%	96.19%
LOSS BEFORE TAX	71,950,003	22,668,903	49,281,100	217.40%	118.77%	96.16%
Provision for (Benefit from) deferred tax	(11,370,555)	904,291	(12,274,846)	-1357.40%	-18.77%	3.84%
NET LOSS AFTER TAX	60,579,448	23,573,194	37,006,254	156.98%	100.00%	100.00%
TOTAL COMPREHENSIVE LOSS	60,579,448	23,573,194	37,006,254	156.98%	100.00%	100.00%

Management Fee

On April 30, 2021, the Corporation entered into a Management Service Agreement with SPPPHI, its Parent Corporation, to provide executive and leadership support and execute its strategic direction while managing its business operations for a period from May 1, 2021 to April 30, 2024, in which the parties upon mutual agreement may renew or extend. The monthly fee for the said agreement is ₱2.00 million, exclusive of value-added tax. For the fiscal year ended June 30, 2022 and 2021, the management fees recorded amounted to ₱24.0 million and ₱4.0 million, respectively.

Filing Fees

This account pertains to the payment of IPO and SRO filing fees, and listing maintenance fee to the PSE during the fiscal year ended June 30, 2022.

Taxes and Licenses

With the additional leases entered in January 2021 and May 2021, the Corporation paid real property taxes and lease annotation fees amounting to ₱1.1 million and ₱1.2 million, respectively, for the fiscal year ended June 30, 2022. The Corporation also incurred construction-related permits totaling to ₱6.2 million.

Interest and Amortization Expense

The new two (2) lease agreements of the Corporation in 2021 resulted to increased lease-related expenses including interest and amortization expenses. Interest expense amounted to ₱9.1 million and ₱7.6 million for the fiscal year ended June 30, 2022, and 2021, respectively. In addition to this, the Corporation also recognized amortization expense of ROU assets amounted to ₱5.4 million and ₱4.0 million for the fiscal year ended June 30, 2022, and 2021, respectively.

As the construction for the Project has begun last December 27, 2021, the Corporation also capitalized the interest accretion of lease liability and amortization of ROU asset from January 1, 2022 to June 30, 2022 totaling to ₱14.6 million.

Professional Fees

Professional fees increased by 146.60% from ₱2.7 million for the fiscal year ended June 30, 2021, as compared to ₱6.5 million for the fiscal year ended June 30, 2022, due to the payment of directors' and consultancy fees totaling to ₱3.7 million.

Others

As the construction for the Project has begun last December 27, 2021, general and administrative expenses such as transportation and supplies also increased for the fiscal year ended June 30, 2022. The Corporation also paid trust fees to various banks during the period amounted to ₱0.6 million.

Benefit from Deferred Tax

The Corporation's benefit from deferred tax came from recognition on right-of-use assets and lease liabilities as at June 30, 2022 and June 30, 2021.

Net Loss

As the Corporation entered into new lease agreements and management contract in 2021, it recognized higher net loss for the fiscal year ended June 30, 2022 amounting to ₱60.6 million, an increase of 156.98% from the net loss of ₱23.6 million recognized in the fiscal year ended June 30, 2021.

Material Changes to the Statement of Comprehensive Income for the Fiscal Year Ended June 30, 2021 Compared to the Statement of Comprehensive Income for the Fiscal Year Ended June 30, 2020

Horizontal and Vertical Analysis of Comprehensive Income June 30, 2021 vs June 30, 2020						
Amounts in ₱0.00	June 30, 2021	June 30, 2020	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		June 2021	June 2020
			<i>Amount</i>	<i>Percentage</i>		
Interest income	6,090	698	5,392	772.49%	0.01%	0.00%
Expenses						
Interest expense	7,648,652	2,023,771	5,624,881	277.94%	12.63%	8.59%
Amortization	4,038,265	2,717,551	1,320,714	48.60%	6.67%	11.53%
Management fee	4,000,000	-	4,000,000	100.00%	6.60%	0.00%

Horizontal and Vertical Analysis of Comprehensive Income June 30, 2021 vs June 30, 2020						
Amounts in ₱0.00	June 30, 2021	June 30, 2020	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		June 2021	June 2020
			Amount	Percentage		
Professional fee	2,652,032	2,611,471	40,561	1.55%	4.38%	11.08%
Bid-related cost	1,909,091	-	1,909,091	100.00%	3.15%	0.00%
Taxes and licenses	1,453,987	87,530	1,366,457	1561.13%	2.40%	0.37%
Others	972,966	1,096,265	(123,299)	-11.25%	1.61%	4.65%
Total Expenses	22,674,993	8,536,588	14,138,405	165.62%	37.43%	36.21%
LOSS BEFORE TAX	22,668,903	8,535,890	14,133,013	165.57%	37.42%	36.21%
Provision for (Benefit from) deferred tax	904,291	-	904,291	100.00%	1.49%	0.00%
NET LOSS AFTER TAX	23,573,194	8,535,890	15,037,304	176.17%	38.91%	36.21%
TOTAL COMPREHENSIVE LOSS	23,573,194	8,535,890	15,037,304	176.17%	38.91%	36.21%

Interest and Amortization Expense

In January and May 2021, the Corporation entered into two (2) land lease agreements with various landowners, which increase lease-related expenses including interest and amortization expenses. Interest expense amounted to ₱7.6 million and ₱2.0 million for the fiscal year ended June 30, 2021, and 2020, respectively. In addition to this, the Corporation also recognized amortization expense of ROU assets amounted to ₱4.0 million and ₱2.7 million for the fiscal year ended June 30, 2021, and 2020, respectively.

Management Fee

On April 30, 2021, the Corporation entered into a Management Service Agreement with SPPPHI, its Parent Corporation, to provide executive and leadership support and execute its strategic direction while managing its business operations for an extendible period from May 1, 2021 to April 30, 2024. The monthly fee for the said agreement is ₱2.00 million, exclusive of value-added tax. For the fiscal year ended June 30, 2021 and 2020, the management fees recorded amounted to ₱4.0 million and nil, respectively.

Taxes and Licenses

With the additional leases entered in January 2021 and May 2021, the Corporation recognized documentary stamp taxes amounting to ₱1.2 million.

Others

Other expenses decreased by 11.25% from ₱1.1 million for the fiscal year ended June 30, 2020, as compared to ₱0.9 million for the fiscal year ended June 30, 2021, due to the pandemic which resulted to a decrease in amount of general and administrative expenses such as transportation and per diem.

Provision for Deferred Income Tax

The Corporation's provision for deferred income tax came from recognition on right-of-use assets and lease liabilities as at June 30, 2021.

Net Loss

As the Corporation entered into new lease agreements and management contract in 2021, the Corporation recognized higher net loss for the fiscal year ended June 30, 2021 amounting to ₱23.6 million, an increase of 176.17% from the net loss of ₱8.5 million recognized in the fiscal year ended June 30, 2020.

Aging of Receivables

Not applicable.

Key Performance Indicators

As the Corporation has not yet started commercial operations, its key performance indicators are limited to the following:

Financial Ratios	June 2022	June 2021
Current Ratio	3593.36%	2.59%
Debt to Equity Ratio	10.72%	61.85%

Notes:

1) Current ratio is obtained by dividing the Current Assets of the Corporation by its Current liabilities. This ratio is used as a test of the Corporation's liquidity.

2) The debt-to-equity ratio is used to evaluate Corporation's financial leverage and is calculated by dividing the Corporation's total liabilities by its shareholder's equity. It is a measure of the degree to which a corporation is financing its operations through debt versus wholly owned funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Balance Sheet Trends

See Management Report above.

Changes and Disagreements with Accounts on Accounting and Financial Disclosure

None.

Discussion and Analysis of Material Events and/or Uncertainties Known to Management

To be provided.

Key Performance Indicators

As the Corporation is still in its pre-operating stages, no material financial or operational Key Performance Indicators were tracked.

Audit and Non-Audit Related Fees

The following table sets out the aggregate fees billed for each of the last three (3) calendar years, for the 30 June 2021 and 2022 fiscal year, for professional services rendered by SGV & Co.:

Table 1: Audit and Non-Audit Related Fees					
<i>Amounts in Pthousands</i>	December 31, 2018	December 31, 2019	December 31, 2020	June 30, 2021	June 30, 2022
Audit and Audit-Related Fees ⁽¹⁾	35	35	25	1,500	-
Non-Audit Services ⁽²⁾	-	-	-	-	-
Total	35	35	25	1,500	-

Notes:

- (1) *Audit and Audit-Related Fees.* This category includes the audit of annual and interim financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years. The fees presented above include out-of-pocket expenses incidental to the independent auditors' work, the amounts of which do not exceed 15% of the agreed-upon engagement fees.
- (2) *Non-Audit Services.* There were no non-audit services rendered by SGV for the last three (3) calendar years, for the June 30, 2021 and 2022 fiscal year

Tax Fees

There were no fees paid for professional services rendered by the external auditor for tax accounting compliance, advice, planning, and any other form of tax services.

All Other Fees

There were no fees paid for products and services provided by the external auditor other than the fees paid as indicated in "Audit and Non-Audit Related Fees" above.

Audit Committee's Approval Policies and Procedures for the Above Services

The Audit and Risk Management Committee's approval of the fees to be paid to the external auditor for the fiscal year ended 30 June 2022 has been secured.

MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Securities

As of date of this Information Statement, the Issuer has an authorized capital stock of ₱1,000,000,000.00 divided into 10,000,000,000 common shares with a par value ₱0.10 per share.

The total issued and subscribed capital stock of the Corporation is ₱812,435,000.50, divided into 8,124,350,005 common shares with a par value of ₱0.10 per share. Of the 8,124,350,005 common shares, 2,700,000,000 shares were sold during the Initial Public Offering for ₱1.00, resulting in an Additional Paid-in Capital amounting to ₱2,432,000,000.00.

Except for those exempt from the registration requirement, no sales of unregistered securities were made in the past three (3) years.

No debt securities are registered or contemplated to be registered.

No securities subject to redemption or call exists or are planned to be issued.

On 10 January 2022, the Board of Directors approved the increase of the Issuer's authorized capital stock from ₱1,000,000,000.00 divided into 10,000,000,000 common shares with a par value ₱0.10 per share to ₱5,000,000,000.00 divided into 50,000,000,000 common shares with a par value ₱0.10 per share, subject to the further approval of the Issuer's stockholders and the SEC.

In a meeting held on 14 February 2022, the Board of Directors authorized the planned Stock Rights Offering (“SRO”) and delegated to the Issuer’s President and Chief Executive Officer the determination of the terms and conditions of the SRO.

On 28 March 2022, pursuant to the approval of its Board of Directors, the Corporation disclosed that it is confirming the plan to source the shares for the SRO from its unissued capital stock of 1,875,649,995 shares. The Corporation likewise disclosed that the entitlement ratio shall be one (1) Rights Share for every 1.28 common shares held. On 8 April 2022, the Corporation filed with the SEC an application seeking confirmation that the SRO is a transaction exempt from the registration requirements of the Securities Regulation Code (“SRC”).

On 19 July 2022, the SEC confirmed that the Corporation’s planned SRO is exempt from the registration requirements of the SRC.

On 24 February 2022, the Board of Directors approved the acquisition of 100% of the outstanding shares held by SPPPHI in various entities (“Solar Philippines Assets”) through an asset-for-share swap, with SPPPHI subscribing for 24,373,050,000 shares of SPNEC at ₱2.50 per share (“Share Swap”). This Share Swap would be enabled by the increase in authorized capital stock from 10 billion Common Shares to 50 billion Common Shares, which was approved by the Corporation’s Board of Directors on 10 January 2022, and by the Corporation’s stockholders on 7 March 2022, subject to regulatory approvals. The Corporation is currently preparing to file for the increase in authorized capital stock.

The Share Swap is intended to expand the Corporation’s portfolio, from one solar project in Nueva Ecija to a portfolio that includes over 175 MW of operational projects as well as developments in various provinces of the Philippines, in support of its goal of developing 10 GW of solar projects by 2025.

Market Information

The Issuer’s shares are traded on the PSE.

Since its market debut on 17 December 2021, the high and low stock prices of the Issuer’s common shares were as follows:

Period	High	Low
17 December 2021 to 25 July 2022	2.34	0.76

The closing price of the Issuer’s common shares as of 25 July 2022 is ₱1.62 per share.

Holders

Based on the report of the Stock Transfer Agent for the period ended 30 June 2022, the Issuer has a total of eighteen (18) stockholders of record. Said stockholders are as follows:

Stockholder’s Name	No. of Shares	Percentage of Ownership
Solar Philippines Power Project Holdings, Inc.	5,424,349,998	66.767%
PCD Nominee Corporation (Filipino)	2,661,214,631	32.756%
PCD Nominee Corporation (Non-Filipino)	38,246,370	0.471%
Jose Ivan T. Justiniano or Ma. Jema V. Justiniano	200,000	0.002%
Myra P. Villanueva	100,000	0.001%
Johanna Theresa A. Cid	100,000	0.001%
Myrna P. Villanueva	50,000	0.001%
Milagros P. Villanueva	50,000	0.001%

Stockholder's Name	No. of Shares	Percentage of Ownership
Marietta V. Cabreza	25,000	0.000%
Josemaria Gabriel D. Fadri	5,000	0.000%
Ofelia R. Blanco	5,000	0.000%
Jennifer T. Ramos	4,000	0.000%
Leandro Antonio L. Leviste	1	0.000%
J. Carlitos G. Cruz	1	0.000%
Benjamin I. Espiritu	1	0.000%
Carlos Jose P. Gatmaitan	1	0.000%
Gino Antonio C. Cruz	1	0.000%
Aresty M. Lapitan	1	0.000%
Total	8,124,350,005	100%

The public float of the Issuer as of 30 June 2022 is 29.53%.

Note that the agenda for the Annual Stockholders' Meeting does not relate to an acquisition, business combination, or other reorganization. Also, no securities will be issued in connection with an acquisition, business combination, or other reorganization.

Background of Shareholders Owning At Least 10% of the Total Outstanding Stock

1. Solar Philippines Power Project Holdings, Inc.

SPPPHI is a domestic holding corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 112 Legaspi Street, Legaspi Village, Barangay San Lorenzo, Makati City. Among others, it was primarily created to invest in, hold, purchase, acquire, lease, contract, or otherwise, within the limits allowed by law, any and all real and personal properties of every kind and description whatsoever which it may deem necessary or appropriate. However, SPPPHI shall not act as dealer and broker of securities.

SPPPHI is the parent Corporation of the Issuer.

2. PCD Nominee Corporation

PCD Nominee Corporation is a wholly owned subsidiary of the PDTC, a corporation established to improve operations in securities transactions and to provide a fast, safe, and highly efficient system for securities settlement in the Philippines. PCD Nominee Corporation acts as trustee-nominee for all shares lodged in the PDTC system, where trades effected on the PSE are finally settled with the PDTC.

PDTC is a private institution established in March 1995 to improve operations in securities transactions. Regulated by the SEC, PDTC is owned by major capital market players in the Philippines, namely the PSE, Bankers Association of the Philippines, Financial Executives Institute of the Philippines, Development Bank of the Philippines, Investment House Association of the Philippines, Social Security System, and Citibank N.A.

All PSE-member brokers are participants of the PDTC. Other participants include custodian banks, institutional investors, and other corporations or institutions that are active players in the Philippine equities market.

Dividends

The Issuer is authorized to distribute dividends out of its surplus profit, in cash, properties of the Issuer, shares of stock, and/or securities of other companies belonging to the Issuer. Dividends paid in the form of cash or property is subject to approval of the Board of Directors. Dividends paid in the form of additional shares are subject to the approval of the Board of Directors and stockholders that own at least two-thirds (2/3) of the outstanding capital stock of the Issuer. In case the stock dividends will be coming from an increase in authorized capital stock, such declaration shall be subject to SEC approval. Holders of outstanding common shares as of a dividend record date will be entitled to full dividends declared without regard to any subsequent transfer of such shares.

On 6 September 2021, the Board of Directors approved its dividend policy that gave the Board of Directors the discretion to declare dividends as they see fit after considering the funding requirements for future projects subject to the requirements of applicable laws and regulations, capital expenditure requirements, compliance with the Issuer's covenants, if any, and other circumstances that may restrict the payment of dividends. There can be no guarantee that the Issuer will pay any dividends in the future. Dividends may be declared only from the Issuer's unrestricted retained earnings. The Issuer intends to maintain an annual dividend payment ratio of 10% to 30% of net income after tax for the preceding fiscal year.

The Issuer has not declared any kind of dividend to its shareholders since its incorporation.

Exempt Transactions

On 24 February 2021 and 1 March 2021, the Issuer received ₱249,750,000.00 and ₱18,685,000.00 from SPPPHI as deposit for future subscription in 2,684,350,000 common shares of the Issuer.

Subsequently, in April and May 2021, the Issuer received additional subscription from SPPPHI totaling ₱273,000,000.00 for 2,730,000,000 common shares of the Issuer. These shares were issued on 25 May 2021, the date of the approval of the SEC of the Issuer's application for the increase of its authorized capital stock.

Pursuant to Section 10.1(k) of the Securities Regulation Code, as amended, the foregoing share issuances are exempt from the requirement of registration since these are sales of securities to fewer than twenty (20) persons within a twelve (12)-month period. The Issuer paid the taxes involved in the issuance of the shares listed above.

On 19 July 2022, the Corporation received a letter from the SEC confirming that its planned SRO as described above is a transaction exempt from the registration requirements of the SRC, pursuant to Sections 10.1(e) and 10.1(l) of the said law.

CORPORATE GOVERNANCE

Plan to Improve the Corporate Governance of the Corporation

The Issuer intends to abide by all applicable laws, rules, regulations and rules and requirements of the Philippine Stock Exchange. To this end, the Issuer has constituted the various working committees as disclosed in the Prospectus for its listing, and fully expects the said committees to do their work as designed.

In all its dealings that affect shareholder interest, the Issuer has been and will be very careful and meticulous in complying not only with legal requirements but also with ethical standards as are observed by leading listed companies in the Philippines, including any conflict of interest with its affiliates, officers and directors.

All matters that may raise concerns in respect of regulatory and market compliance shall be submitted for careful consideration of the relevant committees and those as may be required by the Board of Directors, including related party transactions.

In hiring personnel, the Issuer requires that applicants are thoroughly checked for competence, integrity and diligence. Counterparties to contracts of the Issuer shall also be subject to the same professional and ethical standards.

In conducting business, corruption and non-compliance with applicable law is and shall not be tolerated.

Officers, directors and other members of the management team are expected to comply with the requirements of applicable law in attending to and completing the work of the Issuer, particularly the members of the Board and the executive officers in whose hands the conduct of the Issuer's business is entrusted.

Continuous training is being undertaken by members of the Board of Directors, Management, officers, and personnel to fully acquaint themselves with the Corporation's Manual on Corporate Governance, policies, and related corporate governance matters.

Item 12. Mergers, Consolidations, Acquisitions, and Similar Matters

There is no action or matter to be taken up in the Annual Stockholders' Meeting with respect to merger, consolidation, acquisition, sale, or other transfer of all or substantially all the assets of the Issuer, liquidation, dissolution, and similar matters.

Item 13. Acquisition or Disposition of Property

There is no action or matter to be taken up in the Annual Stockholders' Meeting with respect to the acquisition or disposition that constitutes all or substantially all the assets or property of the Issuer.

Item 14. Restatement of Accounts

There is no action or matter to be taken up with respect to the restatement of any asset, capital, or surplus account of the Issuer.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following reports will be presented to the stockholders present or represented at the meeting for them to take note of and/or approve:

1. Minutes of the Annual Meeting of the Stockholders held on 2 July 2021,
2. Minutes of the Special Meeting of the Stockholders held on 7 March 2022, and
3. Audited Financial Statements and Management Report for the fiscal year ended 30 June 2022.

A copy of (1) is attached hereto as Annex "A," while a copy of (2) is attached hereto as Annex "B." A copy of (3) is attached hereto as Annex "G."

The following matters approved by the Board of Directors will be presented to the stockholders for approval:

1. Approval of the change in corporate name of the Corporation from "Solar Philippines Nueva Ecija Corporation" to "Solar Philippines New Energy Corporation" and the amendment of the header and

the First Article of the Articles of Incorporation and the header and Article IX, Section 1 of the By-Laws of the Corporation to implement such change;¹⁰

2. Approval of the change in fiscal year of the Corporation and amendment of Article VII, Section 2 of the relevant section of the Corporation's By-Laws to implement such change;¹¹ and
3. Appointment of SGV as the Corporation's external auditor for the ensuing fiscal year.¹²

Item 16. Matters Not Required to be Submitted

None.

Item 17. Amendment of Charter, By-Laws, or Other Documents

1. Approval of the stockholders will be sought for the proposed amendment of the header and the First Article of the Articles of Incorporation and the header and Article IX, Section 1 of the By-Laws of the Corporation to implement the change in corporate name of the Corporation from "Solar Philippines Nueva Ecija Corporation" to "Solar Philippines New Energy Corporation, subject to the approval of the SEC. The change in corporate name is part and parcel of the reorganization of the Solar Philippines Group such that the Corporation will become the parent Corporation of Solar Philippines project companies.
2. Approval of the stockholders will also be sought for the proposed amendment of Article VII, Section 2 of the Corporation's By-Laws to implement the change in fiscal year of the Corporation from July 1 to June 30 to January 1 to December 31, subject to the approval of the SEC. The change in fiscal year is to align the fiscal year of the Corporation to the fiscal year of the Solar Philippine project companies that will become its subsidiaries as part of the reorganization of the Solar Philippines Group.

Item 18. Other Proposed Action

1. Election of the members of the Board of Directors, including the independent directors, for the ensuing fiscal year; and
2. Appointment of SGV as external auditor of the Corporation for the ensuing fiscal year.

Item 19. Voting Procedures

The following are the rules of conduct and procedures for the meeting to be conducted in virtual format:

1. Stockholders may attend the meeting remotely through the online web address (URL) to be provided. Questions and comments may be sent prior to or during the meeting at spnec@solarphilippines.ph or any web link that may be provided hereafter by the Issuer to the stockholders of record and shall be limited to the items in the Agenda.
2. In the event that physical attendance will be allowed at the meeting –
 - a. Anyone who wishes to make a remark shall identify himself after being acknowledged by the Chairman and shall limit his/her remarks to the item in the Agenda under consideration; and
 - b. Stockholders present at the meeting may opt for manual or electronic voting. For manual voting, each stockholder will be given, upon registration, a ballot where he can write his vote on every item in the Agenda or proposed resolution. For electronic voting, there will be

¹⁰ Pending approval by the Corporation's Board of Directors. Meeting for the purpose is scheduled to happen before the deadline for submission of the Definitive Information Statement to the SEC.

¹¹ Pending approval by the Corporation's Board of Directors. Meeting for the purpose is scheduled to happen before the deadline for submission of the Definitive Information Statement to the SEC.

¹² Pending approval by the Corporation's Board of Directors. Meeting for the purpose is scheduled to happen before the deadline for submission of the Definitive Information Statement to the SEC.

computer stations near the registration table where stockholders may cast their votes electronically using a digital version of the ballot.

3. Each of the proposed resolutions will be shown on the screen in the venue and during the livestreaming as the same is taken up at the meeting.
4. Stockholders must notify the Corporation on or before **20 August 2022** of their intention to participate in the meeting by remote communication to be included in determining quorum, together with the stockholders who intend to vote *in absentia* and by proxy.
5. Voting shall only be allowed for stockholders registered to be voting *in absentia* via [**Registration/Videoconferencing Link**]¹³ or by authorizing the Chairman of the meeting as proxy.
6. Stockholders voting *in absentia*, who have registered at [**https://us02web.zoom.us/webinar/register/WN_QOw1LSWWQF65MACspVePIA**] prior to the meeting, may cast their votes electronically at any time using the system prior to or during the meeting.
7. All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present or represented at the meeting, unless the law or the Corporation's Articles of Incorporation or By-Laws require otherwise.
8. Election of directors shall be by plurality of votes and every stockholder present (including those participating by remote communication) or represented at the meeting or voting *in absentia* shall be entitled to cumulate his/her votes. Each outstanding share of stock shall be counted as one (1) vote.
9. The Issuer's accredited service provider will tabulate all votes received and the Stock Transfer Agent and Corporate Secretary or Assistant Corporate Secretary will validate the results. The Corporate Secretary or Assistant Corporate Secretary shall report the results of voting during the meeting.
10. The meeting proceedings shall be recorded in audio and video format.

Votes Required for Approval of the Change in Corporate Name of the Corporation and Amendment of the Relevant Sections of the Corporation's Articles of Incorporation and By-Laws

Approval by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock present or represented at the meeting will be required for the approval of the change in corporate name and the amendment of the header and the First Article of the Articles of Incorporation and the header and Article IX, Section 1 of the By-Laws of the Corporation to implement such change.

Votes Required for Approval of the Change in Fiscal Year of the Corporation and Amendment of the Relevant Section of the Corporation's By-Laws

Approval by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock present or represented at the meeting will be required for the approval of the change in fiscal year of the Corporation and the amendment of Article VII, Section 2 of the Corporation's By-Laws to implement such change.

¹³ Registration/Videoconferencing link not yet available. It will be inserted in the Definitive Information Statement.

Item 20. Participation of Stockholders by Remote Communication

See notes on Agenda items on voting.

[Signature page follows]

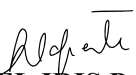
SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Information Statement are true, complete, and correct.

Makati City, Philippines, 25 July 2022.

SOLAR PHILIPPINES NUEVA ECIJA CORPORATION

By:


HAZEL IRIS P. LAFUENTE
Assistant Corporate Secretary and
Chief Information Officer

ANNEXES

1. ANNEX A – Minutes of the Annual Stockholders' Meeting Held on 2 July 2021
2. ANNEX B – Minutes of the Special Stockholders' Meeting Held on 7 March 2022
3. ANNEX C – Corporate Secretary's Certification
4. ANNEX D – Independent Director's Certification
5. ANNEX E – Independent Director's Certification
6. ANNEX F – Independent Director's Certification
7. ANNEX G – Audited Financial Statements as of 30 June 2022 and 2021 and Years Ended 30 June 2022, 2021, and 2020

**Minutes of the Annual Stockholders' Meeting of
SOLAR PHILIPPINES NUEVA ECIJA CORPORATION**

02 July 2021

(Via Videoconferencing)

NO. OF SHARES PRESENT	TOTAL NO. OF SHARES ISSUED AND OUTSTANDING	PERCENTAGE TOTAL PRESENT
5,424,350,005	5,424,350,005	100%

DIRECTORS PRESENT:

1. Leandro Antonio L. Leviste
2. Hazel Iris P. Lafuente

ALSO PRESENT:

1. J. Carlitos G. Cruz
2. Benjamin I. Espiritu
3. Carlos Jose P. Gatmaitan
4. Aresty M. Lapitan
5. Gino Antonio C. Cruz

AGENDA:

- I. Call to Order
- II. Determination of Quorum
- III. Approval of the Minutes of the 2020 Annual Stockholders' Meeting
- IV. Ratification of the Acts of the Corporation
- V. Election of Directors
- VI. Appointment of External Auditor
- VII. Adjournment

MINUTES:

I. CALL TO ORDER

The meeting was presided over by the Chairman, Leandro Antonio L. Leviste. The Corporate Secretary, Hazel Iris P. Lafuente, proceeded to record the minutes.

II. DETERMINATION OF QUORUM

The Corporate Secretary certified the existence of a quorum for the valid transaction of business and the waiver by the stockholders of the notice requirement stated under the Corporation's By-Laws.

III. APPROVAL OF THE MINUTES OF THE 2020 STOCKHOLDERS' MEETING

Presented for consideration of the stockholders is the approval of the minutes of the 2020 Annual Stockholders' Meeting held on 11 May 2020. Upon motion duly made and seconded, the stockholders unanimously approved the minutes of the 2020 Annual Stockholders' Meeting held on 11 May 2020.

IV. RATIFICATION AND APPROVAL OF THE ACTS OF THE CORPORATION

Presented for consideration of the stockholders is the ratification and confirmation of all corporate acts of the Corporations since the previous Annual Stockholders' Meeting. The Chairman explained that the corporate acts being ratified are the acts authorized and resolutions issued by the Board of Directors since the previous Annual Stockholders' Meeting up to the present date. These acts and resolutions were summarized by the Chairman.

Upon motion duly made and seconded, the stockholders unanimously approved, ratified, and confirmed all acts of the Corporation from the previous Annual Stockholders' Meeting up to the present date.

Specifically requested for approval and ratification of the stockholders is the initial public offering of the Corporation's common shares of stock through the Philippine Stock Exchange. It was stated that the initial public offering was already approved by the Board of in a meeting dated 03 March 2021. Upon motion duly made and seconded, the stockholders approved, ratified, and confirmed the Board's approval of the initial public offering the Corporation's common shares of stock by adopting the following resolutions:

RESOLVED, AS IT IS HEREBY RESOLVED, that **SOLAR PHILIPPINES NUEVA ECIJA CORPORATION** (the "Corporation") hereby authorizes the initial public offering of the Corporation's common shares (the "Offer"), subject to the registration requirements of the Securities and Exchange Commission ("SEC") and the listing

requirements of the Philippine Stock Exchange ("PSE") (the Offer, the registration with the SEC, and the listing with the PSE, collectively, the "Transaction"), under the following indicative terms and conditions:

- (1) from the unissued authorized capital stock of the Corporation, the offer and sale of up to **Two Billion Seven Hundred Million (2,700,000,000)** common shares (the "Offer Shares") at an offer price of up to **One Peso (PhP1.00)** per share;
- (2) Delegate to the management the approval of such other terms and conditions of the Offer Shares as may be necessary, proper, or desirable to effect and implement the Transaction;
- (3) Subject to the other terms and conditions that may be mutually agreed upon by the Corporation and the underwriter.

RESOLVED, FURTHER, that the Corporation, through its management, be authorized to do the following acts:

- (a) engagement of Abacus Capital and Investment Corporation as the Issue Manager and Underwriter for the Offer;
- (b) undertaking the registration of the Corporation's common shares with the SEC and make any and all required filings, including the filing of the Registration Statement any other required documents with the SEC for the Transaction;;
- (c) undertaking the listing of the Corporation's common shares with the PSE and make any and all required filings, including the filing of the Application for Listing and any other required documents with the PSE for the Transaction;
- (d) approving the disclosures in the Registration Statement to be filed with the SEC, and assuming full responsibility for the information contained therein;

- (e) approving the adoption of a Fit and Proper Rule for the selection of corporate directors and officers;
- (f) approving the submission of an undertaking allowing the SEC to resolve conflicting issues regarding the selection of independent directors and allowing the SEC to examine the Corporation's bank accounts;
- (g) approving the manual on corporate governance of the Corporation;
- (h) approving the use of the appropriate ticker or stock symbol in connection with the trading activities involving the Corporation's common shares on the PSE;
- (i) signing, execution, and delivery of any and all documents, contracts, agreements and instruments as may be required or necessary in connection with the Transaction;
- (j) engagement of underwriters, trustee, registrar, paying agent, advisors, legal counsels, and other agents as may be necessary, proper or desirable to effect and implement the registration with the SEC and listing with the PSE, and the offer for sale, to the public and investors, of the initial public offering of the Offer Shares, under such terms and conditions as management may deem to be fair and reasonable and for the best interests of the Corporation;
- (k) approval of all the disclosures contained in the Registration Statement and Prospectus to be filed with the SEC and the Listing Application and Prospectus with the PSE, as may be revised, amended and supplemented from time to time, and assumption of full responsibility for the information contained therein and any further amendment or supplement thereto;

RESOLVED, FURTHER, that any one (1) of (a) the President, Chairman and Chief Executive Officer, **MR. LEANDRO ANTONIO L. LEVISTE**; or (b) the Corporate Secretary and Treasurer, **MS. HAZEL IRIS**

P. LAFUENTE be authorized and empowered, as each is hereby authorized and empowered to negotiate, sign, execute and deliver, for and on behalf of the Corporation, all applications, registration forms, deeds, documents, contracts, agreements and instruments, and to perform such further acts and deeds and may be necessary, convenient or appropriate, to give force and effect to the Transaction, including but not limited to amending, supplementing documents for the Transaction to address comments made by the SEC and/or the PSE;

RESOLVED, FURTHER, that the Corporation approves, confirms, and ratifies, as it hereby approves, confirms, and ratifies, the disclosures contained in the Registration Statement and Prospectus to be filed by the Corporation with the SEC and the Application for Listing with the PSE, and any and all acts done by the management of the Corporation or any of the authorized signatories in connection with the initial public offering of the Offer Shares;

RESOLVED, FINALLY, that the Board of Directors assume full responsibility for all information contained in the Registration Statement and the Prospectus and any further amendment or supplement thereto."

V. ELECTION OF DIRECTORS

The next item in the agenda is the election of directors. The Chairman explained that with the recent approval by the Securities and Exchange Commission of the amendment of the Corporations' Articles of Incorporation which, among other things, increased the number of directors of the Corporation's Board of Directors, the stockholders will be electing seven (7) directors. The Chairman also explained that the Corporation needed to have Independent Directors in order to comply with the legal and regulatory requirements in relation to the initial public offering of the Corporation's shares of stock.

Upon motion duly made and seconded, the stockholders unanimously elected the following persons as members of the Board of Directors of the Corporation to immediately serve as such until the election and qualification of their successors:

1. Leandro Antonio L. Leviste
2. Hazel Iris P. Lafuente
3. J. Carlitos G. Cruz (Independent Director)
4. Benjamin I. Espiritu (Independent Director)
5. Carlos Jose P. Gatmaitan (Independent Director)
6. Aresty M. Lapitan
7. Gino Antonio C. Cruz

The stockholders then thanked the previous director, Irma C. Flaminiano, whose term ended when she transferred her share back to the Company's parent corporation, for her invaluable services to the Corporation during her time as director.

VI. APPOINTMENT OF EXTERNAL AUDITOR

Presented for consideration of the stockholders is the appointment of the external auditor of the Corporation. The Chairman explain that the current external auditor is SGV & Co.

Upon motion duly made and seconded, the stockholders unanimously appointed SGV & Co. as external auditor for the ensuing year.

VII. ADJOURNMENT

There being no other matters to be discussed, the meeting was adjourned.

[Signature page follows]

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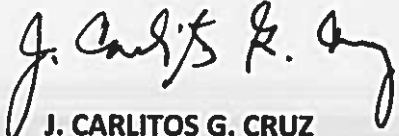
SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
Minutes of the Annual Stockholders' Meeting
02 July 2021

Prepared by:


HAZEL IRIS P. LAFUENTE
Corporate Secretary / Director

Attested by:


LEANDRO ANTONIO L. LEVISTE
Chairman


J. CARLITOS G. CRUZ
Independent Director

BENJAMIN I. ESPIRITU
Independent Director

CARLOS JOSE P. GATMAITAN
Independent Director

ARESTY M. LAPITAN
Director

GINO ANTONIO C. CRUZ
Director

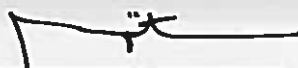
SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
Minutes of the Annual Stockholders' Meeting
02 July 2021

Prepared by:

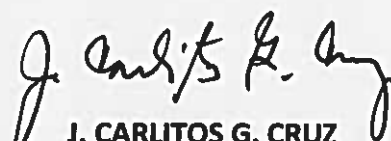
HAZEL IRIS P. LAFUENTE
Corporate Secretary / Director

Attested by:

LEANDRO ANTONIO L. LEVISTE
Chairman


BENJAMIN I. ESPIRITU
Independent Director

ARESTY M. LAPITAN
Director


J. CARLITOS G. CRUZ
Independent Director


CARLOS JOSE P. GATMAITAN
Independent Director

GINO ANTONIO C. CRUZ
Director

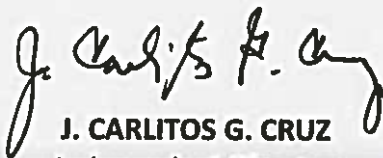
SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
Minutes of the Annual Stockholders' Meeting
02 July 2021

Prepared by:

HAZEL IRIS P. LAFUENTE
Corporate Secretary / Director

Attested by:

LEANDRO ANTONIO L. LEVISTE
Chairman


J. CARLITOS G. CRUZ
Independent Director

BENJAMIN I. ESPIRITU
Independent Director


ARESTY M. LAPITAN
Director

CARLOS JOSE P. GATMAITAN
Independent Director


GINO ANTONIO C. CRUZ
Director



Minutes of the Special Meeting of the Stockholders of
SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
(the "Company")

Via Video Conferencing
On 7 March 2022

ATTENDANCE:

Stockholders Present	No. of Shares
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Number of Shares Present in Person or by Proxy:	6,076,968,001
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Number of Minority Shares Present in Person or by Proxy:	351,457,000
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Total Issued and Outstanding Shares:	8,124,350,005
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Percentage of Shares Present in Person or by Proxy:	74.80%
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Also Present

- | | |
|---|---|
| 1. Incumbent Directors | Included in the Stockholder Count Above |
| 2. Atty. Gabriel A. Dee, Corporate Secretary | |
| 3. Mr. Meldin Al G. Roy, Chief Financial Officer | |
| 4. Atty. George Exiomo, Legal Counsel | |
| 5. Representatives from SyCip Gorres Velayo & Co., the external auditor | |
| 6. Representatives from the Trust Banking Group – Fiduciary Services Division of the Philippine National Bank | |
| 7. Representatives from Picazo Buyco Tan Fider & Santos | |
| 8. Other Officers of the Company | |

AGENDA:

- I. Call to Order
- II. Certification of Notice and Quorum
- III. Amendment of the Articles of Incorporation to Increase the Authorized Capital Stock of the Company and Subscription to Support Such Increase
- IV. Waiver of Pre-emptive Rights with Respect to the Issuance of Shares for the Increase in the Authorized Capital Stock
- V. Consideration of Such Other Business as May Properly Come Before the Meeting
- VI. Adjournment

MINUTES:

I. CALL TO ORDER

The Chairman of the Board of Directors, Mr. Leandro Antonio L. Leviste, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Gabriel A. Dee, assisted by the Assistant Corporate Secretary, Ms. Hazel Iris P. Lafuente, recorded the minutes thereof.

The Chairman introduced himself and the directors and officers of the Company present at the meeting. He also acknowledged the presence of representatives from SyCip Gorres Velayo & Co., the Company's external auditor, the Trust Banking Group – Fiduciary Services Division of the Philippine National Bank, its stock transfer agent, and Azeus, the platform and virtual solutions provider for the meeting.

The Chairman then requested the representatives from Azeus to give the stockholders a brief orientation on how to ask questions, give comments, make objections, and cast their votes using the online platform. After the short video presentation, the Chairman informed those present in the meeting that the proceedings were being digitally recorded, then proceeded to discuss the main agenda items to be discussed and voted upon during the meeting.

II. DETERMINATION OF QUORUM

The Chairman directed the Corporate Secretary to inform the body if notices were sent to the stockholders, and if there is a quorum to conduct business during the meeting.

The Corporate Secretary certified that notices had been given to the stockholders of the Company and that a quorum was present to do business.

III. AMENDMENT OF THE ARTICLES OF INCORPORATION TO INCREASE THE AUTHORIZED CAPITAL STOCK OF THE COMPANY AND SUBSCRIPTION TO SUPPORT SUCH INCREASE

The Chairman explained the first item on the agenda: the approval of the increase of the Company's authorized capital stock from ₱1,000,000,000.00 divided into 10,000,000,000 common shares with a par value of ₱0.10 per share to ₱5,000,000,000.00 divided into 50,000,000,000 common shares with a par value of ₱0.10 (the **"Increase"**), the amendment of the Seventh Article of the Company's Articles of Incorporation to effect the Increase (the **"Amendment"**), and in relation to the Increase, the approval of the corresponding subscription to the Increase via a share swap between the Company and its parent company, Solar Philippines Power Project Holdings, Inc. (**"SPPPHI"**), and its affiliates (the **"SPNEC Parent"**). The Chairman then explained that in compliance with Section 37 of the Revised Corporation Code, at least 25% of the shares from the Increase will be subscribed by SPNEC Parent, and in return, the Company will receive from SPNEC Parent 100% of the latter's outstanding shares in various entities (the **"Solar Philippines Assets"**), which he thereafter identified (the **"Share Swap"**). The Increase and the Amendment were approved by the Board of Directors on 10 January 2022, while the Share Swap was approved on 24 February 2022.

The Chairman likewise discussed the approved terms of the Share Swap, as previously disclosed to the Securities and Exchange Commission (**"SEC"**) and the Philippine Stock Exchange (**"PSE"**):

- The acquisition by the Company of 100% of the outstanding shares of SPNEC Parent in the Solar Philippines Assets;
- In exchange for acquiring the Solar Philippines Assets, SPNEC Parent will subscribe to 24,373,050,000 shares of the Company at ₱2.50 per share, which share price is based on the fairness opinion of FTI Consulting Philippines, Inc. ("**FTI Consulting**"), an independent valuation and fairness opinion provider accredited by the SEC and the PSE; and
- The issued shares to SPNEC Parent under the Share Swap will constitute 74.99% (24,373,050,000/32,497,400,005 shares) of the Company's resulting total outstanding capital stock and will increase SPNEC Parent's shareholding in the Company from 66.77% to 91.69%.

After discussion, and upon motion made duly seconded, the stockholders who did not vote in absentia or via remote communication cast their votes via the online portal in relation to the following resolution:

"RESOLVED, as it is hereby resolved, to **APPROVE**, as it is hereby approved, the increase of the Corporation's authorized capital stock from ₱1,000,000,000.00 divided into 10,000,000,000 common shares with a par value of ₱0.10 per share to ₱5,000,000,000.00 divided into 50,000,000,000 common shares with a par value of ₱0.10 per share (the '**Increase**'), the amendment of the Seventh Article of the Corporation's Articles of Incorporation to effect the Increase, and the corresponding subscription to the Increase via a share swap between the Corporation and its parent company, Solar Philippines Power Project Holdings, Inc., and its affiliates."

The Chairman explained that the favorable vote of at least 2/3 of the Company's outstanding capital stock is required to carry the motion. After the stockholders who did not vote in absentia nor via remote communication cast their votes, the Chairman informed the body that the results will be counted and validated by the Corporate Secretary, with the assistance of the Assistant Corporate Secretary and Azeus, and that the results will be announced before adjournment.

IV. WAIVER OF PRE-EMPTIVE RIGHTS WITH RESPECT TO THE ISSUANCE OF SHARES FOR THE INCREASE IN THE AUTHORIZED CAPITAL STOCK

The next item on the agenda that the Chairman discussed is the technical requirement under Section 5 (b), Part A, Article V of the Consolidated Listing and Disclosure Rules of the PSE that the Company seek the waiver of the requirement for a rights or public offering prior to a share swap notwithstanding that the issue price is at a premium to the weighted average price of the shares, in relation to the subscription by SPNEC Parent via the Share Swap to the Company's shares from the Increase. He explained that under the current rules of the PSE, unless otherwise waived by the vote of the majority of the minority stockholders present or represented at a stockholders' meeting, a rights or public offering should be conducted in case there are shares issued to a related party (such as SPNEC Parent) and where the issue price is less than the volume weighted average price ("**VWAP**") of the shares. Since the issue price for the Share Swap is ₱2.50 per share, which is above the VWAP, the Chairman informed the stockholders that the waiver is being sought out of an abundance of caution and as a technical compliance requirement.

After discussion, and upon motion made duly seconded, the minority stockholders present or represented at the meeting who did not vote in absentia nor via remote communication cast their votes via the online portal in relation to the following resolution:

“RESOLVED, as it is hereby resolved, by the minority stockholders, to **APPROVE**, as it is hereby approved, the exemption of the Corporation from or the waiver of the requirement of the listing rules of the Philippine Stock Exchanges that the Corporation conduct a stock rights offering (**‘SRO’**) as a consequence of an approved share swap notwithstanding that the issue or offer price for the share swap is a premium to the volume weighted average price and hence exempt from an SRO.”

After the minority stockholders present or represented at the meeting who did not vote in absentia or via remote communication cast their votes, the Chairman informed the body that the results will be counted and validated by the Corporate Secretary, with the assistance of the Assistant Corporate Secretary and Azeus, and that the results will be announced before adjournment.

V. CONSIDERATION OF SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING

The Chairman asked if there were other matters that any of them would like to raise and discuss before the announcement of the results of the votes.

A stockholder moved that in relation to the Share Swap, which forms part of the first resolution voted upon during the meeting, that the stockholders specifically vote to reiterate the Share Swap approval with the terms disclosed to the SEC and the PSE, as follows:

- The acquisition by the Company of 100% of the outstanding shares of SPNEC Parent in the Solar Philippines Assets; and
- In exchange for acquiring the Solar Philippines Assets, SPNEC Parent will subscribe to 24,373,050,000 shares of the Company at ₱2.50 per share, which share price is based on and within the range of fair values in the fairness opinion of FTI Consulting, an independent valuation and fairness opinion provider accredited by the SEC and the PSE.

Upon motion made duly seconded, the stockholders cast their votes via the online portal in relation to the following resolution:

“RESOLVED, as it is hereby resolved, that the stockholders hereby **REITERATE** their approval of the share swap between the Corporation and Solar Philippines Power Project Holdings, Inc. and its affiliates (the **‘SPNEC Parent’**), which involves the acquisition by the Corporation of 100% of the outstanding shares of SPNEC Parent in various entities otherwise known as Solar Philippines Assets in exchange for SPNEC Parent subscribing to 24,373,050,000 shares of the Corporation at ₱2.50 per share.”

After the stockholders cast their votes, the Chairman requested the body’s indulgence as the Corporate Secretary, with the assistance of the Assistant Corporate Secretary and Azeus, counted and validated the results of the votes had during the meeting.

After being informed that vote counting had been completed, the Chairman requested the Corporate Secretary to announce the results to the body. The Corporate Secretary announced the following results and certified as to their accuracy:

- For the motion to approve the proposed Increase, of which at least 60.93% (or 24,373,050,000 out of the 40,000,000,000 new shares) of the shares therefrom will be subscribed by SPPPHI via Share Swap, and the Amendment, 6,074,168,001 shares or 74.76% of the Company's outstanding capital stock was voted in favor of the motion, while 2,800,000 shares were voted against and no shares were cast as abstain votes.
- For the motion to approve the exemption of the Company from the legal requirement that it conduct an SRO as a consequence of engaging in the Share Swap, 348,657,000 minority shares or 99.20% of the Company's outstanding minority shares present or represented at this meeting were voted in favor of the motion, while 2,800,000 minority shares were voted against and no minority shares were cast as abstain votes.
- For the motion to reiterate specifically the approval of the Share Swap as a part of the first resolution on the approval of the Increase, 5,724,736,001 shares or 94.20% of the Company's shares present or represented at the meeting were voted in favor of the motion, while no shares were either voted against or cast as abstain votes.

Thereafter, the Chairman entered into the records of the proceedings the following:

- First, that the motion to approve the proposed increase in authorized capital stock from ₱4 billion to ₱5 billion at ₱0.10 per share, the subscription by SPNEC Parent, a related party, to at least 25% of the shares therefrom via Share Swap, and the Amendment, are all carried as the required 2/3 vote was reached. The motion is hereby approved.
- Second, that the motion to approve the exemption of the Company from or waiver of the legal requirement that it conduct a rights or public offering as a consequence of engaging in the Share Swap is carried as the required majority vote was reached. The motion is hereby approved.
- Third, the motion to reiterate the stockholders' approval of the Share Swap, which involves: (i) the acquisition by the Company of 100% of the outstanding shares of SPNEC Parent in the Solar Philippines Assets, and (ii) in exchange, SPNEC Parent shall subscribe to 24,373,050,000 shares of the Company at ₱2.50 per share, with the Solar Philippines Assets being SPNEC Parent's payment for the 24,373,050,000 shares of the Company from the Increase, is carried as the required majority vote was reached. The motion is hereby approved.

VI. ADJOURNMENT

There being no other matters to be discussed, upon motion duly made and seconded, the meeting was thereupon adjourned.

[Signature page follows.]

Prepared by:



HAZEL IRIS P. LAFUENTE
Assistant Corporate Secretary/Director

Attested by:



LEANDRO ANTONIO L. LEVISTE
Chairman

J. CARLITOS G. CRUZ
Vice-Chairman/Lead Independent Director

CARLOS JOSE P. GATMAITAN
Independent Director

BENJAMIN I. ESPIRITU
Independent Director



GINO ANTONIO C. CRUZ
Director



ARESTY M. LAPITAN
Director

Prepared by:

HAZEL IRIS P. LAFUENTE
Assistant Corporate Secretary/Director

Attested by:

LEANDRO ANTONIO L. LEVISTE
Chairman


J. CARLITOS G. CRUZ
Vice-Chairman/Lead Independent Director

CARLOS JOSE P. GATMAITAN
Independent Director

BENJAMIN I. ESPIRITU
Independent Director

GINO ANTONIO C. CRUZ
Director

ARESTY M. LAPITAN
Director

Prepared by:

HAZEL IRIS P. LAFUENTE
Assistant Corporate Secretary/Director

Attested by:

LEANDRO ANTONIO L. LEVISTE
Chairman

J. CARLITOS G. CRUZ
Vice-Chairman/Lead Independent Director


CARLOS JOSE P. GATMAITAN
Independent Director

BENJAMIN I. ESPIRITU
Independent Director

GINO ANTONIO C. CRUZ
Director

ARESTY M. LAPITAN
Director

Prepared by:

HAZEL IRIS P. LAFUENTE
Assistant Corporate Secretary/Director

Attested by:

LEANDRO ANTONIO L. LEVISTE
Chairman

J. CARLITOS G. CRUZ
Vice-Chairman/Lead Independent Director

CARLOS JOSE P. GATMAITAN
Independent Director



BENJAMIN I. ESPIRITU
Independent Director

GINO ANTONIO C. CRUZ
Director

ARESTY M. LAPITAN
Director

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

CERTIFICATION

I, **HAZEL IRIS P. LAFUENTE**, of legal age, Filipino, with office address at the 20th Floor Philamlife Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City 1226, Philippines, after having been duly sworn in accordance with law do hereby certify that:

1. I am the duly elected and qualified Assistant Corporate Secretary of **SOLAR PHILIPPINES NUEVA ECIJA CORPORATION** (the "**Company**"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 112 Legaspi Street, Legaspi Village, Barangay San Lorenzo, Makati City 1229, Philippines.

2. As Assistant Corporate Secretary, I have access to the corporate records of the Company.

3. Based on available corporate records, I certify that none of the members of the Board of Directors, including the independent directors and officers of the Company, are appointed/employees in any government agency as of the date of this certification. I further certify that none of the nominees to the Board of Directors in the 2022 Annual Stockholders' Meeting, including the independent directors and officers of the Company, are appointed to or are employees in any government agency as of the date of this certification.

4. I am issuing this certification in compliance with the directives of the Markets and Securities Regulation Department of the Securities and Exchange Commission.

IN WITNESS WHEREOF, I have hereunto set my hand this JUL 22 2022
2022 in MAKATI CITY, Philippines.

HAZEL IRIS P. LAFUENTE
Assistant Corporate Secretary

JUL 22 2022

SUBSCRIBED AND SWORN TO before me on this ____ day of _____ 2022 in MAKATI CITY, Philippines, affiant appeared and exhibited to me her competent evidence of identity bearing her photograph and signature, Passport No. PO333462B, issued by the Department of Foreign Affairs in the City of Manila on 21 January 2019.

Doc. No. 341;
Page No. 70
Book No. 54
Series of 2022.



ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-260 until Dec. 31, 2022
Unit 302 LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 244653 / 06-30-2022/ Pasig City
PTR No. 8852018 / 01-03-2022/ Makati City
MCLE Compliance No. VII-0020869/April 14, 2025

REPUBLIC OF THE PHILIPPINES)
_____) S.S.
MAKATI CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **J. CARLITOS G. CRUZ**, of legal age, Filipino, and a resident of 27 Amsterdam Street, Merville Park Subdivision, Parañaque City 1709, Philippines, after having been duly sworn in accordance with law do hereby declare:

1. I am a nominee for independent director of **SOLAR PHILIPPINES NUEVA ECIJA CORPORATION** (the "**Company**"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 112 Legaspi Street, Legaspi Village, Barangay San Lorenzo, Makati City 1229, Philippines, and have been its independent director since 2 July 2021.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Transnational Diversified Group, Inc.	Independent Director	Less than 2 Years
Federal Land, Inc.	Independent Director	Less than 2 Years
MarCoPay Inc.	Independent Director	Less than 2 Years
SM Prime Holdings, Inc.	Independent Director	Less than 2 Years
Vivant Corporation	Independent Director	Less than 2 Years
MCP Finance Inc.	Independent Director	Less than 1 Year
MCP Insurance Management and Agency, Inc.	Independent Director	Less than 1 Year
MCP Innovation, Inc.	Independent Director	Less than 1 Year
Asialink Finance Corporation	Independent Director	Less than 1 Year
Global Dominion Financing Incorporated	Independent Director	Less than 1 Year
South Asialink Finance Corporation	Independent Director	Less than 1 Year
MPIC Beneficial Trust Fund	Independent Trustee	Less than 1 Year
Makati Business Club	Board of Trustee	3 Years
Philippines-Thailand Business Council	Co-Chair	5 Years
Philippine Institute of Certified Public Accountants	Member	40 Years
Management Association of the Philippines	Member	22 Years
Association of CPAs in Public Practice	Member	12 Years

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the Company, as provided for in Section 38 of the Securities Regulation Code ("**SRC**"), its Implementing Rules and Regulations ("**IRR**"), and other issuances of the Securities and Exchange Commission ("**SEC**").

4. To the best of my knowledge, I am not related in any capacity or degree to any director, officer, or substantial shareholder of the Company, any of its related companies, or any of its substantial shareholders.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service nor affiliated with a government agency or government-owned and controlled corporation.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, the Code of Corporate Governance for Publicly Listed Companies, and other SEC issuances.

8. I shall inform the Corporate Secretary of the Company of any changes in the above-mentioned information within five (5) days from its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____ 2022 in _____, Philippines.


J. CARLITOS G. CRUZ
Affiant

SUBSCRIBED AND SWORN TO before me in MAKATI CITY, Philippines this ____ day of JUL 21 2022 2022, affiant appeared and exhibited to me his competent evidence of identity bearing his photograph and signature, PRC ID No. 0049053, issued by the Professional Regulation Commission, valid until 30 November 2023.

Doc. No. 238 ;
Page No. 49 ;
Book No. XXV ;
Series of 2022.


MA. ESMERALDA R. CUNANAN
Notary Public
Until December 31, 2023
Appl. No. M-002 (2022-2023) Attorney's Roll No. 34562
MCLE Compliance No. VII-0004035/7-19-2021
PTR No. 8852113/1-3-2022/Makati City
IBP Lifetime Member Roll No. 05413
Ground Level, Dela Rosa Corporate
Dela Rosa St, Legaspi Village,
Makati City

REPUBLIC OF THE PHILIPPINES)
) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **BENJAMIN I. ESPIRITU**, of legal age, Filipino, and a resident of 6 Fernsville Street, White Plains, Quezon City 1110, Philippines, after having been duly sworn in accordance with law do hereby declare:

1. I am a nominee for independent director of **SOLAR PHILIPPINES NUEVA ECIJA CORPORATION** (the "**Company**"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 112 Legaspi Street, Legaspi Village, Barangay San Lorenzo, Makati City 1229, Philippines, and have been its independent director since 2 July 2021.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Change Management International, Inc.	President and Chief Executive Officer	1998 to Present
Banco de Mindoro, Inc.	Chairman	2005 to Present
Risks, Opportunities, Assessment & Management (ROAM), Inc.	President	2014 to Present
Central Azucarera de Tarlac, Inc.	Independent Director	2013 to Present
Ormin Realty Corporation	Chairman and President	2000 to Present
Konstruktura Development Resources Corp.	Chairman and President	2015 to Present
Intrastrata Assurance Corporation	Director	2015 to Present
The Laudibus League Holdings, Inc.	Chairman	2014 to Present
B5 Group Corporation	Chairman and President	2006 to Present
EC Ventures Corporation	President	2006 to Present
A&A Realty Development Enterprises, Inc.	Director Managing Director	2005 to November 2021 November 2021 to Present
Gov. Arturo Arce Ignacio, Sr. Foundation, Inc.	Chairman and President	2005 to Present
Doña Lilia San Agustin Foundation, Inc.	Chairman and President	2006 to Present
Dizon Copper Silver Mines, Inc.	Independent Director	2014 to Present
Mindoro Chamber of Commerce & Industry, Inc.	President	2018 to Present
Philippine Marine Corps Board of Advisers	Chairman	2017 to Present
National Defense College of the Philippines Alumni Association, Inc.	President	2017 to Present
Philippine Marine Corps Foundation, Inc.	Trustee	2018 to Present
NiHao Mineral Resources International, Inc.	Independent Director	2019 to Present



3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the Company, as provided for in Section 38 of the Securities Regulation Code ("SRC"), its Implementing Rules and Regulations ("IRR"), and other issuances of the Securities and Exchange Commission ("SEC").

4. To the best of my knowledge, I am not related in any capacity or degree to any director, officer, or substantial shareholder of the Company, any of its related companies, or any of its substantial shareholders.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service nor affiliated with a government agency or government-owned and controlled corporation.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, the Code of Corporate Governance for Publicly Listed Companies, and other SEC issuances.

8. I shall inform the Corporate Secretary of the Company of any changes in the above-mentioned information within five (5) days from its occurrence.

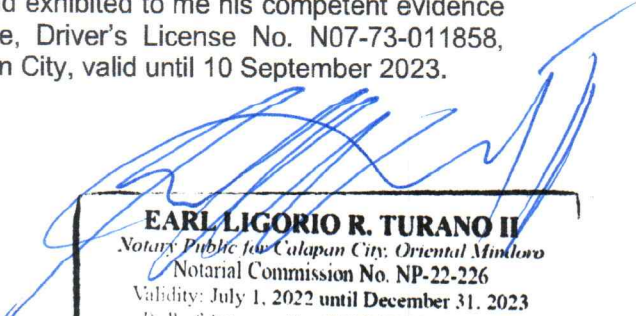
IN WITNESS WHEREOF, I have hereunto set my hand this 21 day of JUL 2022 in _____, Philippines.


BENJAMIN I. ESPIRITU
Affiant

CALAPAN CITY, OR. MINDORO

SUBSCRIBED AND SWORN TO before me in _____, Philippines this 21 day of JUL 2022, affiant appeared and exhibited to me his competent evidence of identity bearing his photograph and signature, Driver's License No. N07-73-011858, issued by the Land Transportation Office in Quezon City, valid until 10 September 2023.

Doc. No. 116;
Page No. 25;
Book No. 5;
Series of 2022.


EARL LIGORIO R. TURANO II
Notary Public for Calapan City, Oriental Mindoro
Notarial Commission No. NP-22-226
Validity: July 1, 2022 until December 31, 2023
Roll of Attorney No. 58173 IBP No. 171701
PER OM No. 1864700 A / 01-03-2022
MCTB No. VII - 0006223 / 02 November 2021
Second Floor, OMPSTA Bldg., Gov. Ignacio St.
Bataisan, Camilmil, Calapan City, Oriental Mindoro

REPUBLIC OF THE PHILIPPINES)

MAKATI CITY) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CARLOS JOSE P. GATMAITAN**, of legal age, Filipino, and a resident of 1903 Sineguelas Street, Dasmariñas Village, Makati City 1222, Philippines, after having been duly sworn in accordance with law do hereby declare:

1. I am a nominee for independent director of **SOLAR PHILIPPINES NUEVA ECIJA CORPORATION** (the "**Company**"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 112 Legaspi Street, Legaspi Village, Barangay San Lorenzo, Makati City 1229, Philippines, and have been its independent director since 2 July 2021.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Institute of Corporate Directors	Chief Executive Officer	2015 to Present
Global Power Solutions Asia, Inc.	Chairman	Up to Present
HG Empire, Inc.	Chairman	2012 to Present
Life Savings Bank	Independent Director Chairman of the Audit Committee	2018 to Present 2021 to Present
Ateneo Graduate School of Business	Faculty	2019 to Present
Jose Rizal University	Faculty	2020 to Present
University of Perpetual Help	Faculty	2021 to Present
Southeast Asian Interdisciplinary Development Institute	Faculty	2020 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the Company, as provided for in Section 38 of the Securities Regulation Code ("**SRC**"), its Implementing Rules and Regulations ("**IRR**"), and other issuances of the Securities and Exchange Commission ("**SEC**").

4. To the best of my knowledge, I am not related in any capacity or degree to any director, officer, or substantial shareholder of the Company, any of its related companies, or any of its substantial shareholders.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service nor affiliated with a government agency or government-owned and controlled corporation.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, the Code of Corporate Governance for Publicly Listed Companies, and other SEC issuances.

8. I shall inform the Corporate Secretary of the Company of any changes in the above-mentioned information within five (5) days from its occurrence.

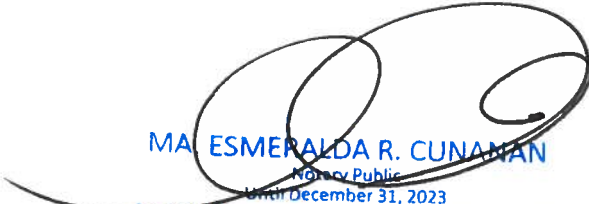
IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____
2022 in _____, Philippines.


CARLOS JOSE P. GATMAITAN
Affiant

MAKATI CITY

SUBSCRIBED AND SWORN TO before me in _____, Philippines this
____ day of JUL 22 2022, affiant appeared and exhibited to me his competent evidence
of identity bearing his photograph and signature, Unified Multi-Purpose ID No.
CRN-0111-7409731-7, issued by the Social Security System in Quezon City.

Doc. No. 266;
Page No. 55;
Book No. XXV;
Series of 2022.


MA ESMERALDA R. CUNANAN

Notary Public
Until December 31, 2023
Appt No. M-002 (2022-2023) Attorney's Roll No. 34562
MCLE Compliance No. VII-0004035/7-19-2021
PTR No. 8852113/1-3-2022/Makati City
IBP Lifetime Member Roll No. 05413
Ground Level, Dela Rosa Carpark I
Dela Rosa St. Legaspi Village,
Makati City

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

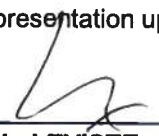
The management of **Solar Philippines Nueva Ecija Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of and for the fiscal year ended June 30, 2022 and 2021, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.



LEANDRO L. LEVISTE

President/CEO/Chairman of the Board



JESUSA LORETO A. ARELLANO

CFO/ Treasurer

SUBSCRIBED AND SWORN to before me this **JUL 25 2022**
at Makati City, Philippines. Affiant exhibited to me his/her
competent ID # _____ valid until _____

Signed this 25th day of July 2022.

DOC. NO. 448
PAGE NO. 91
BOOK NO. XXV
SERIES OF 1022


MA. ESMERALDA R. CHIANAN
Notary Public

Until December 31, 2023
Appt No M-002 (2022-2023) Attorney's Roll No. 34562
MCLE Compliance No. VII-0004035/7-19-2021
PTR No. 8852113/1-3-2022/Makati City
20th Floor Philamlife Tower, 8767 Paseo De Roxas Avenue, Makati City, 1227 Philippines
Ground Level, Dela Rosa Carpark I
Dela Rosa St. Legaspi Village,
Makati City

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	6	2	7	3	0	0
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COMPANY NAME

S	O	L	A	R		P	H	I	L	I	P	P	I	N	E	S		N	U	E	V	A		E	C	I	J	A			
C	O	R	P	O	R	A	T	I	O	N		(	A		S	u	b	s	i	d	i	a	r	y		o	f		S		
o	l	a	r			P	h	i	l	i	p	p	i	n	e	s		P	o	w	e	r		P	r	o	j	e	c	t	
		H	o	l	d	i	n	g	s	,		I	n	c	.																

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

2	0	T	H		F	L	O	O	R	,		P	H	I	L	A	M	L	I	F	E		T	O	W	E	R			
8	7	6	7		P	A	S	E	O		D	E		R	O	X	A	S	,	1	2	2	6							
M	A	K	A	T	I		C	I	T	Y																				

Form Type

A	A	F	S
---	---	---	---

Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

Certificate of Permit to Offer Securities for Sale

COMPANY INFORMATION

Company's Email Address

spnec@solarphilippines.ph

Company's Telephone Number

(02) 8817-2585

Mobile Number

09988889326

No. of Stockholders

16

Annual Meeting (Month / Day)

First Monday of May

Fiscal Year (Month / Day)

06/30

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Hazel Iris P. Lafuente

Email Address

hazel@solarphilippines.ph

Telephone Number/s

(02) 8817-2585

Mobile Number

09178816684

CONTACT PERSON'S ADDRESS

20th Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Solar Philippines Nueva Ecija Corporation
20th Floor Philamlife Tower
8767 Paseo de Roxas
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Solar Philippines Nueva Ecija Corporation (the Company, a subsidiary of Solar Philippines Power Project Holdings, Inc.), which comprise the statements of financial position as at June 30, 2022 and 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended June 30, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and 2021, and its financial performance and its cash flows for each of the three years in the period ended June 30, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment Assessment of Deposits for Land Acquisition

As of June 30, 2022, the Company has deposits with a carrying value of ₱621.5 million for the acquisition of parcels of land. Under PAS 36, *Impairment of Assets*, an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. Management's assessment of impairment considers information from various sources, including those about the land acquisition process and the related requirements, the current status of land acquisition, the timeline of activities and factors that may affect the timing of completion of the transaction. We considered this as a key audit matter because of the materiality of the amount involved, and the significant management judgment required in assessing whether there is any indication of impairment.

The related disclosures on the Company's deposits for land acquisition are included in Notes 3 and 7 to the financial statements.

Audit Response

We obtained management's assessment on whether there is any indication that the deposits for land acquisition may be impaired. We read the memorandum of agreements entered into by the Company with its affiliates and obtained an understanding of the significant provisions relevant to the assessment, such as the subject properties, payment terms, and rights and obligations of the contracting parties. In addition, we obtained confirmation from the affiliates on the deposits paid by the Company, and inquired of the land acquisition process and the related requirements, the current status of land acquisition, the timeline of activities and factors that may affect the timing of completion of the transaction, and evaluated how management considered these information in their impairment assessment.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 17-A for the year ended June 30, 2022 but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended June 30, 2022, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jhoanna Feliza C. Go.



Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Solar Philippines Nueva Ecija Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go
Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-103-2019, November 7, 2019, valid until November 6, 2022

PTR No. 8853497, January 3, 2022, Makati City

July 25, 2022



SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
(A Subsidiary of Solar Philippines Power Project Holdings, Inc.)
STATEMENTS OF FINANCIAL POSITION

	June 30	
	2022	2021
ASSETS		
Current Assets		
Cash (Notes 4 and 14)	₱886,758,302	₱351,251
Due from a related party (Notes 10 and 14)	541,700,000	—
Other current assets (Note 5)	20,789,388	776,092
Total Current Assets	1,449,247,690	1,127,343
Noncurrent Assets		
Construction in progress (Notes 1 and 6)	921,385,618	—
Deposits for land acquisition (Note 7)	621,499,933	537,000,000
Right-of-use assets (Note 13)	286,910,494	297,751,234
Deferred income tax asset - net (Note 12)	10,466,264	—
Other noncurrent assets (Note 8)	114,218,371	1,370,284
Total Noncurrent Assets	1,954,480,680	836,121,518
TOTAL ASSETS	₱3,403,728,370	₱837,248,861
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 9, 10 and 14)	₱13,000,260	₱6,728,056
Due to a related party (Notes 10 and 14)	22,792,348	22,792,348
Current portion of lease liabilities (Notes 13 and 14)	4,538,676	14,004,465
Total Current Liabilities	40,331,284	43,524,869
Noncurrent Liabilities		
Lease liabilities - net of current portion (Notes 13 and 14)	289,340,172	275,521,361
Deferred income tax liability (Note 12)	—	904,291
Total Noncurrent Liabilities	289,340,172	276,425,652
Total Liabilities	329,671,456	319,950,521
Equity (Note 11)		
Capital stock	812,435,001	542,435,000
Additional paid-in capital	2,347,338,021	—
Deficit	(85,716,108)	(25,136,660)
Total Equity	3,074,056,914	517,298,340
TOTAL LIABILITIES AND EQUITY	₱3,403,728,370	₱837,248,861

See accompanying Notes to Financial Statements.



SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
(A Subsidiary of Solar Philippines Power Project Holdings, Inc.)
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended June 30		
	2022	2021	2020
INTEREST INCOME (Note 4)	₱548,180	₱6,090	₱698
EXPENSES			
Management fee (Note 10)	24,000,000	4,000,000	—
Filing fees (Note 11)	12,465,411	—	—
Taxes and licenses	10,589,980	1,453,987	87,530
Interest accretion of lease liabilities (Note 13)	9,142,009	7,648,652	2,023,771
Professional fees	6,540,000	2,652,032	2,611,471
Amortization of right-of-use assets (Note 13)	5,420,370	4,038,265	2,717,551
Bid-related costs	1,634,000	1,909,091	—
Others	2,706,413	972,966	1,096,265
	72,498,183	22,674,993	8,536,588
LOSS BEFORE INCOME TAX	71,950,003	22,668,903	8,535,890
PROVISION FOR (BENEFIT FROM)			
INCOME TAX - DEFERRED (Note 12)	(11,370,555)	904,291	—
NET LOSS	60,579,448	23,573,194	8,535,890
OTHER COMPREHENSIVE INCOME	—	—	—
TOTAL COMPREHENSIVE LOSS	₱60,579,448	₱23,573,194	₱8,535,890
Basic/Diluted Loss Per Share (Note 15)	₱0.0087	₱0.0511	₱1.2416

See accompanying Notes to Financial Statements.



SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
(A Subsidiary of Solar Philippines Power Project Holdings, Inc.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED JUNE 30, 2022, 2021 AND 2020

	Capital Stock		Additional Paid-in Capital	Deficit	Total
	Subscribed	Subscription Receivable			
Balances at June 30, 2019	₱250,000	(₱187,500)	₱—	(₱6,839,093)	(₱6,776,593)
Total comprehensive loss for the year	—	—	—	(8,535,890)	(8,535,890)
Balances at June 30, 2020	250,000	(187,500)	—	(15,374,983)	(15,312,483)
Collection of subscription receivable (Note 11)	—	187,500	—	—	187,500
Issuance of shares of stock (Note 11)	542,185,000	—	21,250,000	—	563,435,000
Application of APIC against deficit (Note 11)	—	—	(21,034,193)	21,034,193	—
Stock issuance costs (Note 11)	—	—	(215,807)	(7,222,676)	(7,438,483)
Total comprehensive loss for the year	—	—	—	(23,573,194)	(23,573,194)
Balances at June 30, 2021	542,435,000	—	—	(25,136,660)	517,298,340
Issuance of shares of stock, net of stock issuance costs (Note 11)	270,000,001	—	2,329,338,021	—	2,599,338,022
Additional paid-in capital (Note 11)	—	—	18,000,000	—	18,000,000
Total comprehensive loss for the year	—	—	—	(60,579,448)	(60,579,448)
Balances at June 30, 2022	₱812,435,001	₱—	₱2,347,338,021	(₱85,716,108)	₱3,074,056,914

See accompanying Notes to Financial Statements.



SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
(A Subsidiary of Solar Philippines Power Project Holdings, Inc.)
STATEMENTS OF CASH FLOWS

	Years Ended June 30		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	(₱71,950,003)	(₱22,668,903)	(₱8,535,890)
Adjustments for:			
Interest accretion of lease liabilities (Note 13)	9,142,009	7,648,652	2,023,771
Amortization of right-of-use assets (Note 13)	5,420,370	4,038,265	2,717,551
Interest income (Note 4)	(548,180)	(6,090)	(698)
Unrealized foreign exchange loss	274,709	—	—
Provision for impairment of input VAT	—	109,091	14,243
Operating loss before working capital changes	(57,661,095)	(10,878,985)	(3,781,023)
Decrease (increase) in other current assets	(20,013,297)	(869,053)	1,672,546
Increase (decrease) in accounts payable and accrued expenses	6,272,205	6,269,885	(472,164)
Cash used in operations	(71,402,187)	(5,478,153)	(2,580,641)
Interest received	548,180	6,090	698
Net cash flows used in operating activities	(70,854,007)	(5,472,063)	(2,579,943)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Construction in progress (Notes 1 and 6)	(906,749,770)	—	—
Due from a related party (Note 10)	(541,700,000)	—	—
Deposits for land acquisition (Note 7)	(84,499,933)	(537,000,000)	—
Right-of-use assets (Note 13)	—	(20,121,600)	—
Other noncurrent assets	(112,848,087)	(802,361)	(552,038)
Cash flows used in investing activities	(1,645,797,790)	(557,923,961)	(552,038)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares of stock, net of transaction costs (Note 11)	2,599,338,022	555,996,517	—
Additional capital contribution (Note 11)	18,000,000	—	—
Payment of lease liability (Note 13)	(14,004,465)	—	(4,311,742)
Net advances from related parties	—	7,425,725	6,921,995
Collection of subscription receivable (Note 11)	—	187,500	—
Net cash flows from financing activities	2,603,333,557	563,609,742	2,610,253
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	(274,709)	—	—
NET INCREASE (DECREASE) IN CASH	886,407,051	213,718	(521,728)
CASH AT BEGINNING OF YEAR	351,251	137,533	659,261
CASH AT END OF YEAR (Notes 4 and 14)	₱886,758,302	₱351,251	₱137,533

See accompanying Notes to Financial Statements.



SOLAR PHILIPPINES NUEVA ECIJA CORPORATION

(A Subsidiary of Solar Philippines Power Project Holdings, Inc.)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

(a) Organization

Solar Philippines Nueva Ecija Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 23, 2016, primarily to construct, erect, assemble, commission, operate and maintain power-generating plants, installations, shops, laboratories, pipelines, repair shops, electrical works, power houses, warehouses, terminals, and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution; to promote and undertake research, development, utilization, manufacture, sale, marketing, distribution and commercial application of new, renewable, non-conventional and environment-friendly energy sources and systems including but not limited to solar, wind, water, heat, steam, ocean, tidal, biomass, biogas, chemical, mechanical, electrical, synthetic, agricultural, and other natural, fossil or non-fossil fuel based, artificial, organic or otherwise, and of energy systems that use new, renewable and any energy resources applying new and efficient energy conversion and/or utilization technologies for commercial application; and to perform other ancillary and incidental activities as may be provided by and under contract with the Government of the Republic of the Philippines, or any subdivision, instrumentality or agency thereof, or any government-owned and controlled corporation, or other entity engaged in the development, supply and distribution of renewable energy. As of July 25, 2022, the Company has not yet started commercial operations and targets to start by mid 2023 [see details in (b) The Project below].

The Company is a subsidiary of Solar Philippines Power Project Holdings, Inc. (SPPPHI or Parent Company), a corporation organized in the Republic of the Philippines, which is also the Company's ultimate parent company.

(b) The Project

On August 22, 2017, Solar Philippines Commercial Rooftop Projects, Inc. (SPCRPI), an affiliate of the Company, was awarded Solar Energy Service Contract (SESC) No. 2017-06-404 for the exclusive right to explore and develop the Sta. Rosa Nueva Ecija 2 Solar Power Project (the Project), wherein SPCRPI shall undertake exploration, assessment, harnessing, piloting and other studies of the solar energy resources in Santa Rosa, Peñaranda and San Leonardo, Nueva Ecija. On December 29, 2017, SPCRPI executed a Deed of Assignment transferring all its rights and obligations provided under the SESC No. 2017-06-404 to the Company.

On February 23, 2018, the Department of Energy (DOE) acknowledged and approved the Deed of Assignment between SPCRPI and the Company. Further, on that same day, the DOE issued and approved a new Certificate of Registration (COR) under the name of the Company which recognizes the Company as a Renewable Energy (RE) developer.

The Project is a 500 megawatt peak (MWdc) solar power plant project located in Nueva Ecija and is divided into two (2) Phases. The first phase of the Project is a 225 MWdc solar power plant (Phase 1) in Barangay Las Piñas, Peñaranda, Nueva Ecija with sub-phases of Phase 1A at 50 MWdc and Phase 1B at 175 MWdc. The Company targets that Phase 1A shall be commissioned by mid 2023 while Phase 1B is planned to be commissioned by end of 2023 or within nine months of closing financing for Phase 1B. Moving forward, the Company plans to

construct an additional 275 MWdc (Phase 2) after it has commissioned Phase 1.

On August 20, 2019, the Company has declared commerciality which the DOE confirmed via the release of the Certificate of Confirmation of Commerciality (“COCOC”) last November 15, 2021.

On December 27, 2021, the Company began construction of Phase 1A (see Note 6).

(c) Initial Public Offering (IPO)

The Company filed an application with the SEC for the registration and an application with the Philippine Stock Exchange, Inc. (PSE) for the listing of all its issued and outstanding stock on July 29, 2021 and August 20, 2021, respectively.

On November 29, 2021, the SEC and the PSE approved the application of the Company for the listing of its 8,124,350,005 common shares on the Main Board of the PSE.

The common shares of the Company consisting of 8,124,350,005 shares, inclusive of the primary offering of 2,700,000,000 common shares and the issued and outstanding shares of 5,424,350,005 common shares, were listed on the Main Board of the PSE on December 17, 2021 and are currently being traded under the stock Symbol "SPNEC" (see Note 11).

(d) Stock Rights Offering (SRO) and Share Swap

SRO

On February 14, 2022, the Board of Directors (BOD) of the Company approved the conduct of an SRO where eligible stockholders would have the opportunity to subscribe to shares, subject to terms to be determined by management and relevant regulatory requirements and approvals.

The Company plans to file the SRO based on its current unissued authorized capital stock of 1,875,649,995 shares, at an entitlement ratio of 1 share for every 1.28 shares held (from its current public float of 2,399,614,000 shares), at an offer price range that has been fixed at ₱1.60 to ₱1.76 per share, with the middle of this range being ₱1.68 per share.

On April 8, 2022, the Company filed with the SEC an application for Confirmation of Exempt Transaction covering the common shares to be issued relative to the SRO, pursuant to Section 10.1(e) (in respect of the Rights Offer) and 10.1(l) (in respect of the QB Take-Up) of the Securities Regulation Code (“SRC”) under which the exemption is based. The Confirmation of Exempt Transaction was subsequently issued by the SEC on July 19, 2022.

On July 12, 2022, the Company adjusted the offer price range to ₱1.50 to ₱1.76 per share, and offered the option to pay in installments, with a down payment of 25% and the balance of 75% within three months of the offer period (see Note 11).

Share Swap

On February 24, 2022, the BOD of the Company approved the acquisition of 100% of the outstanding shares of SPPPHI and affiliates in various entities (“Solar Philippines Assets”) (see Note 11).

The Company would acquire the Solar Philippines Assets through an asset-for-share swap, with SPPPHI subscribing to 24,373,050,000 shares of the Company at ₱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 SEC and PSE. The Solar Philippines Assets would serve as the Company's subscription payment for the increase in its authorized capital stock from 10 billion common shares to 50 billion shares (see Note 11).

(e) Acceptance of Donation of Shares

On July 4, 2022, the BOD of the Company approved the authorization to accept the transfer by way of donation of shares in Solar Philippines entities owned by Leandro Antonio L. Leviste (LLL), the Chairman, President and Chief Executive Officer of the Company, or Countryside Investments Holdings Corporation (CIHC), including shares in SP Holdings, Inc. (SPHI), which are not directly held by SPPPHI.

(f) Change in Fiscal Year

On March 29, 2021, the BOD approved the change in the Company's fiscal year from January 1 to December 31 each year to July 1 to June 30 each year. On April 6, 2021, the Company filed its application for the change in fiscal year with the SEC and was approved on April 14, 2021.

The complete requirements for the change in accounting purposes were submitted to the Bureau of Internal Revenue (BIR) on May 20, 2021 and was subsequently approved on August 26, 2021.

(g) Principal Office Address

The registered business address of the Company is at 20th Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City, Philippines 1226. The principal place of business based in the Articles of Incorporation is 112 Legaspi Street, Legaspi Village, Brgy. San Lorenzo, Makati City.

(h) Authorization for the Issuance of the Financial Statements

The financial statements of the Company as of June 30, 2022 and 2021 and for the years ended June 30, 2022, 2021 and 2020 were authorized for issue by the BOD on July 25, 2022.

2. Basis of Preparation, Statement of Compliance and Summary of Significant Accounting Policies

Basis of Preparation

The financial statements of the Company have been prepared using the historical cost basis and are presented in Philippine Peso (₱), which is also the Company's functional currency. All amounts are rounded to the nearest ₱, unless otherwise indicated.

Statement of Compliance

The financial statements of the Company are prepared in compliance with Philippine Financial Reporting Standards (PFRSs) as issued by the Philippine Financial Reporting Standards Council and adopted by the Philippine SEC.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.



Summary of Significant Accounting Policies

Current versus Noncurrent Classification

The Company presents assets and liabilities in the statement of financial position based on the current/noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- expected to be realized within twelve months after the reporting period;
- held primarily for the purpose of trading; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve (12) months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash in banks

Cash in the statement of financial position comprise cash in banks.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.



The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of comprehensive income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include cash in banks, due from a related party, and performance bond and cash bond deposit included under other current assets as of June 30, 2022 and 2021 (see Notes 4, 5, 10 and 14).

The Company has no financial assets at FVOCI and FVPL.

Financial liabilities

Loans and borrowings

Financial liabilities are classified in this category if these are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

Loans and borrowings are initially recognized at fair value of the consideration received, less directly attributable transaction costs. After initial recognition, such loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any related issue costs, discount or premium. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized, as well as through the amortization process.

The Company's loans and borrowings include accounts payable and accrued expenses (excluding payable to employees and government agencies), due to a related party and lease liabilities as of June 30, 2022 and 2021 (see Notes 9, 10, 13 and 14).



As of June 30, 2022 and 2021, the Company has no financial liabilities at FVPL.

Derecognition of Financial Assets and Liabilities

Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired; or
- the Company retains the right to receive cash flows from the asset, but has assumed obligation to pay them in full without material delay to a third party under a “pass-through” arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained the risks and rewards of the asset but has transferred the control of the asset.

Where the Company has transferred its right to receive cash flows from an asset or has entered into a “pass-through” arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Impairment of Financial Assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets except debt instruments held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.



Fair Value Measurement

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Company's financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Advances to Contractors

Advances to contractors pertain to advance payments made for purchases of construction materials, other services, and rental of equipment. Advances to contractors is measured on initial recognition at cost, and is reclassified to the proper asset or expense account and deducted from the contractor's billings as specified on the provision of the contract.



Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation, amortization and impairment in value, if any. The initial cost of property, plant and equipment consist of the purchase price including import duties, borrowing costs (during construction period) and other costs directly attributable to bringing the assets to its working condition and location for its intended use. Cost also includes the cost of replacing part of the property, plant and equipment, and the borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives, depreciation and amortization. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation and amortization of an item of property, plant and equipment begin when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation and amortization cease at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized. Leasehold improvements are amortized over the lease term or the economic life of the related asset, whichever is shorter.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

An item of property, plant and equipment, and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

The useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted, prospectively, if appropriate.

Construction in progress represents structures under construction and is stated at cost, net of accumulated impairment losses, if any. This includes costs of construction and other direct costs. Costs also include interest on lease liability and amortization of right-of-use (ROU) assets incurred during the construction period. Construction in progress is not depreciated until such time that the assets are put into operational use.

It is the Company's policy to classify ROU assets as part of property, plant and equipment. The Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.



Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. ROU assets are subject to impairment (refer to Impairment of Nonfinancial Assets policy).

Input Value-Added Tax (VAT)

Input VAT represents the VAT due or paid on purchases of goods and services that the Company can claim against any future liability to the BIR for output VAT from sale of goods and services. Input VAT is stated at cost less accumulated impairment losses, if any.

Deposits for Land Acquisition

Deposits for land acquisition pertain to non-refundable deposits and payments made in relation to the acquisition of parcels of land and are stated at the amount paid less any impairment in value. Upon successful transfer of title to the Company, the deposits for land acquisition will be reclassified to land as part of property, plant and equipment.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that these nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates these nonfinancial assets' recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the year in which it arises. In the case of input VAT, an allowance is provided for any portion of the input VAT that cannot be claimed against output VAT or recovered as tax credit against future income tax liability.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. Any previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

Capital Stock

Capital stock is measured at par value and is classified as equity for all stocks issued.

Additional paid-in capital (APIC)

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the APIC account.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are chargeable to the APIC account. If APIC is not sufficient, the excess is charged against the "Equity reserve" account.



Retained Earnings (Deficit)

Retained earnings (deficit) represent the cumulative balance of periodic net income or loss, prior period adjustments, effect of changes in accounting policy and other capital adjustments. When the retained earnings account has a debit balance, it is called “deficit”. A deficit is not an asset but a deduction from equity.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company assesses at contract inception all arrangements to determine whether it is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) ROU assets

Refer to ROU assets policy.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of vehicle (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases is recognized as expense on a straight-line basis over the lease term.



Interest Income

Interest income is recognized as interest accrues, using the EIR method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants, and are recognized when these are incurred. Expenses are generally recognized when the services are used, or the expenses arise.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision are presented in profit or loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Income Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the income tax returns with respect to situations in which applicable income tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Tax

Deferred income tax is provided using the balance sheet liability method on temporary differences between the income tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred income tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred income tax asset to be recovered.



Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Earnings (Loss) Per Share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common shareholders of the Company with the weighted average number of common shares outstanding during the year, after giving retroactive effect to any stock dividends or stock splits, if any, declared during the year.

Diluted EPS is computed in the same manner, with the net income for the year attributable to common shareholders of the Company and the weighted average number of common shares outstanding during the year, adjusted for the effect of all dilutive potential common shares. As of June 30, 2022, 2021 and 2020, the Company does not have any dilutive potential common shares. Hence, diluted EPS is the same as basic EPS.

Operating Segments

The Company's operating businesses are organized and managed separately according to the business units. The Company has no operating segments as it has not yet commenced its commercial operations as of June 30, 2022 and 2021.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes when an inflow of economic benefits is probable.

Events After the Reporting Date

Post year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements to have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after July 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*



- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Effective beginning on or after July 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

Effective beginning on or after July 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent*

Effective beginning on or after July 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

3. Significant Accounting Estimate and Assumption

The Company's financial statements prepared in accordance with PFRSs require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. The judgments and estimates used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items are those matters which the Company assess to have significant risks arising from estimation uncertainties:

Judgment

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements. This judgment is based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements.

Assessing Impairment of Deposits for Land Acquisition

The Company assesses at each financial reporting date whether there is indication that the deposits for land acquisition may be impaired. Management's assessment of impairment considers information from various sources, including those about the land acquisition process and the related requirements, the current status of land acquisition, the timeline of activities and factors that may affect the timing of completion of the transaction.



As of June 30, 2022 and 2021, management has assessed that there were no indicators that the deposits for land acquisition may be impaired. The carrying value of deposits for land acquisition amounted to ₱621.5 million and ₱537.0 million as of June 30, 2022 and 2021, respectively (see Note 7).

Estimates

Estimating Useful Lives of ROU Assets

The Company estimates the useful lives of ROU assets based on the period over which each asset is expected to be available for use and on the collective assessment of industry practices, internal evaluation and experience with similar arrangements. The estimated useful life is revisited at the end of each financial reporting period and updated if expectations differ materially from previous estimates.

The carrying amount of ROU assets amounted to ₱286.9 million and ₱297.8 million as of June 30, 2022 and 2021, respectively (see Note 13).

Estimating Impairment of Financial Assets

The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows, including collectability, collateral values and other credit enhancements, when determining impairment losses. Increases or decreases to the allowance balance are recorded as general and administrative expenses in the statement of comprehensive income.

Under PFRS 9, *Financial Instruments*, additional judgments are also made in assessing a significant increase in credit risk in the case of financial assets measured using the general approach. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's impairment calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the impairment models that are considered accounting judgments and estimates include:

- The Company's criteria for defining default and for assessing if there has been a significant increase in credit risk;
- The segmentation of financial and contract assets when impairment is assessed on a collective basis;
- The choice of inputs and the various formulas used in the impairment calculation;
- Determination of relationships between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and,
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the impairment models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.



Measurement of expected credit losses

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive.
- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

The Company leverages existing risk management indicators (e.g., internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allows the Company to identify whether the credit risk of financial assets has significantly increased.

No provision for ECL was recognized by the Company for the years ended June 30, 2022 and 2021. The aggregate carrying values of cash in banks, due from a related party, performance bond and cash bond amounted to ₱1,443.91 million and ₱0.90 million as of June 31, 2022 and 2021, respectively.

Estimating Impairment of Nonfinancial Assets

The Company assesses impairment of nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends including impact of COVID-19 pandemic.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of assets in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For impairment loss on specific assets, the recoverable amount represents the fair value less costs to sell.

The carrying amounts of assets that are subject to impairment testing when impairment indicators are present (such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, or other external indicators) are as follows:

	2022	2021
Construction in progress (Notes 1 and 6)	₱921,385,618	₱—
Deposits for land acquisition (Note 7)	621,499,933	537,000,000
Right-of-use assets (Note 13)	286,910,494	297,751,234
Other noncurrent assets (Note 8)	114,218,371	1,370,284
Balances at end of year	₱1,944,014,416	₱836,121,518



There were no indicators of impairment of nonfinancial assets in 2022 and 2021.

Estimating the Realizability of Deferred Income Tax Assets

Deferred income tax asset is recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable income will be available in the future against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred income tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies. The carrying value of recognized deferred income tax assets amounted to ₱31.0 million and ₱28.9 million as of June 30, 2022 and 2021, respectively (see Note 12). The Company did not recognize deferred income tax assets on the carryforward benefits of unused net operating loss carryover (NOLCO) amounting to ₱190.6 million and ₱19.1 million as of June 30, 2022 and 2021, respectively, as management believes that there is no sufficient future taxable income to allow all or part of the deductible temporary difference to be utilized before its expiration (see Note 12).

4. Cash

	2022	2021
Cash in banks	₱886,658,302	₱351,251
Cash on hand	100,000	—
	₱886,758,302	₱351,251

Cash in banks earn interest at the respective bank deposit rates. Total interest earned on cash in banks, net of final tax, amounted to ₱548,180, ₱6,090 and ₱698 in 2022, 2021 and 2020, respectively.

Cash in banks include the balance of escrow account where the net proceeds of the IPO are deposited. As provided in the escrow agreement, the escrow agent shall release to the Company the offer proceeds within five (5) banking days from the receipt of an instruction letter from the Company directing such release and certifying that the amount released shall be used solely in accordance with the purpose stated in the use of proceeds of IPO.

In the event of any change in the use of proceeds, the Company shall provide the escrow agent with a copy of the certification by the Company's corporate secretary of the board resolution approving such new use of proceeds and a certification by the Company's corporate secretary that the new use of proceeds has been disclosed to the PSE in accordance with applicable PSE rules.

5. Other Current Assets

	2022	2021
Surety and performance bond (Note 18)	₱16,350,000	₱—
Cash bond deposit (Note 13)	552,038	552,038
Others	3,887,350	224,054
	₱20,789,388	₱776,092



Others include advances to employees of the Parent Company used for the operations that are subject for liquidation within 30 days.

6. Construction in Progress

The Company's construction in progress amounting to ₱921.4 million as of June 30, 2022 (nil in 2021) pertains to costs capitalized for the Project (see Note 1).

The Project is a 500 megawatt peak (MWdc) solar power plant project located in Nueva Ecija and is divided into two (2) Phases. The first phase of the Project is a 225 MWdc solar power plant (Phase 1) in Barangay Las Piñas, Peñaranda, Nueva Ecija with sub-phases of Phase 1A at 50 MWdc and Phase 1B at 175 MWdc. The Company targets that Phase 1A shall be commissioned by middle of 2023 while Phase 1B is planned to be commissioned by 2023 or within nine months of closing financing for Phase 1B.

On December 27, 2021, the Company began construction of Phase 1A.

7. Deposits for Land Acquisition

Memorandum of Agreements (MOA) with Provincia Investments Corporation (PIC) and Lupang Hinirang Holdings Corporation (LHHC)

On February 20, 2021, the Company entered into a MOA with an affiliate, PIC, which MOA was later amended on March 3, 2021, to secure land for future expansion in excess of the capacity contemplated for the Project. The MOA covers certain parcels of land with a total area of 68.621 hectares.

On April 19, 2021, the Company entered into a MOA with an affiliate, LHHC, to secure land for future expansion in excess of the capacity contemplated for the Project. The MOA covers certain parcels of land with a total area of 56.81 hectares.

As of July 25, 2022, PIC and LHHC are collating all the necessary documentary requirements to be submitted to the Department of Energy and Local Government Unit for the issuance of certification as priority project, and to the National Irrigation Authority for the issuance of certificate of non-irrigation coverage. PIC and LHHC aim to submit these documentary requirements to the appropriate government agencies in 2022.

Contracts to Sell with Various Landowners

In 2022, the Company entered into Contracts to Sell (CTS) with various landowners for the acquisition of parcels of land intended for the expansion of the Project. These CTS covers certain parcels of land with a total area of 190.89 hectares.

The advance payments made by the Company to PIC, LHHC and various landowners totaling to ₱621.5 million and ₱537.0 million, respectively, are presented as "Deposits for land acquisition" as of June 30, 2022 and 2021, respectively (see Note 10).



8. Other Noncurrent Assets

	2022	2021
Input VAT	₱96,601,001	₱157,926
Advances to contractors	8,295,392	—
Deferred input VAT	1,200,000	480,000
Others (Note 13)	8,250,146	860,526
	114,346,539	1,498,452
Less allowance for impairment of input VAT	128,168	128,168
	₱114,218,371	₱1,370,284

9. Accounts Payable and Accrued Expenses

	2022	2021
Accounts payable (Note 10)	₱9,766,610	₱3,880,000
Accrued expenses	2,538,035	2,771,054
Withholding tax payable	691,094	73,080
Other payables	4,521	3,922
	₱13,000,260	₱6,728,056

Accounts payable are non-interest bearing and are normally settled within one year. Withholding tax payable pertains to withholding taxes on professional fees. Accrued expenses consist of accrual for professional fees.

10. Related Party Transactions

Parties are considered to be related if, among others, one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, the parties are subject to common control, or the party is an associate or a joint venture.

Affiliates are related entities of the Company by virtue of common ownership and representation to management where significant influence is apparent.

Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

- a. Following are the amounts of transactions and outstanding balances as of and for the years ended June 30, 2022, 2021 and 2020 with the Parent Company and SPHI, an affiliate:

	Transactions during the years ended June 30			Outstanding balance as of June 30		Terms	Conditions
	2022	2021	2020	2022	2021		
<i>Due from a related party</i>							
Affiliate:							
SPHI							
						Due and demandable; non-interest bearing	Unsecured, no impairment
Cash advances	₱541,700,000	P—	P—	₱541,700,000	P—		



	Transactions during the years ended June 30			Outstanding balance as of June 30			
	2022	2021	2020	2022	2021	Terms	Conditions
Due to a related party							
Parent:							
SPPPHI						Due and demandable; non-interest bearing	
Cash advances	₱—	₱6,966,300	₱4,945,000	₱22,792,348	₱22,792,348		Unsecured
Accounts payable (Note 9)							
SPPPHI						Due and demandable; non-interest bearing	
Management fee	₱24,000,000	₱4,000,000	₱—	₱9,700,000	₱3,880,000		Unsecured

- b. On February 20, 2021, the Company entered into a MOA with PIC, which was later amended on March 3, 2021, to secure land covering a total area of 68.621 hectares for a total amount of P267.0 million (see Note 7).
- c. On April 19, 2021, the Company entered into a MOA with LHHC to secure land covering a total area of 56.81 hectares for a total amount of P270.0 million (see Note 7).
- d. On January 11, 2021, a Deed of Assignment was entered between the Company, as the assignee, and the Parent Company, as the assignor, whereby, the Parent Company assigned to the Company all of its rights and obligations under the September 6, 2016 lease agreement covering a total land area of 169.9 hectares, among others, and the Company accepted and assumed all of the said rights and obligations thus assigned, pursuant to the said Deed of Assignment (see Note 13).
- e. On April 30, 2021, the Company entered into a Management Service Agreement (MSA) with the Parent Company to provide executive and leadership support and execute its strategic direction while managing its business operations for a period from May 1, 2021 to April 30, 2023, renewable upon mutual agreement of both parties, for a monthly fee of P2.0 million.

The Management Service Agreement covers all necessary administrative and advisory services on management, investment and technical matters involving the Company's operations, including but not limited to human resources, legal, finance, and information technology.

- f. On April 6, 2022, the BOD of the Company, pursuant to the Company's BOD approval on December 20 2021, approved the authorization to allocate IPO proceeds to advance funding for pursuing off-take agreements and developing projects for Terra Renewables Holdings, Inc. (Terra) and its associated developments to SPHI, given that SPHI is a shareholder in Terra and that SPHI is to become a subsidiary of the Company, provided this would only be from the excess of the amount needed by Phase 1A of the Nueva Ecija solar project and would form part of the expansion of the Company's projects.

As of June 30, 2022, the Company has advances to SPHI amounting to P541.7 million.

- g. Prior to May 2021, the administrative and finance functions of the Company were being handled by the Parent Company at no cost to the Company. Starting May 2021, the key administrative and finance functions are performed by SPPPHI through the MSA. Management fee recognized for the year ended June 30, 2022 and 2021 amounted to P24.0 million and P4.0 million, respectively.



11. Equity

Capital Stock and Additional Paid-in Capital

The details of the Company's capital stock as of June 30, 2022 and 2021 are as follows:

	2022		2021	
	Number of Shares	Amount	Number of Shares	Amount
Common shares - ₱0.1 par value per share				
Authorized	10,000,000,000	₱1,000,000,000	10,000,000,000	₱1,000,000,000
Issued and outstanding:				
Balances at beginning of year	5,424,350,000	₱542,435,000	10,000,000	₱1,000,000
Issuance of shares during the year	2,700,000,005	270,000,001	5,414,350,000	541,435,000
Balances at end of year	8,124,350,005	₱812,435,001	5,424,350,000	₱542,435,000

In July 2021, the Company issued five (5) shares to the new directors.

In July 2021 and November 2021, the Company entered into a Memorandum of Agreement with its Parent Company, whereby the Parent Company provided ₱16.0 million and ₱2.0 million, respectively, representing additional payment for shares previously issued. This was recognized as additional paid-in capital under equity.

On December 17, 2021, the Company completed its IPO and was listed in the PSE under the stock symbol "SPNEC". The Company issued 2,700,000,000 new common shares for a total consideration of ₱2,700.0 million, or at ₱1.00 per share. This resulted to an additional paid-in capital of ₱2,329.3 million, net of transaction costs amounting to ₱100.7 million.

Increase in Authorized Capital Stock

On January 10, 2022, the BOD of the Company approved amendments in the Company's Articles of Incorporation to increase the authorized capital stock from ₱1.0 billion divided into 10.0 billion common shares at ₱0.1 per share, to ₱5.0 billion divided into 50.0 billion common shares at ₱0.1 per share. This was subsequently approved by the stockholders of the Company on March 7, 2022. The proposal to increase the Company's authorized capital stock would enable the Company to acquire other solar projects and fund the expansion of its portfolio.

As of July 25, 2022, the Company is in the process of filing the required documents with the SEC.

Stock Rights Offering and Share Swap

On February 14, 2022, the BOD of the Company approved the conduct of a Stock Rights Offering (SRO) where eligible stockholders would have the opportunity to subscribe to shares, subject to terms to be determined by management and relevant regulatory requirements and approvals.

On February 24, 2022, the BOD of the Company approved the acquisition of 100% of the outstanding shares of SPPPHI and affiliates 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.

The Company would acquire the Solar Philippines Assets through an asset-for-share swap, with SPPPHI subscribing to 24,373,050,000 shares of the Company at ₱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 SEC and PSE. The Solar Philippines Assets would serve as the Company’s subscription payment for the increase in its authorized capital stock from 10 billion common shares to 50 billion common shares.

On March 7, 2022, the stockholders of the Company approved the following resolutions:

- Increase of the Company’s authorized capital stock from ₱1 billion divided into 10 billion common shares to ₱5.0 billion divided into 50 billion common shares, the amendment of the Articles of Incorporation, and the Share Swap between the Company and SPPPHI and their affiliates;
- Approval of the waiver of any requirement that a rights or public offering is first undertaken prior to a share swap notwithstanding that the share swap price is at a premium to the weighted average price of the shares; and
- Reiteration of the approval of the share swap between the Company and its parent and affiliates.

On March 28, 2022, pursuant to the approval of its BOD, the Company confirmed its plan to file the SRO based on its current unissued authorized capital stock of 1,875,649,995 shares, at an entitlement ratio of 1 share for every 1.28 shares held (from its current public float of 2,399,614,000 shares), at an offer price range that has been fixed at ₱1.60 to ₱1.76 per share, with the middle of this range being ₱1.68 per share.

On April 8, 2022, the Company filed with the SEC an application for Confirmation of Exempt Transaction covering the common shares to be issued relative to the SRO, pursuant to Section 10.1(e) (in respect of the Rights Offer) and 10.1(l) (in respect of the QB Take-Up) of the Securities Regulation Code (“SRC”) under which the exemption is based. The SEC issued the Confirmation of Exempt Transaction on July 19, 2022.

On July 4, 2022, the BOD of the Company approved the authorization to accept the transfer by way of donation of shares in Solar Philippines entities owned by LLL or CIHC, including shares in SP Holdings, Inc. (SPHI), which are not directly held by SPPPHI.



On July 12, 2022, the Company adjusted the offer price range to ₱1.50 to ₱1.76 per share, and offered the option to pay in installments, with a down payment of 25% and the balance of 75% within three months of the offer period.

Pledge of Company's Shares owned by the Parent Company

On June 25, 2021, the Parent Company executed a pledge over all the Company's shares it holds to secure a loan by its affiliate, PIC, from AC Energy Corporation. The pledged stock certificates of the Company's shares were delivered to and is in the custody of the lender. The lender has agreed to provisionally return the stock certificates representing the pledged shares and to have the same placed under escrow for the exclusive purpose of enabling the IPO.

12. Income Taxes

The Company has no provision for current income tax in 2022 and 2021 since it is in gross loss and net tax loss positions.

The Company was registered with the BIR on April 6, 2017. The Company became subject to minimum corporate income tax for the taxable year 2021, which is the fourth taxable year immediately following the year of the Company's registration with the BIR as provided under the law.

The reconciliation of income tax benefit at the statutory income tax rates to the provision for (benefit from) income tax are as follows:

	2022	2021	2020
Income tax benefit at statutory income tax rates	(₱7,195,000)	(₱2,266,890)	(₱853,589)
Adjustments for:			
Transaction costs charged to APIC and retained earnings	(10,066,198)	(743,848)	–
Movement in unrecognized deferred income tax assets	5,908,169	3,849,747	849,885
Nondeductible expenses	37,292	65,891	3,774
Interest income subject to final tax	(54,818)	(609)	(70)
Provision for (benefit from) income tax – deferred	(₱11,370,555)	₱904,291	₱–

The components of the Company's recognized deferred income tax assets and liabilities follow:

	2022	2021
Deferred income tax asset on lease liability	₱31,026,757	₱28,870,833
Deferred income tax liability on ROU asset	(20,560,493)	(29,775,124)
Net deferred income tax asset (liability)	₱10,466,264	(₱904,291)



As of June 30, 2022, the Company has NOLCO for which no deferred income tax assets have been recognized as follows:

Year Incurred	Valid Until	Amount
July 2021 to June 2022	June 30, 2027	₱172,229,330
January to June 2021	June 30, 2026	6,762,211
2020	December 31, 2025	7,162,169
2019	December 31, 2022	4,464,964
		₱190,618,674

The movements in NOLCO are as follows:

	June 30, 2022	June 30, 2021
Balances at beginning of year	₱19,078,574	₱12,316,363
Additions	172,229,330	6,762,211
Expirations	(689,230)	—
Balances at end of year	₱190,618,674	₱19,078,574

No deferred income tax asset was recognized on the carryforward benefits of NOLCO as of June 30, 2022 and 2021 amounting to ₱190.6 million and ₱19.1 million, respectively, as management estimates that there would be no sufficient future taxable income yet to allow all or part of the deductible temporary difference to be utilized prior to their expiration.

Bayanihan to Recover as One Act (Bayanihan 2)

On September 30, 2020, the BIR issued Revenue Regulations (RR) No. 25-2020 implementing Section 4 of Bayanihan 2 which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

President Rodrigo Duterte signed into law on March 26, 2021 the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. The CREATE Act took effect on April 11, 2021 which is 15 days after its publication in a newspaper of general circulation on March 27, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

As of June 30, 2022, the CREATE Act is considered substantively enacted applying PAS 12, *Income Taxes*. Accordingly, the Company is subject to a lower corporate income tax rate of 25% effective July 1, 2020 to operations not covered by the Renewable Energy (RE) Law. For activities covered by the RE Law, the 10% statutory income tax rate applies.



13. Leases

- a. In 2019, the Company entered into a land lease agreement with various landowners to develop solar farm projects in Peñaranda, Nueva Ecija for a total area of 95.8 hectares. The land was made available for use on January 1, 2019 with a one (1) year rent-free period plus 25-year term. Further, the lease is subject for renewal of 5 years upon mutual agreement by the parties.
- b. On January 11, 2021, a Deed of Assignment was entered between the Company, as the assignee, and the Parent Company, as the assignor, whereby, the Parent Company assigned all of its rights and obligations under the September 6, 2016 lease agreement for certain parcels of land with a total area of 179.6 hectares in Peñaranda, Nueva Ecija. The Company accepted and assumed all of the said rights and obligations thus assigned, in pursuance of the said Deed of Assignment. Further, as agreed by the parties, the lease of the updated total land area of 169.9 hectares commenced in March 2021.
- c. In May 2021, the Company entered into a land lease agreement with various landowners to develop solar farm projects in Peñaranda, Nueva Ecija for a total area of 81.75 hectares. The land was made available for use on the execution date of the contract with a one (1) year rent-free period plus 25-year term. Further, the lease is subject for renewal of 5 years upon mutual agreement by the parties.
- d. ROU assets as of June 30, 2022 and 2021 are as follows:

	June 30 2022	June 30, 2021
Balances at beginning of year	₱297,751,234	₱45,066,708
Additions	—	256,722,791
Amortization	(5,420,370)	(4,038,265)
Amortization capitalized to construction in progress *	(5,420,370)	—
Balances at end of year	₱286,910,494	₱297,751,234

*Incurred during the construction period (see Notes 1 and 6)

- e. Lease liabilities as of June 30, 2022 and 2021 are as follows:

	June 30 2022*	June 30, 2021
Balances at beginning of year	₱289,525,826	₱45,275,983
Additions	—	236,601,191
Interest expense	9,142,009	7,648,652
Interest expense capitalized to construction in progress *	9,215,478	—
Payments	(14,004,465)	—
Total lease liabilities	293,878,848	289,525,826
Current portion of lease liabilities	(4,538,676)	(14,004,465)
Noncurrent portion of lease liabilities	₱289,340,172	₱275,521,361

*Incurred during the construction period (see Notes 1 and 6)



- f. The following are the amounts recognized for the years ended June 30, 2022, 2021 and 2020 in the statements of comprehensive income:

	2022	2021	2020
Interest accretion of lease liabilities	₱9,142,009	₱7,648,652	₱2,023,771
Amortization of ROU assets	5,420,370	4,038,265	2,717,551
Total amount recognized in the statements of comprehensive income	₱14,562,379	₱11,686,917	₱4,741,322

- g. As of June 30, 2022 and 2021, cash bond deposit amounting to ₱0.6 million, pertain to cash bond deposits paid to Department of Agrarian Reform (DAR) for the conversion of leased land from agricultural to industrial land. On April 30, 2021, the Company received the DAR order for the conversion of 169.9 hectares of leased land. On October 11, 2021, the DAR issued the Certificate of Finality to the Company to effectively cause the conversion of said land from agricultural to industrial classification.

14. Financial Instruments and Financial Risk Management

Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash in banks, due from a related party, performance bond, cash bond deposit, accounts payable and accrued expenses, due to a related party and lease liabilities. The main purpose of these financial instruments is to finance the Company's operations.

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and manage the Company's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to liquidity and credit risks from the uses of its financial instruments. The BOD reviews and approves the policies for managing this risk as summarized below:

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

With respect to the credit risk arising from other financial assets of the Company, which comprise cash in banks, due from a related party, performance bond and cash bond deposit, the Company's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments. The Company's cash in banks, due from a related party, performance bond and cash bond deposit amounted to ₱1,443.9 million and ₱0.9 million as of June 30, 2022 and 2021, respectively.



Cash in banks

For cash in banks, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Due from a related party, performance bond and cash bond deposit

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The credit quality is further classified and assessed by reference to historical information about each of the counterparty's historical default rates. Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, the Company has assessed that the outstanding balances are exposed to low credit risk. ECL on these balances have therefore been assessed as insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Company's credit standing.

The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows.

The tables below show the maturity profile as of June 30, 2022 and 2021 of the Company's financial assets used for liquidity purposes based on contractual undiscounted cash flows, and financial liabilities based on contractual undiscounted payments:

	June 30, 2022				
	On Demand	< 1 Year	1 to 5 Years	More than 5 Years	Total
	<i>(In Thousand Pesos)</i>				
Financial assets at amortized cost:					
Cash in banks	₱886,658	₱—	₱—	₱—	₱886,658
Due from a related party	541,700	—	—	—	541,700
Performance bond and cash bond deposit	15,552	—	—	—	15,552
	₱1,443,910	₱—	₱—	₱—	₱1,443,910
Financial liabilities at amortized cost:					
Accounts payable	₱9,767	₱—	₱—	₱—	₱9,767
Accrued expenses	2,538	—	—	—	2,538
Due to a related party	22,792	—	—	—	22,792
Lease liabilities	4,539	—	91,597	582,193	678,329
	₱39,636	₱—	₱91,597	₱582,193	₱713,426
	June 30, 2021				
	On Demand	< 1 Year	1 to 5 Years	More than 5 Years	Total
	<i>(In Thousand Pesos)</i>				
Financial assets at amortized cost:					
Cash in banks	₱351	₱—	₱—	₱—	₱351
Cash bond deposit	552	—	—	—	552
	₱903	₱—	₱—	₱—	₱903



	June 30, 2021				Total
	On Demand	< 1 Year	1 to 5 Years	More than 5 Years	
Financial liabilities at amortized cost:					
Accounts payable	₱3,880	₱—	₱—	₱—	₱3,880
Accrued expenses	2,771	—	—	—	2,771
Due to a related party	22,792	—	—	—	22,792
Lease liabilities	13,187	—	79,983	599,162	692,332
	₱42,630	₱—	₱79,983	₱599,162	₱721,775

Fair Value and Category of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash in banks, due from a related party, performance bond, cash bond deposit, accounts payable, accrued expenses and due to a related party

The carrying amounts of these financial instruments approximate their fair values due to their short-term maturities.

Lease liabilities

The fair values for the Company's lease liabilities are estimated using the discounted cash flow methodology adjusted for credit risk (Level 3 of the fair value hierarchy). The discount rates used are 7.46% and 5.96% as at June 30, 2022 and 2021, respectively. The fair value of the lease liabilities amounted to ₱253.4 million and ₱299.2 million as of June 30, 2022 and 2021, respectively, while the carrying value of the lease liabilities amounted to ₱293.9 million and ₱289.5 million as of June 30, 2022 and 2021, respectively.

As of June 30, 2022 and 2021, the fair value of lease liabilities are measured using Level 3 valuation technique. For the years ended June 30, 2022 and 2021, there were no transfers into and out of Level 3 fair value measurements.

Capital Management

The Company manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust the capital structure, the Company may issue new shares.

No changes were made in the objectives, policies or processes for the years ended June 30, 2022 and 2021.

The Company considers the following as its core capital:

	2022	2021
Capital stock	₱812,435,001	₱542,435,000
Additional paid-in capital	2,347,338,021	—
Deficit	(85,716,108)	(25,136,660)
	₱3,074,056,914	₱517,298,340



15. Basic/Diluted Loss Per Share

The basic/diluted loss per share amounts were computed as follows:

	2022	2021	2020
(a) Net loss attributable to equity holders of the Company	₱60,579,448	₱23,573,194	₱8,535,890
(b) Weighted average number of common shares outstanding	6,999,350,005	461,195,834	6,875,000
Basic/diluted loss per share (a/b)	₱0.0087	₱0.0511	₱1.2416

The Company does not have any dilutive potential common shares as at June 30, 2022, 2021 and 2020.

16. Renewable Energy Act of 2008

On January 30, 2009, Republic Act No. 9513, An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes, otherwise known as the “Renewable Energy Act of 2008” (the “Act”), became effective.

The Act aims to:

- a) accelerate the exploration and development of renewable energy resources such as, but not limited to, biomass, solar, wind, hydro, geothermal and ocean energy sources, including hybrid systems, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country’s dependence on fossil fuels and thereby minimize the country’s exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy;
- b) increase the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives;
- c) encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the goals of economic growth and development with the protection of health and environment; and
- d) establish the necessary infrastructure and mechanism to carry out mandates specified in the Act and other laws.

As provided in the Act, RE developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the Board of Investments (BOI), shall be entitled to the following incentives, among others:

- i. Income Tax Holiday (ITH) - For the first seven (7) years of its commercial operations, the duly registered RE developer shall be exempt from income taxes levied by the National Government;
- ii. Duty-free Importation of RE Machinery, Equipment and Materials - Within the first ten (10) years upon issuance of a certification of an RE developer, the importation of machinery and equipment, and materials and parts thereof, including control and communication equipment, shall not be subject to tariff duties;



- iii. Special Realty Tax Rates on Equipment and Machinery - Any law to the contrary notwithstanding, realty and other taxes on civil works, equipment, machinery, and other improvements of a registered RE developer actually and exclusively used for RE facilities shall not exceed one and a half percent (1.5%) of their original cost less accumulated normal depreciation or net book value;
- iv. NOLCO - the NOLCO of the RE developer during the first three (3) years from the start of commercial operation which had not been previously offset as deduction from gross income shall be carried over as deduction from gross income for the next seven (7) consecutive taxable years immediately following the year of such loss;
- v. Corporate Tax Rate - After seven (7) years of ITH, all RE developers shall pay a corporate tax of ten percent (10%) on its net taxable income as defined in the National Internal Revenue Code of 1997, as amended by Republic Act No. 9337;
- vi. Accelerated Depreciation - If, and only if, an RE project fails to receive an ITH before full operation, it may apply for accelerated depreciation in its tax books and be taxed based on such;
- vii. Zero Percent VAT Rate - The sale of fuel or power generated from renewable sources of energy, the purchase of local goods, properties and services needed for the development, construction and installation of the plant facilities, as well as the whole process of exploration and development of RE sources up to its conversion into power shall be subject to zero percent (0%) VAT;
- viii. Cash Incentive of RE Developers for Missionary Electrification - An RE developer, established after the effectivity of the Act, shall be entitled to a cash generation-based incentive per kilowatt-hour rate generated, equivalent to fifty percent (50%) of the universal charge for power needed to service missionary areas where it operates the same;
- ix. Tax Exemption of Carbon Credits - All proceeds from the sale of carbon emission credits shall be exempt from any and all taxes; and
- x. Tax Credit on Domestic Capital Equipment and Services - A tax credit equivalent to one hundred percent (100%) of the value of the VAT and custom duties that would have been paid on the RE machinery, equipment, materials and parts had these items been imported shall be given to an RE operating contract holder who purchases machinery, equipment, materials, and parts from a domestic manufacturer for purposes set forth in the Act. RE developers and local manufacturers, fabricators and suppliers of locally produced RE equipment shall register with the DOE, through the Renewable Energy Management Bureau (REMB). Upon registration, a certification shall be issued to each RE developer and local manufacturer, fabricator and supplier of locally-produced renewable energy equipment to serve as the basis of their entitlement to the incentives provided for in the Act. All certifications required to qualify RE developers to avail of the incentives provided for under the Act shall be issued by the DOE through the REMB.

17. Changes in Liabilities Arising From Financing Activities

June 30, 2022

	July 1, 2021	Cash flows	Others	June 30, 2022
Due to a related party	₱22,792,348	₱—	₱—	₱22,792,348
Lease liabilities	289,525,826	(14,004,465)	18,357,487	293,878,848
Total liabilities from financing activities	₱312,318,174	(₱14,004,465)	₱18,357,487	₱316,671,196



June 30, 2021

	July 1, 2020	Cash flows	Others	June 30, 2021
Due to a related party	₱15,366,623	₱7,425,725	₱–	₱22,792,348
Lease liabilities	45,275,983	–	244,249,843	289,525,826
Total liabilities from financing activities	₱60,642,606	₱7,425,725	₱244,249,843	₱312,318,174

June 30, 2020

	July 1, 2019	Cash flows	Others	June 30, 2020
Due to a related party	₱8,444,628	₱6,921,995	₱–	₱15,366,623
Lease liabilities	47,563,954	(4,311,742)	2,023,771	45,275,983
Total liabilities from financing activities	₱56,008,582	₱2,610,253	₱2,023,771	₱60,642,606

18. Other Matters

Change in Allocation of IPO Proceeds

On December 20, 2021, the BOD of the Company approved the following:

- Pending the use of IPO proceeds for future land acquisitions and capital expenditures, effective by January 19, 2022, to allow the Company to allocate such IPO proceeds towards bid bonds, bid security, and other expenses for potential off-take agreements, to enable the Company to be responsive to contracting opportunities as soon as they arise, in support of the Company's strategy to pursue off-take on an opportunistic basis.
- The authority to transact with financial institutions to secure bid bonds and bid security for the projects of the Company.
- Subject to applicable law, rules and regulations to be clarified, the incorporation and funding of wholly-owned subsidiaries to hold the IPO's use of proceeds and to receive instructions from the Company for the use of such proceeds.
- The authority to file and submit all compliance, disclosures and any other reportorial requirements of the Company to the relevant regulatory agencies and the PSE.
- Other ancillary powers and authorities necessary and proper for the execution of the above approvals.

On February 14, 2022, the BOD of the Company approved the acquisition of land in support of the Company's plan to develop 10 GW of solar projects, to be funded from proceeds of a rights offering and the proceeds from its IPO, as available, and the delegation of authority to the Company's President or his authorized representative to determine the location, particular parcels and terms for such land, and authority to execute contracts for this purpose.

On April 6, 2022, the BOD of the Company approved the authorization to allocate IPO proceeds to advance funding for pursuing off-take agreements and developing projects for Terra Renewables Holdings, Inc. (Terra) and its associated developments to SPHI, given that SPHI is a shareholder in Terra and that SPHI is to be a subsidiary by the Company, provided this would only be from the excess of the amount needed by Phase 1A of the Nueva Ecija solar project and would form part of the expansion of the Company's projects.



Angeles Electric Corporation (AEC) Competitive Selection Process (CSP)

On October 14, 2021, the Company expressed its interest to participate in the CSP of AEC for the supply of renewable energy to AEC. On December 7, 2021, the Company was determined to be the winning supplier for the said bidding. The contract awarded is for a term of ten (10) years commencing on March 26, 2023, or upon ERC approval, whichever comes later.

Renewable Power Supply Agreement with AEC

In February 2022, the Company secured a 10-year Offtake Agreement with Angeles Electric Corporation (AEC), a distribution utility in Pampanga Province under which the Company will supply AEC 97.8 MWh daily, representing a portion of the Project's capacity to supply energy once completed. Since the Company has excess capacity beyond this Offtake Agreement, the Company intends to continue to pursue additional Offtake Agreements through contracting on an opportunistic basis with RESs, and/or Distribution utilities ("DUs") by participating in further Competitive Selection Processes ("CSPs"). In the absence of additional Offtake Agreements, the Company intends to supply its excess generation power through the Wholesale Electricity Spot Market.

The Company provided a performance bond in relation to the project amounting to ₱15.0 million valid until May 25, 2023. The performance bond is presented as part of "Other current assets" in the statement of financial position (see Note 5).

Green Energy Auction Program (GEAP)

On June 24, 2022, the Company was awarded as one of the winning bidders by the DOE for the first round of the Green Energy Auction. The Company submitted a surety bond, as part of the bidding requirements. The premium of ₱1.35 million that was paid for the surety bond is presented as part of the "Other current assets" in the statement of financial position (see Note 5).

19. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

The Company reported and accrued/paid the following types of taxes in 2022:

VAT

The Company's sales are subject to output VAT while its purchases of goods and services from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

- a. The Company has no declared and paid output VAT in 2022.
- b. The amount of input VAT claimed is broken down as follows:

Balance at July 1	₱157,926
Domestic purchase of goods other than capital goods	—
Importation of goods	90,545,295
Domestic purchase of services	5,897,779
Balance at June 30	<u>₱96,601,000</u>



Taxes and Licenses

Details of taxes and licenses are as follows:

Mayor's permit and other fees	₱6,842,636
Payment to other government agencies	2,426,852
Real property tax	1,075,373
BIR annual registration fee	500
Others	75,677
Total	₱10,421,038

Withholding Taxes

The Company reported a total expanded withholding tax on professional fees, management fees, rental, commissions, and payments to certain contractors amounting to P18.1 million.

Documentary Stamp Tax

Non-life insurance policy	₱168,750
Loose documentary stamps	192
Total	₱168,942

Tax Contingencies

The Company did not receive any final tax assessments in 2022, nor did it have tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the administration of the BIR.



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Solar Philippines Nueva Ecija Corporation
20th Floor Philamlife Tower
8767 Paseo de Roxas
Makati City

We have audited the accompanying financial statements of Solar Philippines Nueva Ecija Corporation (the Company, a subsidiary of Solar Philippines Power Project Holdings Inc.) as at June 30, 2022 and for the year then ended, on which we have rendered the attached report dated July 25, 2022.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has twelve (12) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-103-2019, November 7, 2019, valid until November 6, 2022

PTR No. 8853497, January 3, 2022, Makati City

July 25, 2022



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Solar Philippines Nueva Ecija Corporation
20th Floor Philamlife Tower
8767 Paseo de Roxas
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Solar Philippines Nueva Ecija Corporation (the Company, a subsidiary of Solar Philippines Power Project Holdings, Inc.) as at June 30, 2022 and 2021, and for each of the three years in the period ended June 30, 2022, included in this Form 17-A, and have issued our report thereon dated July 25, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-103-2019, November 7, 2019, valid until November 6, 2022

PTR No. 8853497, January 3, 2022, Makati City

July 25, 2022



SOLAR PHILIPPINES NUEVA ECIJA CORPORATION

(A Subsidiary of Solar Philippines Power Project Holdings Inc.)

INDEX TO THE FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

JUNE 30, 2022

Schedule	Contents
<i>Index to the Financial Statements</i>	
I	Map Showing the Relationships Between and Among the Companies in the Group
II	Reconciliation of Retained Earnings Available for Dividend Declaration
III	Financial Soundness Indicators
<i>Supplementary Schedules</i>	
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties)
C	Amounts Receivable from Related Parties and Amounts Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (not applicable)
D	Long-Term Debt (not applicable)
E	Indebtedness to Related Parties
F	Guarantees of Securities of Other Issuers (not applicable)
G	Capital Stock

Solar Philippines Power Project Holdings, Inc. & Subsidiaries
Corporate Structure
June 30, 2022



Solar Philippines Power Project Holdings, Inc.



Notes:

- 1 In partnership with Prime Metro Power Holdings Corporation
- 2 In partnership with KEPCO Philippines Holdings, Inc.
- 3 In partnership with Prime Infrastructure Capital, Inc.
- 4 In partnership with DGA SP B.V.
- 5 In partnership with AC Energy Corporation

Legend:

- Operating Entities
- Non-operating Entities

SOLAR PHILIPPINES NUEVA ECIJA CORPORATION**(A Subsidiary of Solar Philippines Power Project Holdings Inc.)**

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS**AVAILABLE FOR DIVIDEND DECLARATION****JUNE 30, 2022**

Deficit, July 1, 2021		(₱25,136,660)
Net loss during the year closed to deficit	(60,579,448)	
Less: Non-actual/unrealized income (net of tax)		
Benefit from income tax - deferred	(11,370,555)	
Net loss actually incurred for the year		(71,950,003)
TOTAL DEFICIT, JUNE 30, 2022		(₱97,086,663)

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Solar Philippines Nueva Ecija Corporation
As of June 30, 2022 and 2021

Ratio	Formula	June 2022	June 2021
Current ratio	Dividing total current assets over total current liabilities	35.93	0.03
Acid test ratio	Dividing total current assets less inventory over total current liabilities	35.93	0.03
Solvency ratio	Dividing net income excluding depreciation and non-cash provisions over total debt obligations	N/A	N/A
Debt-to-equity ratio	Dividing total liabilities over stockholders' equity	0.11	0.62
Asset-to-equity ratio	Dividing total assets over total stockholders' equity	1.11	1.62
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	N/A	N/A
Net debt-to-equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	N/A	N/A
Return on equity (%)	Dividing the net income (annual basis) by total stockholders' equity (average)	N/A	N/A
Return on assets (%)	Dividing the net income (annual basis) by the total assets (average)	N/A	N/A

Solar Philippines Nueva Ecija Corporation

INDEX TO SUPPLEMENTARY SCHEDULES

Form 17-A, Item 7

Supplementary Schedules

- A. Financial Assets
- B. Amounts Receivable from Directors, Officers, Employees,
and Principal Stockholders (Other than Related Parties)
- C. Amounts Receivable from Related Parties which are Eliminated
during the Consolidation of Financial Statements (*not applicable*)
- D. Long-Term Debt (*not applicable*)
- E. Indebtedness to Related Parties
- F. Guarantees of Securities of Other Issuers (*not applicable*)
- G. Capital Stock

SOLAR PHILIPPINES NUEVA ECIJA CORPORATION**SCHEDULE A - FINANCIAL ASSETS**

As of June 30, 2022

FINANCIAL ASSETS	Name of Issuing Entity & association of each use	Amount shown in the balance sheet	Income received and accrued
Loans and receivables: Cash and cash equivalents Trade Receivables Due from related parties Loans and notes receivables Advances to employees Non-trade Accounts Receivables Long term receivables Debt Service Reserve Account Financial assets at FVOCI Equity Investments Debt investments Financial asset at FVPL Derivative Assets		902,210,340 541,700,000	548,180
TOTAL		1,443,910,340	548,180

SOLAR PHILIPPINES NUEVA ECIJA CORPORATION**SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)**

As of June 30, 2022

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Accounts Written-off	Current	Not Current	Balance at End of Period
Employees	220,036	345,150	(547,263)	-	17,923	-	17,923
Directors							
TOTAL	220,036	345,150	(547,263)	-	17,923	-	17,923

Note: The Company keeps the information on the name & designation of employees and other details confidential. As per written agreement with the concerned employees, any outstanding balance at the time of retirement shall be deducted from the retirement benefit proceeds.

SCHEDULE C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
As of June 30, 2022

As of June 30, 2022

[illegible]

SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
SCHEDULE D - LONG-TERM DEBT
As of June 30, 2022

Title of Issue and Type of Obligation	Amount Authorized by Indenture		Balance at		Current Portion of Long-Term Debt		Long-Term Debt (Net of Current Portion)		Interest Rate	Amount and Number of Periodic Payments			Maturity Date
	(In original currency)	(In PhP)	(In original currency)	(In PhP)	(In original currency)	(In PhP)	(In original currency)	(In PhP)		(In original currency)		(Approx in PhP)	
TOTAL		-		-		-		-					

SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
 As of June 30, 2022

Name of Related Parties	Balance at beginning of period	Balance at end of period
SOLAR PHILIPPINES POWER PROJECT HOLDINGS, INC.	22,792,348.00	22,792,348.00

SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
As of June 30, 2022

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Nature of guarantee

SOLAR PHILIPPINES NUEVA ECIJA CORPORATION
SCHEDULE G - CAPITAL STOCK
As of June 30, 2022

Title of Issue	Number of shares authorized	Number of shares outstanding	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Number of shares held by Directors and key executive officers
Common Share	10,000,000,000	8,124,350,005		5,724,485,998	359,007