

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. 15 May 2023
Date of report (Date of earliest event reported)
2. SEC Identification Number CS201627300 3. BIR Tax Identification No. 009-468-103
4. SP New Energy Corporation
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines 6. (SEC Use Only)
Province, country, or other jurisdiction of incorporation Industry Classification Code:
7. 20th Floor PhilamLife Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City, Philippines 1226
Address of principal office Postal Code
8. (02) 8817-2585
Issuer's telephone number, including area code
9. Solar Philippines Nueva Ecija Corporation
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

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

**Note: The current total issued and outstanding capital stock of the Company is 10,000,000,000 common shares. However, the 1,875,649,995 common shares are not registered pursuant to the Securities Regulation Code as they were exempt from the registration requirement under the law at the time of issuance.*

11. Indicate the item numbers reported herein:

Item 9. Other Events

As at 31 December 2022, the proceeds of the Initial Public Offering of 2,700,000,000 common shares of SP New Energy Corporation, formerly Solar Philippines Nueva Ecija Corporation (the "Company"), listed together with the Company's then existing 5,424,350,005 common shares on the Philippine Stock Exchange on 17 December 2021 were applied as follows:

[This part was intentionally left blank]

Use of Proceeds		As of December 31, 2022
Unused Proceeds as of December 31, 2021		₱2,673,598,608
Less: IPO Related Expenses		
Underwriting Fees	₱31,420,453	
Issue Management Fee	28,421,053	
Selling Fees	26,778,432	
Receiving, Transfer, and Custodian Agency Fees	69,495	86,689,433
Net Proceeds After IPO Related Expenses		2,586,909,175
Construction and Development of Phase 1A	1,360,119,074	
Land for future expansion ¹	1,075,959,759	
Transmission Line Construction	96,623,534	
General corporate purposes	34,538,614	
Lease for the Year 2022	22,875,923	2,590,116,903
Unused Proceeds as of December 31, 2022		(3,207,729)
Beginning cash balance before IPO		14,080,783
Interest income earned		2,893,752
		₱13,766,806

¹ During the year, the Company used IPO proceeds amounting to ₱1,091.7 million, which were advanced to SPHI as funding for pursuing off-take agreements and developing projects for Terra and its associated developments to SPHI. The project development costs include but are not limited to land acquisition, permitting and other services. Out of this amount, ₱117.1 million was applied against the construction support services agreement between the Company and SPCRPI.

Please find attached separate certifications from the Company's Assistant Treasurer and external auditor, SyCip Gorres Velayo & Co.

[Signature page follows]

SIGNATURES

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

SP NEW ENERGY CORPORATION

Issuer

15 May 2023

Date


HAZEL IRIS P. LAFUENTE
Assistant Corporate Secretary

15 May 2023

SECURITIES AND EXCHANGE COMMISSION

7907 Makati Avenue, Salcedo Village, Barangay Bel-Air
Makati City 1209

Attention : **VICENTE GRACIANO P. FELIZMENIO, JR.**
Director
Markets and Securities Regulation Department

PHILIPPINE STOCK EXCHANGE

PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City 1634

Attention : **ALEXANDRA D. TOM WONG**
Officer-in-Charge
Disclosure Department

Re : **Annual Report on Use of Proceeds**

Ladies and Gentlemen:

In connection with the Initial Public Offering (“IPO”) of **SP NEW ENERGY CORPORATION**, formerly Solar Philippines Nueva Ecija Corporation (the “**Company**”) on 17 December 2021, we submit herewith our Annual Report (the “**Report**”) on the application of the net IPO proceeds.

For the year ended 31 December 2022, the application of the net IPO proceeds is broken down as follows:

Use of Proceeds		As of December 31, 2022
Unused Proceeds as of December 31, 2021		₱2,673,598,608
Less: IPO Related Expenses		
Underwriting Fees	₱31,420,453	
Issue Management Fee	28,421,053	
Selling Fees	26,778,432	
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¹During the year, the Company used IPO proceeds amounting to P1,091.7 million, which were advanced to SPHI as funding for pursuing off-take agreements and developing projects for Terra and its associated developments to SPHI. The project development costs include but are not limited to land acquisition, permitting and other services. Out of this amount, ₱117.1 million was applied against the construction support services agreement between the Company and SPCRPI.

There were no other disbursements and applications made during the relevant quarter.

In compliance with the conditions of the Notice of Approval of the Philippine Stock Exchange for the IPO, the undersigned hereby certifies the foregoing as true and correct based on available records. Likewise enclosed is a certification from the Company's external auditor, SyCip Gorres Velayo & Co., in connection with the Report.

We trust that you will find the foregoing in order.

Very truly yours,

SP NEW ENERGY CORPORATION

By: _____


HAZEL IRIS P. LAFUENTE
Assistant Treasurer

Agreed-Up Upon Procedures Report on Annual Summary Report on the Application of Proceeds from Initial Public Offering

The Board of Directors and Shareholders

SP New Energy Corporation
(formerly Solar Philippines Nueva Ecija Corporation)
20th Floor Philamlife Tower
8767 Paseo de Roxas
1226 Makati City Philippines

Purpose of this Agreed-upon Procedures Report

We have performed the procedures enumerated below, which were agreed to by SP New Energy Corporation (formerly Solar Philippines Nueva Ecija Corporation) (“SPNEC”; the “Company”), solely to assist you in complying with the requirements of the Philippine Stock Exchange, Inc. (“PSE”) in relation to the Annual Summary Report on the Application of Proceeds from the Initial Public Offering (“IPO”) of the Company on December 17, 2021 (“Subject Matter”). Accordingly, this may not be suitable for another purpose.

Restriction on Use and Distribution

This agreed-upon procedures report (“AUP Report”) is intended solely for the information and use of the Company and PSE and is not intended to be and should not be used by anyone else.

Responsibilities of the Company

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the Subject Matter on which the agreed-upon procedures are performed.

Responsibilities of the Practitioner

We have conducted the agreed-upon procedures engagement in accordance with the Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Up Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Our Independence and Quality Control

In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We are not required to be independent for the purpose of this engagement. We are the independent auditor of the Company and complied with the independence requirements of the Code of Ethics that apply in context of the financial statement audit.

Our firm applies Philippine Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed

We have performed the procedures described below, which were agreed upon with the Company in the terms of engagement dated October 4, 2022, on the Subject Matter which is presented as Annex to this report.

Our procedures and findings included:

1. Obtained from management the Annual Summary Report as at December 31, 2022 showing the following information:
 - a. Balance of net proceeds as of December 31, 2021;
 - b. Detailed schedule and description of disbursements for the year ;
 - c. Amount of disbursement for the year; and
 - d. Balance of net proceeds as of December 31, 2022.
2. Checked the mathematical accuracy of the Annual Summary Report.
3. Obtained and checked the mathematical accuracy of the Detailed Schedule of Disbursements during the year. Compare the disbursements as indicated in the Annual Summary Report as at December 31, 2022 to the detailed schedule of disbursements during the year.
4. Traced the amounts of disbursements in the detailed schedule of disbursements to the supporting documents such as cash disbursement journal, billing statements, invoices, check vouchers, official receipts and bank statements.
5. Obtained a complete list of bank accounts, where the IPO proceeds are maintained and traced interbank transfers to bank statements.
6. Traced the remaining balance of the net proceeds as of December 31, 2022 to the bank statements as of December 31, 2022.

7. Compared the nature and amounts of disbursements in the Annual Summary Report as of December 31, 2022 to the use of proceeds section of the Offering Circular.
8. Obtained the list of Board of Directors minutes of meetings for the year and inspected if there were reallocations or changes in the schedule of planned use of proceeds from the Offering.

We report our findings below:

1. With respect to item (1), we were able to obtain the Annual Summary Report showing the following information:
 - a. Balance of net proceeds as of December 31, 2021;
 - b. Detailed schedule and description of disbursements for the year;
 - c. Amount of disbursement for the year; and
 - d. Balance of net proceeds as of December 31, 2022.
2. With respect to item (2), no exception was noted.
3. With respect to item (3), no exception was noted.
4. With respect to item (4), we traced the disbursements in the detailed schedule of disbursements to the supporting documents such as cash disbursement journal, billing statements, invoices, check vouchers, official receipts and bank statements. We noted no exception.
5. With respect to item (5), we noted that the Company maintains the IPO proceeds in savings accounts and an escrow account of local banks. We noted no exception.
6. With respect to item (6), we noted that the total of bank balances is higher because of the interest income earned amounting to ₱2.9 million, beginning cash balance of ₱14.1 million, and unused proceeds from the stock rights offering amounting to ₱2.6 million as of December 31, 2022, which were not considered as part of the proceeds from the IPO.

7. With respect to item (7), we present below the summary of breakdown and application of the Offering Proceeds for the year based on the information we obtained from the Company.

	Unused Offering Proceeds as of December 31, 2021	Application of Offering Proceeds During the Year				Total	Reclassification ¹	Application of Offering Proceeds, after reclassification	Unused Offering Proceeds as of December 31, 2022
		2022 Q1	2022 Q2	2022 Q3	2022 Q4				
		<i>(In Millions)</i>							
IPO related expenses	P82.9	P83.4	P3.2	P-	P-	P86.6	P-	P86.6	(P3.7)
Fund the construction and development of Phase 1A	1,002.7	385.5	532.1	250.0	75.5	1,243.1	117.1	1,360.2	(357.5)
Fund the transmission line construction	200.0	-	95.4	1.2	-	96.6	-	96.6	103.4
Lease expenses for year 2022	23.0	11.4	10.7	0.7	-	22.8	-	22.8	0.2
General corporate purposes	33.0	23.3	13.6	(0.6)	-	36.3	-	36.3	(3.3)
Land for future expansion	1,332.0	51.7 ¹	590.5 ¹	250.0 ¹	299.0 ¹	1,191.2 ¹	(117.1)	1,074.1 ¹	257.9
	P2,673.6	P555.3	P1,245.5	P501.3	P374.5	P2,676.6	P-	P2,676.6	(3.0)
Beginning cash balance before IPO									14.1
Interest income earned									2.9
									P14.0

¹Please refer to item 8.

8. With respect to item (8), on April 6, 2022, the Board of Directors (“BOD”) of the Company, 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 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 Company’s projects.

For the year ended December 31, 2022, the Company used IPO proceeds amounting to ₱1,091.7 million, which were advanced to SPHI as funding for pursuing off-take agreements and developing projects for Terra and its associated developments to SPHI. The project development costs include but are not limited to land acquisition, permitting and other services.

Out of this amount, ₱117.1 million was applied against the construction support services agreement between the Company and Solar Philippines Commercial Rooftop Projects, Inc. (“SPCRPI”; an affiliate of the Company) while ₱145.5 million was applied against the site acquisition services agreement entered into by the Terra Nueva Inc. (“TNI”; a subsidiary of SPNEC) and SPPPHI.

Explanatory paragraph

The Company is responsible for the source documents that are described in the specified procedures and related findings section. We were not engaged to perform and we have not performed any procedures other than those previously listed. We have not performed procedures to test the accuracy or completeness of the information provided to us except as indicated in our procedures. Furthermore, we have not performed any procedures with respect to the preparation or verification of any of the source documents. We have no responsibility for the verification of any underlying information upon which we relied in forming our findings.

We undertake no responsibility to update this AUP Report for events and circumstances occurring after the AUP Report is issued.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go
Partner
6760 Ayala Avenue,
Makati City, Metro Manila, 1226

May 15, 2023

Annex: Annual Summary Report for 2022

Use of Proceeds		As of December 31, 2022
Unused Proceeds as of December 31, 2021		₱2,673,598,608
Less: IPO Related Expenses		
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