[Note: For the website only. NOT to be included in the printed version of the Prospectus]

The Prospectus is being displayed in the website to make the Prospectus accessible to more investors. The Philippine Stock Exchange, Inc. ("PSE") assumes no responsibility for the correctness of any statements made or opinions or reports expressed in the Prospectus. Furthermore, the PSE makes no representation as to the completeness of the Prospectus and disclaims any liability whatsoever for any loss arising from or in reliance in whole or in part on the contents of the Prospectus.

THIS PRELIMINARY PROSPECTUS AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT WITHOUT NOTICE. THE OFFER SHARES MAY NOT BE SOLD NOR MAY AN OFFER TO BUY BE ACCEPTED PRIOR TO THE TIME THAT THE PRELIMINARY PROSPECTUS IS ISSUED IN FINAL FORM. UNDER NO CIRCUMSTANCES SHALL THIS PRELIMINARY PROSPECTUS CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OFFER SHARES NOR SHALL THERE BE ANY OFFER SOLICITATION OR SALE OF THE OFFER SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH JURISDICTION.

PRELIMINARY PROSPECTUS **As of February 14, 2023**

alternergy

ALTERNERGY HOLDINGS CORPORATION

(Incorporated in the Republic of the Philippines)

Initial Public Offer of up to 1,150,000,000 Primary Common Shares with an Over-allotment Option of up to 115,000,000 Primary Common Shares

Offer Price of up to ₱1.48 per Offer Share to be listed and traded on the Main Board of The Philippine Stock Exchange, Inc.

Sole Issue Coordinator

INVESTMENT & CAPITAL CORPORATION OF THE PHILIPPINES

Joint Issue Managers and Joint Lead Underwriters

BDO Capital

INVESTMENT & CAPITAL CORPORATION OF THE PHILIPPINES

Co-Lead Underwriter

UNICAPITAL

Selling Agents

The Trading Participants of the Philippine Stock Exchange, Inc.

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

The date of this Prospectus is February 14, 2023

ALTERNERGY HOLDINGS CORPORATION
(A corporation duly organized under the laws of the Republic of the Philippines)
Level 3B 111 Paseo de Roxas Building, Paseo de Roxas Avenue
corner Legazpi Street, Legazpi Village, Makati City
Telephone Number: (+632) 7759 4327
Email Address: investorrelations@alternergy.com
www.alternergy.com

This Preliminary Prospectus (the "**Prospectus**") relates to the offer and sale to the public of up to 1,150,000,000 common shares (the "**Firm Shares**"), with an Over-allotment Option (as defined below) of up to 115,000,000 common shares (the "**Option Shares**") (collectively, the Firm Shares and the Option Shares are referred to as the "**Offer Shares**"), each common share with a par value of ₱0.10 per common share (the "**Shares**"), of Alternergy Holdings Corporation ("**AHC**," the "**Company**," "**Alternergy**", or the "**Issuer**"), a corporation organized and existing under Philippine law. The Firm Shares will comprise up to 1,150,000,000 unissued Shares to be offered and issued by the Company out of its authorized capital stock by way of primary offer (the "**Primary Offer**" and such Shares, the "**Primary Shares**"). The offer of the Offer Shares is referred to herein as the "**Offer**".

Alternergy is a renewable energy holding company that has a portfolio of investee companies which embarked on different renewable energy projects such as wind, solar, hydro, floating solar and battery storage power projects. Its vision is to be a leading renewable energy firm in the Philippines and strive to create a more sustainable future for the next generation. As of the date of this Prospectus, the Company has an authorized capital stock of ₱1,188,788,570.80 divided into 10,406,291,160 common shares with a par value of ₱0.10 per share and 1,481,594,548 preferred shares with a par value of ₱0.10 per share of which 2,668,840,480 common shares are issued and outstanding and 370,398,637 preferred shares are issued and outstanding.

The Company's preferred shares have full voting rights. Preferred Shares may only be issued or transferred to Filipino citizens, or corporations or associations at least sixty percent per annum (60%) of whose capital is owned by Filipino citizens. Holders of the Preferred Shares shall be entitled to receive a coupon at the rate of eight percent (8%) per annum of the par value of the Preferred Shares. Holders of the Preferred Shares shall not be entitled to participate with holders of the Common Shares in any dividends payable to the Corporation. The Preferred Shares shall not be convertible to any shares of stock of the Corporation of any class now or hereafter authorized.

The Offer Shares shall be offered at a price of up to ₱1.48 per Offer Share (the "**Offer Price**"). The final Offer Price will be determined through a book-building process and discussion between the Company and Investment & Capital Corporation of the Philippines ("**ICCP**") as sole issue coordinator (the "**Sole Issue Coordinator**"), BDO Capital & Investment Corporation ("**BDO Capital**") as joint issue manager and joint lead underwriter and Unicapital, Inc. ("**Unicapital**") as co-lead underwriter. Together, ICCP and BDO Capital are joint issue managers (the "**Joint Issue Managers**") and as joint lead underwriters (the "**Joint Lead Underwriters**") while ICCP, BDO Capital, and Unicapital are "**Underwriters**".

The Offer Shares will be listed and traded on the Main Board of The Philippine Stock Exchange, Inc. (the "**PSE**") under the trading symbol "**ALTER**".

Subject to the approval of the Securities and Exchange Commission (the "**SEC**"), the Company has appointed BDO Capital to act as a stabilizing agent (the "**Stabilizing Agent**"), whose trades will be executed and implemented on its behalf by its duly licensed stock brokerage firm in the Philippines, BDO Securities Corporation, in relation to the Offer. The Stabilizing Agent has an option exercisable in whole or in part for a period beginning on or after the initial listing of the Offer Shares on the PSE (the "**Listing Date**") and, if exercised, ending on a date no later than thirty (30) calendar days from and including the Listing Date, to purchase the Option Shares, which shall not exceed 10.00% of the Firm Shares, at the Offer Price, on the same terms and conditions as the Firm Shares as set forth in this Prospectus, solely to cover over-allotments, if any (the "**Over- allotment Option**"). In connection with the Offer, the Stabilizing Agent or any person acting on its behalf may over-allot the Option Shares and may effect price stabilization transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date (the "**Price Stabilization**"). The Stabilizing Agent has the sole discretion whether to undertake stabilization activities, and there is no assurance that the same will be undertaken. Any stabilization activities shall be done in compliance with all applicable laws, rules and regulations. Any stabilization activities may begin on or after the date on which adequate public disclosure of the final price of the Offer Shares is made and, if begun, may be ended at any time, but must end no later than thirty (30) calendar days from and including the Listing Date. However, there is no assurance that the price of the Shares will not decline significantly after any such stabilizing activities end.

Unlike the Firm Shares, the Option Shares are not fully underwritten and, consequently, the Option Shares may not be fully sold and taken up. The Stabilizing Agent may conduct stabilization activities by repurchasing Common Shares from the market at up to the number of Option Shares sold under the Over-allotment Option; hence, stabilization activities and the funds available therefor will necessarily be limited by the number of Option Shares actually sold or purchased. The Over-allotment Option, to the extent not exercised by the Stabilizing Agent, shall be deemed cancelled and the relevant Option Shares shall be sold to BDO Unibank, Inc. – Trust and Investments Group as the Trustee of Alternergy Holdings Corporation Employees' Incentive Plan and/or Vespers Holdings Corporation.

Upon completion of the Offer, a total of up to 3,933,840,480 Common Shares will be issued and outstanding, with the Offer Shares representing up to 32.16% of the issued and outstanding Common Shares of the Company and up to 29.39% of the issued and outstanding capital stock of the Company.

The gross proceeds to be raised by the Company from the sale of the Firm Shares is estimated to be up to ₱1,702,000,000. The net proceeds from the Firm Shares, after deduction of fees and expenses, is estimated to be approximately up to ₱1,621,652,481. The Company intends to use the net proceeds from the Firm Shares to finance (i.) the development and construction of the projects under development, namely Solana Solar project, and Lamut Hydro project; (ii.) payment of accrued liabilities on the acquired Kirahon Solar Energy Corp. ("KSEC") shares; (iii.) pre-development expenses of pipeline projects, namely Ibulao Hydro project, Tanay Wind project, Alabat Wind project, Calavite Offshore Wind project, and Tablas Strait Offshore Wind project; (iv.) general corporate requirements, and (v.) working capital to operationalize Retail Electricity Supply ("RES"). The Company will not use any net proceeds from the Offer to repay any indebtedness to the Underwriters. In compliance with the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies of the PSE Consolidated Listing and Disclosure Rules, the Company will deposit in escrow the net proceeds of the Offer to be released based on the schedule of disbursements in accordance with the work program disclosed herein and further in the section "Use of Proceeds."

The Underwriters will receive an Underwriting fee from the Company equivalent to 1.25% of the gross proceeds from the sale of the Offer Shares. The underwriting fees are inclusive of amounts to be paid to other participating underwriters and selling agents, if any and where applicable, but does not include commissions and fees to be paid to the trading participants of the PSE. For a more detailed discussion on the fees to be received by the Underwriters, see the Plan of Distribution section of this Prospectus.

Up to 230,000,000 Firm Shares (or 20% of the Firm Shares) (the "**Trading Participants Offer Shares**") are being offered in the Philippines through the PSE Trading Participants and up to 115,000,000 Shares (or 10% of the Firm Shares) (the "**Retail Offer Shares**") are being offered in the Philippines to local small investors ("**LSI**") under the Local Small Investors Program of the PSE (subject to reallocation as described below) (such shares, together, the "**Trading Participants and Retail Offer Shares**", and such offer of Trading Participants and Retail Offer Shares, the "**Trading Participants and Retail Offer**").

At least 805,000,000 Shares, or 70% of the Firm Shares (the "**Institutional Offer Shares**"), are (subject to reallocation as described below) being offered for sale to certain qualified buyers and other investors in the Philippines, by the Underwriters (the "**Institutional Offer**"). The allocation of Firm Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between the Company and the Underwriters. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Firm Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and if there is a corresponding over-application in the Institutional Offer, Firm Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.

The Underwriters will underwrite, on a firm commitment basis, the entire Firm Shares. For a detailed discussion on the distribution of the Firm Shares and the underwriting commitment, please refer to the section on "Plan of Distribution".

All of the Offer Shares have identical rights and privileges to the issued and outstanding Common Shares of the Company. For a detailed discussion of the rights and features of the shares of stock of the Company, including the Offer Shares, please refer to the section on "Description of Shares".

The purchase of the Offer Shares in certain jurisdictions may be restricted by law. Foreign investors interested in purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase, and hold the Offer Shares.

The Offer Shares may be purchased and owned by any person or entity regardless of citizenship or nationality, subject to nationality requirements under Philippine law. In particular, the Philippine Constitution and other Philippine laws and regulations require that ownership of companies that own land be limited to citizens of the Philippines, or Philippine Nationals. The Company through its direct subsidiary, KSEC, and indirect subsidiary, Solana Solar Alpha, Inc. ("**SSAI**"), owns parcels of land and may continue to acquire and own land for purposes of its business. The Philippine Constitution and related statutes also set forth restrictions on foreign ownership for companies engaged in certain activities, including those engaged in renewable energy. Moreover, the Implementing Rules and Regulations, or Department of Energy Circular No. DC2009-05-0008, to Republic Act No. 9513, or the Renewable Energy Act of 2008, provides that a foreign renewable energy developer may be allowed to undertake the development of renewable energy through a Renewable Energy Service Contract with the government, subject to the nationality limitations provided under the Philippine Constitution. Philippine Nationals include corporations or associations organized under the laws of the Philippines of which at least 60% of the capital stock outstanding is owned and held by citizens of the Philippines. To the extent that the Company or its subsidiaries own land in the Philippines or are holders of Service Contracts for Renewable Energy, foreign ownership in the Company's capital stock will be limited to a maximum of 40% of its issued and outstanding capital stock. Please refer to the discussion under the section on “Philippine Foreign Investment, Exchange Controls, and Foreign Ownership”.

The Company is authorized to declare dividends to holders of its Common Shares as of a record date set by the Board of Directors (“Board”). Dividends may be payable, at the discretion of the Board, in cash, property, or stock. A cash or property dividend declaration requires the approval of the Board and no shareholder approval is necessary. A stock dividend declaration requires the approval of the Board and shareholders, representing at least two-thirds of the Company’s total outstanding capital stock. The ability to declare dividends is subject to the requirements of applicable laws, rules and regulations; the availability of unrestricted retained earnings; and circumstances which restrict the payment of dividends.

The Company shall have a dividend policy of at least 10% of the prior fiscal year’s net income after tax can be declared as dividends, subject to (i) the availability of unrestricted retained earnings, (ii) contractual obligations, (iii) implementation of expansion plans, (iv) special circumstances requiring the Company to create a special reserve for probable contingencies, (v) working capital requirements and (vi) approval of the Board. Dividends shall be payable in cash, property or stock, as often and at such times as the Board may determine in accordance with law. The Company’s Subsidiaries have adopted a uniform dividend policy, which involves distributing Distributable Cash by way of dividends declared out of the unrestricted retained earnings in each fiscal year post-Commercial Operations Date. Distributable Cash refers to 100% of the cash and cash equivalents available for distribution other than those required for working capital purposes and subject to restrictions under the financing documents, applicable law, and other agreements to which each subsidiary may be bound. For a further discussion of the Company’s dividend policy, please refer to the section “Dividends and Dividend Policy”.

On July 5, 2022, the Company filed a Registration Statement with the SEC, in accordance with the provisions of the Securities Regulation Code (“SRC”), for the registration of the Offer Shares and all the issued and outstanding shares. The SEC favorably considered the Registration Statement and issued a Pre- Effective Letters dated November 8, 2022 and February 10, 2023, subject to certain conditions to be fully complied with by the Company. Upon compliance with the conditions of the Pre-Effective Letter, the Company expects the SEC to issue the Order of Registration of Securities and Certificate of Permit to Offer Securities for Sale (the “Permit to Sell Securities”). The issuance of the Permit to Sell Securities is merely permissive and does not constitute a recommendation or endorsement by the SEC of the Offer Shares.

The listing of the Common Shares is subject to the approval of the PSE. On July 20, 2022, the Company filed its application with The Philippine Stock Exchange, Inc. (“**PSE**”) for the listing and trading of the Offer Shares and all of the issued and outstanding Common Shares. In its Notice of Approval dated December 21, 2022 and February 14, 2023, the PSE approved the listing application, subject to compliance by the Company with certain pre-offering and listing conditions. The PSE’s approval of the listing is permissive only and does not constitute a recommendation or endorsement of the Offer by the PSE. The PSE assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Furthermore, the PSE makes no representation as to the completeness of, and expressly disclaims any liability whatsoever for any loss arising from, or in reliance upon, the whole or any part of this Prospectus.

Recent Developments

On February 2, 2023, the Company submitted an application for equity restructuring with the Financial Analysis and Audit Division (FAAD) department of the SEC. Through this application, the Company intends to offset / wipe-out the deficit in the Company's stand-alone audited financial statement as of June 30, 2022 in the amount of ₱120,257,406 against the Corporation's additional paid-in capital of ₱315,802,580. Should the SEC approve the application, the Company will have a remaining additional paid-in capital of ₱195,545,174 and ₱0.00 accumulated deficit as of June 30, 2022 after offsetting/wiping out the Company's deficit. The Company has no reason to believe that the SEC will disapprove the application.

On February 6, 2023, the Company's shareholders approved the amendment of the Company's Amended Articles of Incorporation to change its principal office from "6/F Twin Cities Condominium, 110 Legazpi Street, Legazpi Village, Makati City 2229" to "Level 3B, 111 Paseo de Roxas Building, Paseo de Roxas Avenue corner Legazpi Street, Legazpi Village, Makati City". The shareholders' likewise approved the amendment of the Company's Amended By-Laws (i) to change the date of its annual shareholders' meeting from the last Tuesday of May of each year to the second Wednesday of December of each year and (ii) to create an executive committee of five (5) members, at least three (3) of whom must be members of the board of directors. The Company expects to receive SEC approval of the foregoing amendments after the Listing Date.

Unless otherwise indicated, all information in this Prospectus is as of the date of this Prospectus. Neither the delivery of this Prospectus nor the issuance or sale of any Offer Shares made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the Company's affairs since such date.

The information contained in this Prospectus has been supplied by the Company, unless otherwise stated herein.

The Company has exercised due diligence to the effect that, and confirms that, after having taken reasonable care to ensure that such is the case, as of the date of this Prospectus, all information contained in this Prospectus are true and there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect, and the Company hereby accepts full and sole responsibility for the accuracy of all material information in this Prospectus and in all documents submitted to the relevant regulators in connection with the Offer.

In making an investment decision, investors are advised to carefully consider all the information in this Prospectus, including, but not limited to, the risks associated with an investment in the Offer Shares. These risks include:

- Risks relating to the Company and the business;
- Risks relating to the Philippines;
- Risks relating to the Offer and the Offer Shares; and
- Risks relating to the presentation of information in this Prospectus.

For a more detailed discussion on the risks in investing, please see the section "Risk Factors", which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with an investment in the Offer Shares.

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A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OF COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

ALTERNERGY HOLDINGS CORPORATION

By:

Vicente S. Pérez Jr. Chairman	Gerry P. Magbanua President

REPUBLIC OF THE PHILIPPINES)
, Metro Manila) S. S.

BEFORE ME, a Notary Public for and in the above jurisdiction, this ____ day of ___________ 2023, personally appeared the following:

Name	Valid Government ID	Issued On/At
Vicente S. Pérez Jr.	P4390051B	January 15, 2020 / DFA Manila
Gerry P. Magbanua	P4909380B	February 21, 2020 / DFA Manila

known to me and by me known to be the same persons who executed the foregoing Commitment Letter and they acknowledged to me that the same is their own free and voluntary act and deed as well as of the corporations they respectively represent.

WITNESS MY HAND AND SEAL on the date and at the place first above written.

Doc. No. ___;
Page No. ___;
Book No. ___;
Series of 2023.

NOTICE TO INVESTORS

No representation or warranty, express or implied, is made by the Company and the Underwriters regarding the legality of an investment in the Offer Shares under any laws, rules, or regulations. The contents of this Prospectus are not investment, financial, legal, or tax advice. Prospective investors should consult their own counsel, accountant, and other advisors as to legal, tax, business, financial, and related aspects of an investment in the Offer Shares. In making any investment decision regarding the Offer Shares, prospective investors must rely on their own careful examination of the Company and the terms of the Offer, including the merits and risks involved. Furthermore, investors should inform themselves of any taxation or exchange control law, rule, or regulation affecting them personally.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer Shares is prohibited.

THE OFFER SHARES ARE BEING OFFERED ON THE BASIS OF THIS PROSPECTUS ONLY. ANY DECISION TO SUBSCRIBE TO OR PURCHASE THE OFFER SHARES MUST BE BASED ONLY ON THE INFORMATION CONTAINED HEREIN.

No dealer, salesman, or other person has been authorized to give any information or to make any representation not contained in this Prospectus. If given or made, any such information or representation must not be relied upon as having been authorized by the Company, and the Underwriters.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. The Company, the Joint Issue Managers and the Underwriters require persons who come into possession of this Prospectus to inform them about and to observe any such restrictions. This Prospectus does not constitute an offer of, or a solicitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or solicitation would be unlawful. Each prospective investor in the Offer Shares must comply with all applicable laws, rules, and regulations in any jurisdiction in which such investor purchases, offers, sells, or resells the Offer Shares or possesses and distributes this Prospectus, and must obtain any consents, approvals, or permissions required for the purchase, offer, sale, or resale by such investor of the Offer Shares under the laws, rules, and regulations of any jurisdiction to which it is subject or in which such investor makes such purchases, offers, sales, or resales, and none of the Company, the Underwriters shall have any responsibility therefor.

The information contained in this Prospectus relating to the Company and its operations has been supplied by the Company, unless otherwise stated herein. Each of the Company and the Underwriters has exercised due diligence to the effect that, and the Company confirms that, after having taken reasonable care to ensure that such is the case, as of the date of this Prospectus, the information contained in this Prospectus relating to the Company and its operations is true and there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect and the Company and Underwriters hereby accept responsibility under and in accordance with the SRC for the accuracy of the material information contained in this Prospectus relating to the Company and its operations.

Each person contemplating an investment in the Offer Shares should exercise appropriate due diligence, conduct an independent investigation and evaluation of the financial conditions, business affairs, status, prospects and other relevant circumstances of the Company, and arrive at his or her own determination of the creditworthiness of the Company as well as the suitability and merit of investing in the Offer Shares. A person contemplating an investment in the Offer Shares should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the Offer or the nature of the risks involved in the trading of the Common Shares. Investing in the Offer Shares involves a higher degree of risk compared to an investment in debt instruments. For a discussion of certain factors to be considered in respect of an investment in the Offer Shares, please see the section "Risk Factors".

The Company reserves the right to withdraw the offer and sale of the Offer Shares. The Company, in consultation with the Underwriters, reserves the right to reject any commitment to subscribe to or purchase the Offer Shares in whole or in part and to allot to any prospective investor less than the full amount of the Offer Shares sought by such investor. If the Offer is withdrawn or discontinued, the Company shall subsequently notify the SEC and the PSE.

The Underwriters and certain related entities may acquire for their own account a portion of the Offer Shares.

Each Applicant, by accepting delivery of this Prospectus, agrees to the foregoing.

BASIS FOR CERTAIN MARKET DATA

Market data and certain industry information used throughout this Prospectus were obtained from market research, government data, publicly available information, industry publications, and the Company's internal analysis. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the veracity, accuracy, or completeness of such information are not guaranteed. Similarly, market research, government data, publicly available information, industry publications, and internal analysis, while believed to be reliable, have not been independently verified, and none of the Company, and Underwriters make any representation or warranty, express or implied, as to the veracity, accuracy or completeness of such information.

The operating information used throughout this Prospectus has been calculated by the Company on the basis of certain assumptions. As a result, this operating information may not be comparable to similar operating information reported by other companies.

Please see the section "Industry Overview" for information relating to the industry in which the Group operates.

CONVENTIONS USED IN THE PROSPECTUS

In this Prospectus, all references to the "Company", the "Issuer", and "Alternergy" are to Alternergy Holdings Corporation or to Alternergy Holdings Corp.

All references to the "Group", and the "AHC Group" are to Alternergy Holdings Corporation and the project companies under AHC, as the context requires.

All references to the "Philippines" are references to the Republic of the Philippines. All references to "SEC" are references to the Philippine Securities and Exchange Commission. All references to the "BSP" are references to the Bangko Sentral ng Pilipinas, the central bank of the Philippines. All references to "Philippine Peso", "Pesos", "Php", "PHP", or "₱" are to the lawful currency of the Philippines. A specific time of day refers to Philippine Standard Time.

Certain terms used herein are defined in the section "Glossary of Terms". Items in the "Glossary of Terms" may be defined otherwise by appropriate government agencies or laws, rules, or regulations from time to time, or by conventional or industry usage.

PRESENTATION OF FINANCIAL INFORMATION

The Group's financial statements are reported in Pesos and are prepared based on its accounting policies, which are in accordance with the Philippine Financial Reporting Standards ("PFRS") issued by the Financial Reporting Standard Council of the Philippines. PFRS include statements named PFRS and Philippine Accounting Standards, and Philippines Interpretations from International Financial Reporting Interpretations Committee.

The financial information included in this Prospectus has been derived from the Group's financial statements. Unless otherwise indicated, financial information relating to the Group in this Prospectus is stated in accordance with PFRS.

Figures in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same item of information may vary, and figures which are totals may not be an arithmetic aggregate of their components.

On April 26, 2022, the Company's BOD and shareholders approved the change of the Company's fiscal year from the first day of January ending on the last day of December each year to the first day of July ending on the last day of June of the following year. On May 27, 2022, the SEC approved the change in the Company's fiscal year while the BIR approved the application on June 20, 2022. Prior to the change in fiscal year to June 30 year-end, the Group's fiscal year begins on January 1 and ends on December 31 of each year. SyCip Gorres Velayo & Co. ("SGV"), a member firm of Ernst & Young Global Limited, has audited the Group's consolidated financial statements as of and for the years ended December 31, 2019, 2020 and 2021, as of September 30, 2022 and June 30, 2022 and for the three-month periods ended September 30, 2022 and 2021 and six-month periods ended June 30, 2022 and 2021 in accordance with Philippine Standards on Auditing ("PSA").

For more information, please refer to the Group's audited financial statements as of and for the years ended December 31, 2019, 2020 and 2021, as of September 30, 2022 and June 30, 2022 and for the three-month periods ended September 30, 2022 and 2021 and six-month periods ended June 30, 2022 and 2021 found in Appendix A of this Prospectus.

This Prospectus also includes unaudited pro forma condensed consolidated financial information as of December 31, 2021 and for the years ended December 31, 2019, 2020 and 2021 and six months ended June 30, 2022. The unaudited pro forma condensed consolidated information has been prepared in accordance with Section 9, Part II of the Revised Securities Regulation Code Rule 68 ("SRC Rule 68"). The unaudited pro forma condensed consolidated financial information was derived from the audited consolidated financial statements of the Group as of December 31, 2021 and for the years ended December 31, 2019, 2020 and 2021 and six months ended June 30, 2022 prepared in compliance with PFRS.

The pro forma adjustments are based upon available information and certain assumptions that the Company believes are reasonable under the circumstances. The pro forma financial information does not purport to represent what the results of operations and financial position of the Company and its subsidiaries would actually have been had the transactions described in Notes 2 and 3 to the unaudited pro forma condensed consolidated financial information occurred as of January 1, the beginning of each year presented, or December 31, 2021, as the case may be, nor do they purport to project the results of operations of the Company and its subsidiaries for any future period or date.

SGV & Co. has expressed an opinion about whether the pro forma information has been compiled, in all material respects, by the management of the Group on the basis of the criteria as set out in Note 2 to the unaudited pro forma condensed consolidated financial information. SGV & Co. conducted the engagement in accordance with the Philippine Standard on Assurance Engagements (PSAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included* *in a Prospectus*, issued by the Philippine Auditing and Assurance Standards Council. The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, SGV & Co. does not provide any assurance that the actual outcome of the event or transaction as of January 1, beginning of each year presented, or December 31, 2021, as the case may be, would have been as presented. The degree of reliance on its report on the compilation of pro forma financial information included in a prospectus should be restricted in light of the limited nature of the procedures applied.

This Prospectus also includes the audited financial statements of Kirahon Solar Energy Corporation (KSEC) as of and for the years ended December 31, 2019, 2020 and 2021 and nine months ended September 30, 2021 and 2022. SGV has audited KSEC's financial statements as of and for the years ended December 31, 2019, 2020 and 2021, and nine months ended September 30, 2021 and 2022 in accordance with Philippine Standards on Auditing. The financial statements and reports thereto are in Appendix [C] of this Prospectus.

PRESENTATION OF NON-PFRS FINANCIAL INFORMATION

This Prospectus includes certain non-PFRS financial measures, including EBITDA, Adjusted EBITDA, EBITDA margin, Adjusted EBITDA margin, and other key financial ratios.

EBITDA is calculated as net income before deductions for finance costs, taxes, depreciation, and amortization. EBITDA margin is calculated as EBITDA divided by revenue and other income. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue and other income. The Company believes that EBITDA may facilitate operating performance comparisons from period to period and from company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), and the age and book depreciation and amortization. However, as there are various EBITDA calculation methods, the Company's presentation of EBITDA may not be comparable to similarly titled measures used by other companies.

These non-PFRS financial measures are supplemental measures of the Company's performance that are not required by, or presented in accordance with, PFRS, and they should not be considered as an alternative to net profit, revenues, or any other measure of financial performance derived in accordance with PFRS or as an alternative to cash flows from operations or as a measure of liquidity. Non-PFRS financial measures have limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for, your own analysis of the Company's financial condition or results of operations, as reported under PFRS. These non-PFRS financial measures are not standardized terms and other companies may calculate measures bearing the same titles differently; hence, a direct comparison between companies using such terms may not be possible, which limits the usefulness of these non-PFRS financial measures.

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FORWARD-LOOKING STATEMENTS

This Prospectus may include forward-looking statements, that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from expected future results; and
- performance or achievements express or implied by forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance, or achievements to differ materially from those in the forward-looking statements include, among other things:

- the Company's ability to successfully implement its current and future strategies;
- the Company's ability to successfully manage aggressive growth;
- changes in technology;
- any political or social instability in the Philippines;
- the condition of and changes the Philippine, Asian, or global economies;
- changes in interest rates, inflation, and foreign exchange;
- changes in laws, rules, regulations, policies, permits, and licenses applicable to or affecting the Company;
- competition in the Philippine electricity generation industry; and
- Natural calamities.

Additional factors that could cause the Company's actual results, performance or achievements to differ materially from forward-looking statements include, but are not limited to, those disclosed under the section "Risk Factors" and elsewhere in this Prospectus. These forward-looking statements speak only as of the date of this Prospectus. In light of the COVID-19 pandemic, geopolitical developments, and associated uncertainties in the global financial markets and their effect on the real economy, any forward-looking statements and forward-looking financial information contained in this Prospectus must be considered with caution and reservation. The Company and the Underwriters expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, assumptions, or circumstances on which any statement is based.

Should one or more of the aforementioned uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated, or projected as well as from historical results. Specifically, but without limitation, revenues could decline, costs could increase, and anticipated improvements in performance might not be realized fully or at all. Although the Company believes that the expectations of its management as reflected by forward-looking statements are reasonable based on information currently available to it, no assurances can be given that such expectations will prove to be correct. Accordingly, prospective investors are cautioned not to place undue reliance on the forward-looking statements herein.

This Prospectus includes statements regarding the Company's expectations and projections for future operating performance and business prospects. The words "believe", "plan", "target", "aim", "envision", "endeavor", ("seek", "strive", "intend", "expect", "anticipate", "estimate", "continue", "may", "might", "will", "would", and similar words identify forward-looking statements. Statements that describe the

Company's objectives, plans, or goals are forward-looking statements. In addition, all statements other than statements of historical facts included in this Prospectus are forward-looking statements. In light of the risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances in this Prospectus may not occur. Actual results could differ significantly from those anticipated in the relevant forward-looking statements, and the Company gives no assurance that such forward-looking statements will prove to be correct. Statements in this Prospectus as to the Company's opinions, beliefs, and intentions accurately reflect in all material respects the opinions, beliefs, and intentions of its management as to such matters as of the date of this Prospectus, although the Company gives no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. All subsequent written or oral forward-looking statements attributable to the Company or those acting on the Company's behalf are expressly qualified in their entirety by the above cautionary statements.

The Underwriters do not take any responsibility for, or give any warranty, or undertaking, in relation to any such forward-looking statements.

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GLOSSARY OF TERMS

In this Prospectus, unless the context otherwise requires, the following words or expressions shall have the following meanings:

GLOSSARY OF GENERAL TERMS AND TERMS RELATED TO THE OFFER	
ACS	Authorized Capital Stock
Affiliate	A corporation that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under the common control of, another corporation. AHC's Affiliates are Solar Pacific CitySun Corporation ("SPCC"), Alternergy Wind One Corporation ("AWOC"), Alternergy Sembrano Wind Corp. ("ASWC"), Kiangan Mini Hydro Corporation ("KMHC"), and Dupinga Mini Hydro Corporation ("DMHC").
AHC, the Company, or the Issuer	Alternergy Holdings Corporation
AHC Group, or the Group	Alternergy Holdings Corporation and the project companies under AHC
AOI and By-Laws	Articles of Incorporation and By-Laws of the Company
Applicant	A person, whether natural or juridical, who seeks to subscribe for the Offer Shares by submitting an Application under the terms and conditions prescribed in this Prospectus
Application to Subscribe and Purchase or Application	The application form to subscribe for and purchase the Offer Shares under the Offer Shares
Banking Day	Any day, except Saturdays, Sundays, and holidays when banks are not required to do business, or are authorized by law to close for business in Metro Manila
Bayanihan Act	Republic Act No. 11469, otherwise known as the Bayanihan to Heal As One Act
Bayanihan Act 2	Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act
BDO Capital	BDO Capital & Investment Corporation, Joint Issue Manager and Joint Lead Underwriter

Beneficial Owner	Any person (and Beneficial Ownership shall mean ownership by any person) who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting of such security; and/or investment returns or power in respect of any security, which includes the power to dispose of, or to direct the disposition of, such security; provided, however, that, a person shall be deemed to have an indirect beneficial ownership interest in any security which is: i. held by members of his immediate family sharing the same household; ii. held by a partnership in which he is a general partner; iii. held by a corporation of which he is a controlling shareholder; or iv. subject to any contract, arrangement or understanding which gives him voting power or investment power with respect to such securities; provided, however, that, the following persons or institutions shall not be deemed to be beneficial owners of securities held by them for the benefit of third parties or in customer or fiduciary accounts in the ordinary course of business, so long as such securities were acquired by such persons or institutions without the purpose or effect of changing or influencing control of the issuer: a. A broker dealer; b. An investment house registered under the Investment Houses Law; c. A bank authorized to operate as such by the BSP; d. An insurance company subject to the supervision of the Office of the Insurance Commission; e. An investment company registered under the Investment Company Act; f. A pension plan subject to regulation and supervision by the BIR and/or the Office of the Insurance Commission or relevant authority; and g. A group in which all of the members are persons specified above.
BIR	Bureau of Internal Revenue
Board of Directors or the Board	The board of directors of the Company
Book Value	Equal to an asset's carrying value on the balance sheet, calculated by netting the asset against the accumulated depreciation. Can also be thought of as the net asset value of a company calculated as total assets minus liabilities.
BSP	Bangko Sentral ng Pilipinas or the Central Bank of the Philippines

CAGR or Compounded Annual Growth Rate	The year-over-year growth rate of an investment over a specified period, calculated by taking the n^{th} root of the total percentage growth rate, where n is the number of years in the period being considered
Capital Expenditure	All costs and expenses related to the development of the projects which shall be capitalized for accounting purposes
Common Shares or Shares	The shares of common stock of the Company with a par value of ₱0.10 per share
CREATE	Republic Act No. 11534, otherwise known as The Corporate Recovery and Tax Incentives for Enterprises Act
Distributable Cash	Cash and cash equivalents available for distribution other than those required for working capital purposes and subject to restrictions under the financing documents, applicable law, and other agreements to which each subsidiary may be bound
DST	Documentary Stamps Tax
Earnings per Share	The result of dividing the Net Income after Tax account of the Company by the total number of Common Shares outstanding
EBITDA	Earnings before interest, taxes, depreciation, and amortization
Eligible Shareholders	The Trading Participants and Retail Offer Shares may be purchased by any natural person of legal age regardless of nationality, or any corporation, association, partnership, trust account, fund or entity organized under the laws of the Philippines or licensed to do business in the Philippines, regardless of nationality, subject to our right to reject an Application or reduce the number of the Firm Shares applied for subscription. The Institutional Offer Shares are being offered for sale to certain qualified buyers and other investors in the Philippines, by the Underwriters. Purchase of the Offer Shares in certain jurisdictions may be restricted by law. Foreign investors interested in purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction.
Employee Incentive Plan	Alternergy Holdings Corporation Employees' Incentive Plan which is managed by BDO Unibank, Inc. – Trust and Investments Group, as trustee, with principal office at [●]

Escrow Agent	RCBC Trust and Investment Group
FIA	The 1991 Foreign Investment Act
Firm Shares	Up to 1,150,000,000 primary Common Shares
Government	The government of the Republic of the Philippines, including any and all of its departments, subdivisions, bureaus, commission, offices, agencies, units, and instrumentalities as defined by the Philippine Constitution of 1987 and the Revised Administrative Code of the Philippines, as may be amended from time to time.
ICCP	Investment & Capital Corporation of the Philippines, the Sole Issue Coordinator, Joint Issue Manager and Joint Lead Underwriter
IRR	Implementing Rules and Regulations
Joint Issue Managers and Joint Lead Underwriters	BDO Capital & Investment Corporation and Investment & Capital Corporation of the Philippines
Listing Date	[March 24, 2023], or the date on which the Offer Shares shall be listed with the PSE
LSI	Local Small Investor, a share subscriber who is willing to subscribe to a minimum board lot and whose subscription does not exceed ₱100,000
Negative List	The Twelfth Regular Foreign Investment Negative List signed on June 27, 2022
Net Tangible Book Value per Share or NTBV	Net Tangible Book Value per Share represents total assets minus intangible assets and total liabilities, divided by the total number of issued and outstanding common shares.
Offer Price	Up to ₱1.48 per Offer Share
Offer Shares	The Firm Shares and the Option Shares
Option Shares	Up to 115,000,000 Primary Shares will be made available by the Company pursuant to the Over-allotment Option.
Over-allotment Option	An option granted by the Company to the Stabilizing Agent, exercisable within 30 days including the Listing Date, to purchase additional Shares comprising up to 10% of the Firm Shares to cover over-allotments, if any
₱ or Pesos	Philippine Peso, or lawful currency of the Republic of the Philippines
PCD Nominee	PCD Nominee Corporation

PDTC	Philippine Depository & Trust Corporation
PFRS	Philippine Financial Reporting Standards
Philippine Nationals	As defined under the Foreign Investments Act, citizen of the Philippines, or a domestic partnership or association wholly-owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Revised Corporation Code of the Philippines, of which 100% of the capital stock outstanding and entitled to vote is wholly-owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals; provided, that where a corporation and its non-Filipino stockholders own stocks in a SEC-registered enterprise, at least 60% of the capital stock outstanding and entitled to vote of each of both corporations must be owned and held by citizens of the Philippines, in order that the corporation shall be considered a Philippine national. Pursuant to SEC Memorandum Circular No. 8, Series of 2013, which generally applies to all corporations engaged in identified areas of activities or enterprises specifically reserved, wholly or partly, to Philippine nationals by the Philippine Constitution, the Foreign Investments Act of 1991 and other existing laws, amendments thereto, and implementing rules and regulations of the said laws, for purposes of determining compliance with the constitutional or statutory ownership requirement, the required percentage of Filipino ownership shall be applied to both: (i) the total number of outstanding shares of stock entitled to vote in the election of directors; and (ii) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.
Prospectus	This Preliminary Prospectus, together with all its annexes, appendices and amendments, if any
PSE	The Philippine Stock Exchange, Inc.
PSE Main Board	The trading board of the PSE designated by it as the Main Board, which requires, generally, that, to be listed on it, a company must have a stockholders' equity of at least ₱500 million in the fiscal year immediately preceding the filing of the listing application, among other listing requirements pursuant to the PSE Amended Main and SME Board Listing Rules and Article III, Part D of the Consolidated Listing and Disclosure Rules.
PSE Amended Listing Rules	The PSE Amended Main and SME Board Listing Rules

PSE EDGE	PSE Electronic Disclosure Generation Technology, the PSE's fully automated system that facilitates the processing, validation, submission, distribution, and analysis of time-sensitive disclosure reports submitted to the PSE
PSE Trading Participants or TPs	Duly licensed securities brokers who are trading participants of the PSE
QIB	Qualified Institutional Buyer, as such term is defined in the SR
RA	Republic Act
Receiving Agent	Stock Transfer Service, Inc.
Revised Corporation Code, or RCC	Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines
SEC	Securities and Exchange Commission of the Philippines
SGV	SyCip Gorres Velayo & Co., the Company's external auditor
SRC	Securities Regulation Code
Stabilizing Agent	BDO Capital & Investment Corporation, whose trades will be executed and implemented on its behalf by its duly licensed stock brokerage firm in the Philippines, BDO Securities Corporation
Stock Transfer Agent	Stock Transfer Service, Inc. ("STSI")
Subsidiary	A corporation which is controlled, directly or indirectly, by another corporation which thereby becomes its Parent. AHC's Subsidiaries are Solar Pacific Energy Corp. ("SPEC"), Solar Pacific Pristine Power Inc ("SPPPI"), Pililla AVPC Corporation ("PACO"), Alternergy Hydro Partners Corp. ("AHPC"), Alternergy Mini Hydro Holdings Corporation ("AMHHC"), Green Energy Supply Solutions ("GESSI"), Kirahon Solar Energy Corporation ("KSEC"), Solana Solar Alpha, Inc ("SSAI"), Calavite Passage Wind Power Corp. ("CPWPC"), Tablas Strait Offshore Wind Power Corp. ("TSOWPC"), Alternergy Tanay Wind Corporation ("ATWC"), Lamut Asipulo Mini Hydro Corp. ("LAMHC"), Ibulao Mini Hydro Corporation ("IMHC").
TP Guidelines	Implementing Guidelines for the Reservation and Allocation of the Company Offer Shares to the Trading Participants of the PSE
Trading Day	Any day on which trading is allowed in the PSE

TRAIN Law	Republic Act No. 10963, otherwise known as The Tax Reform for Acceleration and Inclusion
Underwriters	ICCP, BDO Capital and Unicapital
Underwriting Agreement	The agreement entered into by and among the Company, and the Underwriters, indicating the terms and conditions of the Offer and providing that the Firm Offer shall be firmly underwritten by the Underwriters
Unicapital	Unicapital, Inc., the Co-Lead Underwriter
VAT	Value-Added Tax

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GLOSSARY OF OTHER TERMS AND ABBREVIATIONS	
AC or Alternating Current	The flow of charge that changes direction periodically, which results in the voltage level reversing along with the current. AC is used to deliver power to end-users
Captive Market	Electricity end-users who do not have the choice of a supplier of electricity, as may be determined by the Energy Regulatory Commission (**ERC**) in accordance with the EPIRA and other existing rules and regulations
CC or Contestable Customer	Electricity end-users who have the choice of a supplier of electricity, as may be determined by the ERC in accordance with the EPIRA and other existing rules and regulations
Certificate of Finality	The certificate issued by the DAR to a requesting party interested to have the subject decision be entered in the registry book of judgment that has become final and executory
CNC	Certificate of Non-Coverage issued by the DENR-EMB for projects or undertakings not covered by the EIS System and is not required to secure an ECC as they are deemed unlikely to cause significant adverse impact on the quality of the environment such as hydropower facilities of 1MW or less without tunnel and water storage, 138kV or less transmission line, 2km or less new roads, among others.
COC	Certificate of Compliance secured from the ERC prior to the commercial operation of a new generation facility.
COCOC	Certificate of Confirmation of Commerciality issued by the DOE confirming the Declaration of Commerciality by the RE Developer and serves as a notice to proceed for the construction of the RE project or the installation of the RE facilities. The date of issuance of the COCOC is considered as the commencement date of the Development Stage of the RE project.
COD	Commercial Operations Date, which refers to the phase commencing at the operation of the RE project, following its successful testing and commissioning and confirming its readiness to inject power into the grid to sell or supply its produced energy as duly confirmed by the DOE
Conversion Order	Conversion Order or land use conversion order is issued by the DAR giving the authority to modify the current physical use of a parcel of agricultural land for a non-agricultural purpose, such as an industrial purpose.

CSP or Competitive Selection Process	A transparent manner of procurement in which DUs buy electricity from power generators for their captive market. It assures that such supply is bought and passed on to consumers at the least possible cost
DA	Department of Agriculture
DAR	Department of Agrarian Reform
DC or Direct Current	An electric current flowing in only one direction
DENR	Department of Environment and Natural Resources
Development/Commercial Stage	Stage of an RE Contract that involves the development, production, or utilization of renewable energy resources, including the construction and installation of relevant facilities up to the operation phase of the RE facilities
Dispatch	The process of apportioning the total demand of the grid through the issuance of dispatch instructions to the scheduled generating units and the generating units providing ancillary services to achieve the operational requirements of balancing demand with generation that will ensure the security of the grid as defined in the Philippine Grid Code
DOAS	Deed of Absolute Sale
DOC	Declaration of Commerciality
DOE	Department of Energy
DU	Distribution Utility, as defined in the EPIRA
EC	Electric Cooperative, as defined in the EPIRA
ECC	Environmental Compliance Certificate issued by the DENR-EMB to projects or undertakings that have complied with all the requirements of the Environmental Impact Statement (EIS) System and have committed to implement its approved Environmental Management Plan to address the potential environmental impacts of the project or undertaking.
EMB	The Environmental Management Bureau of the DENR
EPC or Engineering, Procurement, Construction	Form of contracting agreement whereby the EPC contractor has to execute and deliver the project within an agreed time and budget on a turnkey basis
EPIRA	RA No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001, as amended from time to time, and including the rules and regulations issued thereunder

EPIRA IRR	The Implementing Rules and Regulations of the EPIRA promulgated on February 27, 2002 with a view of implementing the EPIRA's objectives
ERC	Energy Regulatory Commission (formerly the Energy Regulatory Board) created pursuant to the EPIRA
Financial Closing	Refers to the stage when the RE Developer has established, based on the lending bank's criteria and procedures, its financial capability to implement its RE project and has secured a written commitment from the bank or financier/s to provide its full funding requirements through equity and/or commercial borrowings.
FIT	The Philippine Feed-in-Tariff scheme which refers to the renewable energy policy that offers guaranteed payments on a fixed rate per kilowatt-hour for emerging renewable energy sources, excluding any generation for own use, or to the rate itself as established pursuant to the RE Law and FIT Rules.
FIT Rules	ERC Resolution No. 16, Series of 2010 entitled Resolution Adopting the Feed-in Tariff Rules (FIT Rules)
FLAG or Special Forest Land Use Agreement	A contract between the government and a second party to temporarily occupy, manage and develop in consideration of a government share, any forestland of the public domain for specific use. It has a term of 25 years renewable to another 25 years.
GEAP	Green Energy Auction Program
GEOP	Green Energy Options Program
GOCC	Government-owned and controlled corporation
Grid	The Philippines' high voltage backbone system of interconnected transmission lines, substations, and related facilities
Grid Code	Refers to the Philippine Grid Code promulgated by the Energy Regulatory Commission under ERC Resolution No. 22, series of 2016
Grid Parity	This occurs when an alternative source of energy can generate energy at a levelized cost of energy that is less than or equal to the price of electricity from the grid; commonly used in renewable energy sources, notably in solar and wind power.

GW	Gigawatt or one million kilowatts
GWh	Gigawatt-hours or one million kilowatt-hours, which is typically used as a measure for the annual energy production of large power plants
HSC or Hydro Service Contract	The Service Agreement between the Government, through the DOE, and the hydro energy developer over a period in which the RE Developer has the exclusive right to a particular RE area for exploration, development and utilization of hydropower resources for the operation of RE projects. It has a term of 25 years and may be renewed for another 25 years.
IEMOP	Independent Electricity Market Operator of the Philippines
IPP or Independent Power Producer	Defined in the EPIRA as an existing power generating entity which is not owned by the state-owned National Power Corporation
kW	Kilowatt or one thousand watts
kWh or Kilowatt-hour	The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour.
Kilowatt peak or kWp	A measuring unit for the maximum output of a photovoltaic system (**PVS**)
Land Use Conversion	This refers to the act or process of changing the current use of a piece of agricultural land into some other use as approved by DAR, as defined in DAR Administrative Order No. 1, Series of 1999 (Revised Rules and Regulations on the Conversion of Agricultural Lands to Non-Agricultural Uses)
LiDAR	Light Detection And Ranging
Megawatt peak or MW_p or MW_{DC}	A measuring unit for the maximum output of a photovoltaic system. 1.0 MWp = 1,000-kilowatt peak (kWp); equivalent to the installed capacity of Solar PV power plants expressed in terms of MW in DC side or the rated capacity of a Solar PV module.
Meralco	The Manila Electric Company, a distribution utility with a franchise granted by under Republic Act No. 9209
MOA	Memorandum of Agreement
MW	Equivalent to one million watts, which is the installed capacity of power plants is generally expressed in terms of MW

MW_{AC}	The installed capacity of Solar PV power plants expressed in terms of MW in the AC side or the grid interconnection point
MWh	Megawatt-hour
NCIP	National Commission on Indigenous People
NEA	National Electrification Administration
NGCP	National Grid Corporation of the Philippines
NPC	National Power Corporation
NREB	National Renewable Energy Board
NTP	Notice-to-Proceed
O&M	Operation and Maintenance
Off-take Agreement	The agreement between the power producer and the power buyer (or off-taker) that provides the commercial terms and conditions for the sale or supply of electricity
Offtake Tariffs or Tariffs	Price charged to a customer for the purchase of electricity
Open Access	As defined in the implementing rules of the EPIRA, the transmission service regime allowing any qualified person the use of electric power transmission and associated facilities, subject to the payment of transmission wheeling rates duly approved by the ERC as promulgated through the Open Access Transmission Service Rules as may be amended from time to time.
PEMC	Philippine Electricity Market Corporation
PPA or PSA	Power Purchase Agreement or Power Sale Agreement, used interchangeably but refers to the agreement that stipulates the sale of electricity by the power generator and the corresponding purchase of said electricity by the distribution utility / electric cooperative.
Pre-Development Stage	A stage of an RE Contract that involves assessment and feasibility study, permitting and licensing, up to the financial closing of the RE project
PSALM	Power Sector Assets and Liabilities Management Corporation
PSPP	Power Supply Procurement Plan
PV	Photovoltaic
PV System or PVS	Photovoltaic System

RCOA	Retail Competition and Open Access
RE	Renewable Energy
RE Law	Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008
RE Market	Renewable Energy Market
REMB	The Renewable Energy Management Bureau of the DOE
Renewable Energy Act of 2008	RA No. 9513, otherwise known as the Renewable Energy Act of 2008, as may be amended from time to time, and including the rules and regulations issued thereunder
Renewable Energy Resources	As defined under the Renewable Energy Act of 2008, refers to energy resources that do not have an upper limit on the total quantity to be used. Such resources are renewable on a regular basis, and whose renewal rate is relatively rapid to consider availability over an indefinite period of time. These include hydropower, biomass, solar, wind, and geothermal sources.
REPA	Renewable Energy Payment Agreement
RES	A duly licensed Retail Electricity Supplier pursuant to the EPIRA and the relevant rules promulgated by the ERC including Resolution No. 12, series of 2020.
Retail Competition	As defined in the implementing rules of the EPIRA, the provision of electricity to the Contestable Market by a RES
RFP	Request For Proposal
ROR	Run of river hydro technology whereby little or no water storage is provided
RoW	Right-of-Way
ROU	Right-of-Use
RPS or Renewable Portfolio Standards	A market-based policy that requires electric power industry participants, including suppliers, to source an agreed portion of their energy supply from eligible RE resources
SEOC or Solar Energy Operating Contract	The RE Contract issued by the Government, through the DOE, for the development and operation of RE Projects utilizing solar energy as an RE resource
SESC or Solar Energy Service Contract	The Service Agreement between the Government, through the DOE, and the Solar Energy Developer over a period in which the RE Developer has the exclusive right to a particular RE area for exploration and development of solar energy

SIS or System Impact Study	As defined in the Philippine Grid Code, an assessment made or conducted by the Transmission Network Provider/System Operator (both as defined in the Philippine Grid Code) in addition to the Grid Impact Studies prepared by it in accordance with the Philippine Grid Code, to determine: (a) the adequacy of the Grid and its capacity to accommodate a request for power delivery service; and (b) the costs, if any, that may be incurred in order to provide power delivery service to a Transmission Customer
SLUP or Special Land Use Permit	The privilege granted by the State to a person to occupy, possess and manage in consideration of specified return, any public forest lands for a specific use or purpose. It has a term of 3 years.
TransCo	National Transmission Corporation
WESC or Wind Energy Service Contract	The Service Agreement between the Government, through the DOE, and the Wind Energy Developer over a period in which the RE Developer has the exclusive right to a particular RE area for exploration and development of wind energy
WESM	Wholesale Electricity Spot Market created in accordance with RA No. 9136
WESM Rules	The rules promulgated pursuant to the EPIRA and other existing rules and regulations that govern the administration and operation of the WESM

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PARTIES OF THE OFFER

The Issuer	**Alternergy Holdings Corporation**
Sole Issue Coordinator	**Investment & Capital Corporation of the Philippines**
Joint Issue Managers and Joint Lead Underwriters	**BDO Capital & Investment Corporation and Investment & Capital Corporation of the Philippines**
Co-Lead Underwriter	**Unicapital, Inc.**
Underwriters	**BDO Capital & Investment Corporation, Investment & Capital Corporation of the Philippines, Unicapital, Inc.**
Selling Agents	**Trading Participants of the Philippine Stock Exchange, Inc.**
Legal Counsel to the Issuer	**Martinez Vergara & Gonzalez Sociedad**
Legal Counsel to the Underwriters	**Romulo Mabanta Buenaventura Sayoc & de los Angeles**
Independent Legal Counsel to the Offer	**Cayetano Sebastian Ata Dado & Cruz**
Independent Auditor	**SyCip Gorres Velayo & Co.**
Stock Transfer Agent	**Stock Transfer Service, Inc.**
Receiving Agent	**Stock Transfer Service, Inc.**
Escrow Agent	**RCBC Trust and Investment Group**
Stabilizing Agent	**BDO Capital & Investment Corporation,** whose trades will be executed and implemented on its behalf by its duly licensed stock brokerage firm in the Philippines, BDO Securities Corporation

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information presented in this Prospectus, including the Group's audited financial statements and the notes thereto, included elsewhere in this Prospectus. Because it is a summary, it does not contain all the information that a prospective investor should consider before investing. Prospective investors of the Offer Shares must read the entire Prospectus carefully, including the section on Risk Factors and the financial statements and the related notes to those statements annexed to this Prospectus. Capitalized terms not defined in this summary are defined in the Glossary of Terms or elsewhere in this Prospectus.

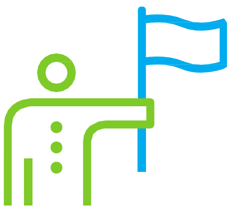
Business Overview

Alternergy Holdings Corporation ("**AHC**", "**Alternergy**", or the "**Company**"), formerly Alternergy Viento Partners Corporation, is a renewable energy holding company that has a portfolio of investee companies which embarked on different renewable energy projects, such as wind, solar, hydro, floating solar, and battery storage power projects. Its vision is to be a leading renewable energy firm in the Philippines and to strive to create a more sustainable future for the next generation.

Alternergy was founded by a management team led by former Philippine Energy Secretary Vicente Pérez (2001–2005), key members of which were involved in the 33 MW Bangui Bay wind farm in North Luzon, the first commercial wind farm in Southeast Asia. Three of Alternergy's founding partners were involved in the development of Bangui Bay wind farm. After the project's completion, these partners, Knud Hedeager (2005), Vicente Pérez (2007), and Gerry Magbanua (2008) came together to create Alternergy, applying what they learned at Bangui Bay to break new ground on more renewable energy projects. Knud Hedeager likewise developed the Commonal-Uddiawan 1.8 MW run-of-the-river Mini-Hydro Project in Solano Nueva Vizcaya in December 2010 before the creation of Alternergy's mini hydro portfolio. Michael Lichtenfeld was a former Director of Utility Project Development at SunEdison in San Francisco, responsible for the entire western US focused on the Nevada and California solar markets. He led the development the 24.8MW$_p$ Apex Solar Project, the 25.0MW$_p$ Vega Solar Project, and the 38.5MW$_p$ Spectrum Solar Project. Janina C. Arriola, a member of Alternergy senior management team, co-founded Winnergy Holdings, the renewable energy company that built the first ever pilot floating solar farm in the Philippines.

Alternergy's management team has extensive background in power development, energy policy, emerging markets, and has pioneering experience in wind power in Southeast Asia. Since 2008, the team has served as a clean energy pioneer in the Philippines and has developed 67.24 MW of operating assets in wind and solar. Alternergy is anticipating rapid growth with a pipeline of assets in hydro, wind, and solar under development, with potential installed capacity of up to 1,369 MW of renewable energy.

The Three P's of Alternergy



Pioneering

Alternergy is a company of 'firsts', driven to establish new precedents that drive the development of clean energy in the Philippines. Our early experience has given us an edge in navigating the complex permitting process.

Proven

We demonstrate proven capability to deliver well-planned and cost-effective projects. From securing power supply agreements with local utilities and private commercial customers, to working with permitting agencies, lenders and equity partners find comfort with our track record.

Partnerships

We see our work through the lens of partnerships: We find the people and organizations who will complement our efforts and support our vision to make the Philippines a leader in clean energy. As a trusted partner, we have developed long term partnerships.

Alternergy is a company of 'firsts', driven to establish new precedents that drive the development of clean energy in the Philippines. Alternergy's history includes an extensive list of 'Firsts'. Select examples include:

- Recipient of some of the first contracts from the Philippines Department of Energy for wind power: The first of Alternergy's DOE service contracts was awarded in 2008 and allowed Alternergy to start conducting wind resource assessment studies in six potential sites.
- First non-recourse project financing for a wind project without corporate guarantee: For Alternergy Wind One Corporation's Pililla Rizal wind farm, three domestic banks extended an innovative non-recourse financing without a corporate guarantee, which was recognized with a Sustainable Finance award by the International Finance Corporation.
- First bilateral solar contract approved by ERC: For the Kirahon Solar project, Alternergy actively engaged in familiarizing the regulators on the unique attributes of solar power, thus paving the way for an appropriate approval process for future bilateral solar contracts, as solar projects become more prevalent.
- First multi-site solar rooftop portfolio under one project financing facility: For Solar Pacific CitySun Corporation, a commercial bank extended financing for eight commercial mall solar rooftops under a single facility.
- First battery energy storage in western Pacific. Alternergy is developing the first solar PV and battery energy storage hybrid project in the Republic of Palau, the largest solar hybrid project in the western Pacific.

With a proven track record of developing, building, and operating ground-breaking renewable energy projects in the country, Alternergy's vision is to be a leading renewable energy firm in the Philippines and to strive to create a more sustainable future for the next generation. Developing projects across the country, the Group is focused on helping the Philippines achieve its renewable energy potential through the development of wind, solar, and run-of-river hydro power projects.

Consistent with Alternergy's commitment to environmental sustainability, Alternergy has modeled the tons of carbon dioxide equivalent (tCO_2e) mitigated through the installation of renewable energy, against a business as usual projection for the power mix. The tCO_2e mitigated are estimated using the Alternergy's conservative grid emissions factor of 50%, i.e., one MWh of electrical output is equivalent to 0.5 tCO_2e mitigated. Alternergy estimates that its best case pipeline portfolio could result in a maximum 547,935 tCO_2e mitigated.

Alternergy at a Glance:

- ✓ **One of the pioneers in renewable energy sector in the Philippines** since 2009
- ✓ Poised to become **a leading renewable energy firm in the country**
- ✓ **Diversified "Triple Play"** portfolio of investee companies **in wind, solar, hydro, offshore wind, and battery storage**

10 Operating Projects	**5** Projects under Construction	**7** Projects in Pre-Development
70.6 MW Total Capacity from Operating Projects	**72 MW** Total Capacity of Projects under Construction	**1.2 GW** Total Capacity from Projects in Pre-Development

Prior to Alternergy, one of the founding partners of Alternergy as an individual shareholder in NorthWind Power Development Corporation, began commercial operations in 2005 of the 25 MW Bangui Bay wind farm in Ilocos Norte, the first commercial wind farm in the country and in Southeast Asia.

Alternergy Investment History

These milestones below have paved the path for Alternergy's success – past, present, and future. The following shows the Company's milestones from incorporation.

2005

June 2005
The 25MW Bangui Bay wind farm—the first wind farm in Southeast Asia—starts commercial operation. Four of Bangui Bay's project partners will later come together to form Alternergy

April 2007
Former Energy Minister Vince Pérez invests in Bangui Bay wind farm

June 2008
8MW Phase II of Bangui Bay comes into commercial operation

August 2008
Alternergy established

December 2008
Alternergy awarded three wind Pre-Commercial Contracts by the Department of Energy to explore wind resources in Rizal, Laguna and Mindoro

December 2008
Renewable Energy Act comes into law, aimed at accelerating the development of renewable energy by increasing renewable energy-based installed capacity from 5,438MW in 2010 to about 15,304MW by 2030

August 2009
Partnership with Eurus Energy of Japan and Korea East West Power to co-develop wind portfolio

October 2009
Alternergy awarded three additional Wind Energy Service Contracts, making Alternergy the most active wind developer in the Philippines

October 2010
Asian Development Bank and the Government of Japan fund feasibility grants for Alternergy wind projects

December 2010
1.8MW SBMHC mini hydro plant starts commercial operation

March 2011
Alternergy partners divest their 50% stake in Bangui Bay wind farm

October 2011
After Fukushima earthquake, Eurus Energy bought out by Alternergy

December 2011
Alternergy received its first bank loan

SOLAR PACIFIC

January 2013
Solar Pacific set up to bring solar power to off-grid islands

January 2013
Alternergy expands into mini hydro development

February 2013
Alternergy Mini Hydro signs joint development agreement for Dupinga mini hydro project

September 2013
Alternergy Mini Hydro acquires development rights for 7 mini hydro projects from Enerhighlands

November 2013
Solar Pacific signs first bilateral solar contract with CEPALCO

May 2014
Partnership with Equis Funds for Pililla wind project to replace Korea East West Power

July 2014
Pililla wind project receives first non-recourse local bank project financing for wind

December 2014
Solar Pacific forms joint venture with Mindanao Energy Systems

January 2015
AES founder Roger Sant's family foundation partners with Solar Pacific

February 2015
12.5MWp Kirahon solar farm receives first non-recourse local bank project financing for solar

May 2015
ERC approves the country's first-ever bilateral solar PPA for Kirahon

June 2015
54MW Pililla wind farm comes into commercial operation on schedule and within budget

October 2015
12.5MWp Kirahon solar farm comes into commercial operation on schedule and within budget

April 2016
Partnership with Markham Resources for Dupinga hydro project

April 2016
Singapore-based InfraCo Asia commits to co-developing Ifugao run-of-river hydro portfolio

November 2016
Green Energy Supply Solutions (GESSI) created to give large power customers access to clean energy

December 2017
Solar Pacific receives first non-recourse local bank financing for CitySun solar rooftop portfolio

March 2018
Over 130,000 local tourists visit Pililla wind farm on Easter weekend

June 2018
Partnership with Vena Energy for Sembrano wind project

July 2018
Phase I of CitySun, first multi-rooftop solar portfolio in the Philippines, comes into commercial operation

August 2018
Alternergy celebrates 10 years of pioneering clean power for the next generation

October 2018
Lamut-Asipulo Mini Hydro Project obtained DOE Amended Hydro Service Contracts and Certificate of Confirmation of Commerciality

November 2018
Rizal Provincial Government Resolution gave permission for Tanay Wind Resource Assessment

February 2019
Kiangan Mini Hydro Project obtained ECC from DENR

February 2019
Dupinga Mini Hydro Project secured Amended ECC from DENR

April 2019
Met mast and Lidar on Tanay wind project site

May 2019
Solar Pacific CitySun's solar rooftops began operations on two more CityMalls

June 2019
Dupinga Mini Hydro Project obtained DOE Amended Confirmation of Commerciality

August 2019
Dupinga Mini Hydro Project signed P660 million project financing with DBP

September 2019
Solar Pacific acquired Solana Solar Alpha Inc.'s project in Hermosa, Bataan

January 2020
Dupinga Mini Hydro Project signed contracts with UHBP, AIP Construction, and Gugler of Austria

May 2020
Solar Pacific selected First Ranked Bidder after competitive bidding with Palau Public Utilities Corporation, Alternergy's first project outside the Philippines

June 2020
Energy Regulatory Commission issued Retail Electricity Supplier (RES) license for GESSI

Australian Infrastructure Financing Facility for the Pacific

September 2020
Solar Pacific signed Term Sheet for project financing with Australia Infrastructure Financing Facility for the Pacific (AIFFP)

April 2021
Solar Pacific signed PPA with Palau Public Utilities Corporation for its Palau Solar and Battery Storage Project

April 2021
Renova Renewables of Japan and Sta. Clara International signed Investment agreement for Kiangan Mini Hydro project

RENOVA

STA. CLARA INTERNATIONAL

July 2021
Solar Pacific CitySun received Certificates of Confirmation of Commerciality for three additional mall solar rooftops in Negros

July 2021
China Bank extend medium term facility to Alternergy Holdings

January 2022
Solana Solar Alpha signed 10MWac PSA with Peninsula Electric Cooperative

February 2022
Nueva Ecija Electric Cooperative Area 2 signed 4.6MW PSA with Dupinga Mini Hydro Corporation

March 2022
Pililla AVPC Corporation awarded DOE Offshore Wind Service Contract for Calavite Passage in western Mindoro

April 2022
Solar Pacific Pristine Power reach financial close with Export Finance Australia and DFAT for its Palau Solar Battery Project

June 2022
DBP approved P1 billion loan facility for Lamut-Asipulo hydro project

June 2022
Alternergy acquire majority ownership of Kirahon Solar Energy Corporation

August 2022
DOE extends pre-development period for Tanay Wind Project

August 2022
Alternergy increases ownership in Solar Pacific

December 2019
Alternergy Tanay Wind Corporation awarded Wind Service Contract for Alabat Island in Quezon Province

June 2020
Groundbreaking of Dupinga Mini Hydro Project in Gabaldon, Nueva Ecija

October 2020
Lamut-Asipulo Mini Hydro Project obtained ECC from DENR

December 2020
Land for Solana Solar Alpha project acquired by Solar Pacific

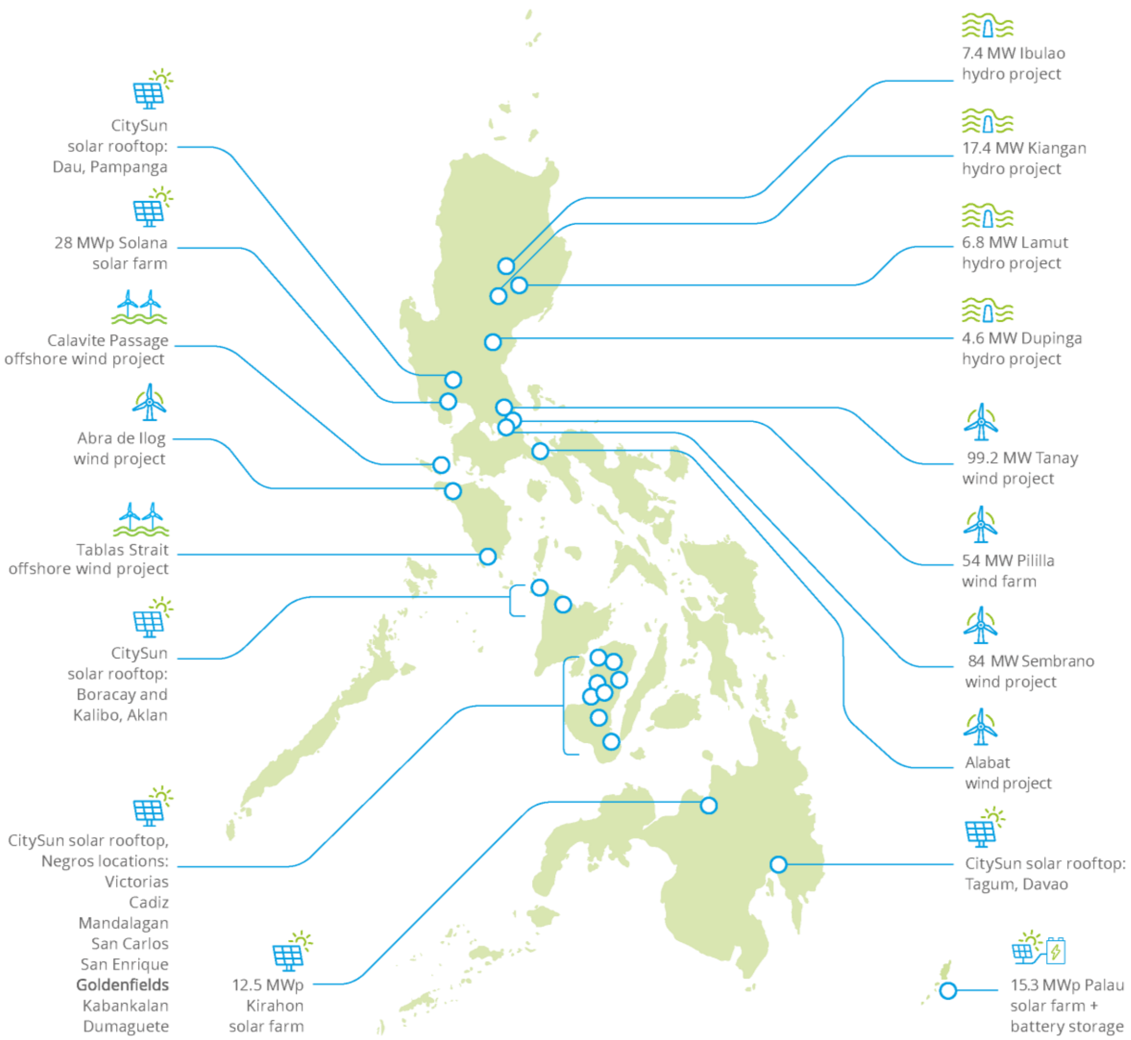
August 2021
National Commission Indigenous Peoples approved MOA with Indigenous Peoples of Asipulo and Lamut for Lamut-Asipulo Mini Hydro project

December 2021
On visit to Palau, Australia Trade Minister Marise Payne announces funding for Solar Pacific Pristine Power

March 2022
Exeter Portofino signed Investment Agreement with Lamut-Asipulo Mini Hydro Corporation

September 2022
Joint venture in offshore wind with Shell Overseas Investments

Location of Renewable Energy Projects of Alternergy



Source: Information provided by Alternergy

The following table outlines the Group's pipeline of operating and future renewable energy projects. The ownership percentages are subject to change in the near term, as Alternergy is in the process of securing project equity from a number of interested co-investing partners.

Pipeline of Operating and Future Alternergy Renewable Energy Projects

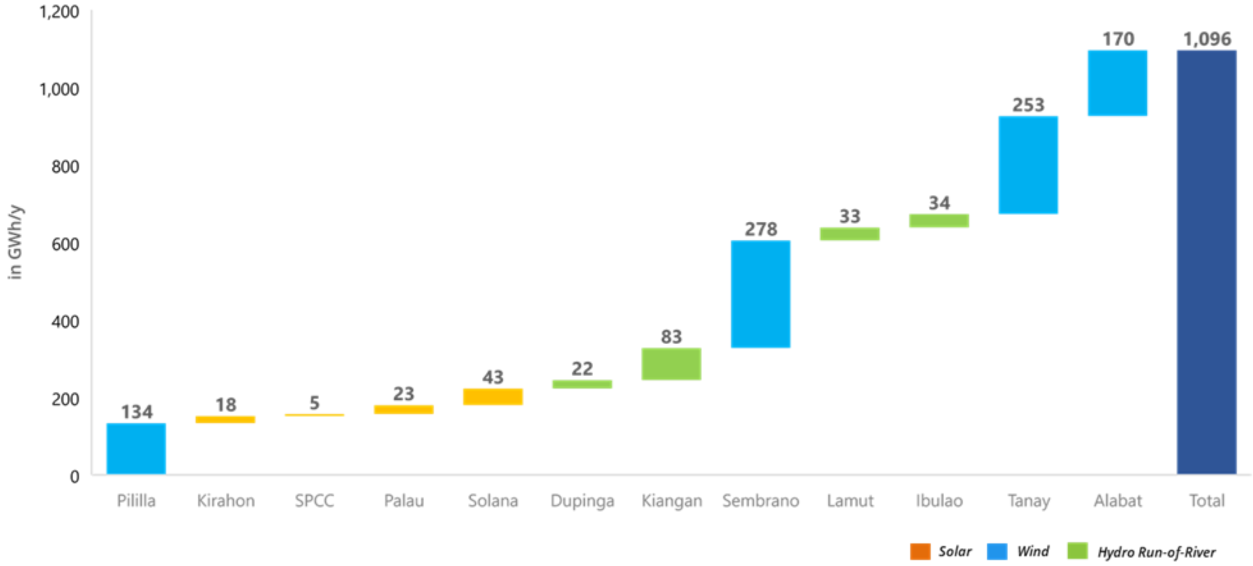
Project Co	Project Status	Economic Interest (direct + indirect)	Control/ Voting (direct + indirect)	Capacity (MW)	Net Generation (MWh/year)	Start of Commercial Operations	Target Start of Commercial Operations
SOLAR ENERGY							
Solar Pacific Energy Corp. (Sub-Holding Company, 60.00% economic interest and 77.76% voting interest owned by AHC)							
Subsidiaries:							
Kirahon Solar Energy Corporation	Operating	64.99%	69.43%	10.00	18,125	October 2015	
Solana Solar Alpha, Inc	Finance Close	60.00%	77.76%	20.00	42,800		Q4 2023
Solar Pacific Pristine Power, Inc	Constructing	17.60%	45.27%	13.20	23,137		Q1 2023
WIND ENERGY							
Pililla AVPC Corporation (Sub-Holding, 100.00% owned by AHC)							
Subsidiary:							
Calavite Passage Wind Power Corp.	Early Stage	16.00%	60.00%	~1000.00			TBD
Tablas Strait Wind Power Corporation	Early Stage	16.00%	60.00%				TBD
Alternergy Tanay Wind Corporation (100.00% owned by AHC)							
Tanay Wind Power Project	Developing	100.00%	100.00%	99.20	252,983		Q4 2025
Alabat Island Wind Power Project	Early Stage	100.00%	100.00%	49.60	169,920		Q3 2026
Abra de Ilog Wind Project	Early Stage	100.00%	100.00%	-	-		TBD
MINI HYDRO ENERGY							
Alternergy Mini Hydro Holdings Corporation (Sub-Holding, 100.00% owned by AHC)							
Subsidiaries:							
Lamut Asipulo Mini Hydro Corp.	Finance Close	100.00%	100.00%	6.80	33,270		Q2 2025
Ibulao Mini Hydro Corporation	Early Stage	100.00%	100.00%	7.42	34,441		Q2 2026
SOLAR ENERGY							
Solar Pacific Energy Corp.							
Affiliates:							
Solar Pacific CitySun Corporation	Operating	15.00%	19.44%	3.24	5,452	Phase 1 Batch 1 (6 Projects): September 2018 Phase 1 Batch 2 (2 Projects): May 2019	
WIND ENERGY							
Pililla AVPC Corporation							
Affiliates:							
Alternergy Wind One Corporation	Operating	5.00%	5.00%	54.00	133,500	June 2015	
Alternergy Sembrano Wind Corp.	Developing	5.00%	5.00%	84.00	277,529		Q3 2024
MINI HYDRO ENERGY							
Alternergy Mini Hydro Holdings Corporation							
Affiliates:							
Kiangan Mini Hydro Corporation	Constructing	15.00%	30.00%	17.40	83,000		Q4 2024
Dupinga Mini Hydro Corporation	Constructing	4.00%	4.00%	4.60	21,712		Q2 2024
TOTAL				**1,369.46**	**1,095,869**		

Source: Information provided by Alternergy

These projects are currently in various stages of development. Alternergy has developed 67.24 MW[1] of ten operating assets in wind and solar, and an additional 62.00 MW[2] of hydro and solar projects that have reached financial close. Alternergy's projects under early stage and development phases has a potential capacity of up to 1,240.22 MW[3]. It may also acquire other renewable energy projects.

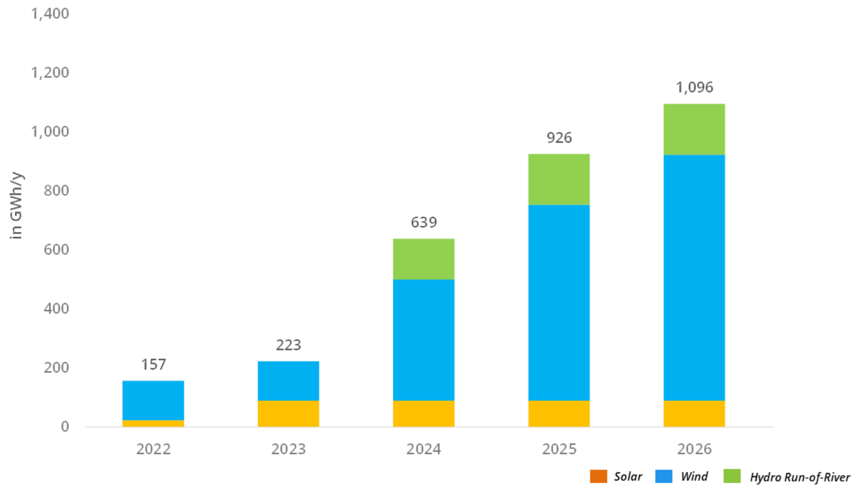
Some delays were encountered mainly due to the inherent long-gestation process in the development for renewable energy projects, stemming from the various permits and clearances that need to be secured from many government agencies, public consultations with the indigenous peoples and other local communities and technical studies, in particular resource assessment.

Project Pipeline Estimated Gross Energy Generation (GWh) – per project



Source: Information provided by Alternergy

Project Pipeline Estimated Gross Annual Generation (GWh) – per resource



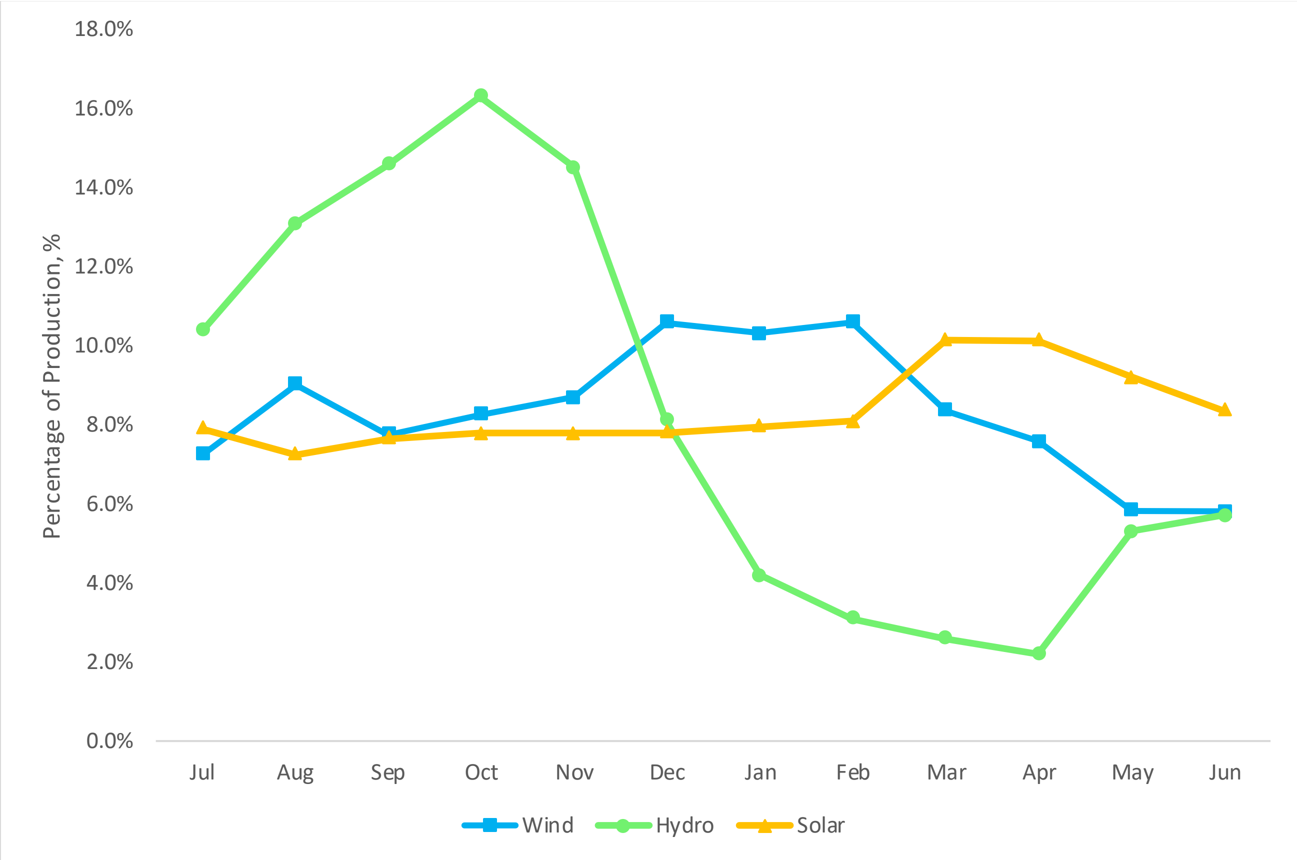
Source: Information provided by Alternergy

[1] Operating assets consist of 54.00 MW AWOC, 10.00 MW_{AC} KSEC, and eight commercial solar roof tops with an aggregate capacity of 3.24 MW_{AC} SPCC.
[2] Projects that have reached financial close consist of 4.60 MW DMHC, 17.40 MW KMHC, 6.80 MW LAMHC, 13.20 MW_{AC} SPPPI, and 20.00 MW_{AC} SSAI.
[3] The project pipeline consists of 84.00 MW ASWC, 99.20 MW ATWC, 7.42 MW IMHC, 49.60 MW Alabat, ~1,000 MW Calavite and Tablas.

Diversified "Triple Play" Portfolio of Hydro, Wind and Solar

The Group is one of a few RE developers with a diversified "Triple Play" renewable energy portfolio that currently covers most of the key RE resources, particularly in solar, wind, and run-of-river hydro and battery storage plants. This allows for a diversified mix of complementary power generation revenues.

The following chart presents the complementary seasonal generation of the "Triple Play" renewable energy portfolio.



Source: Information provided by Alternergy

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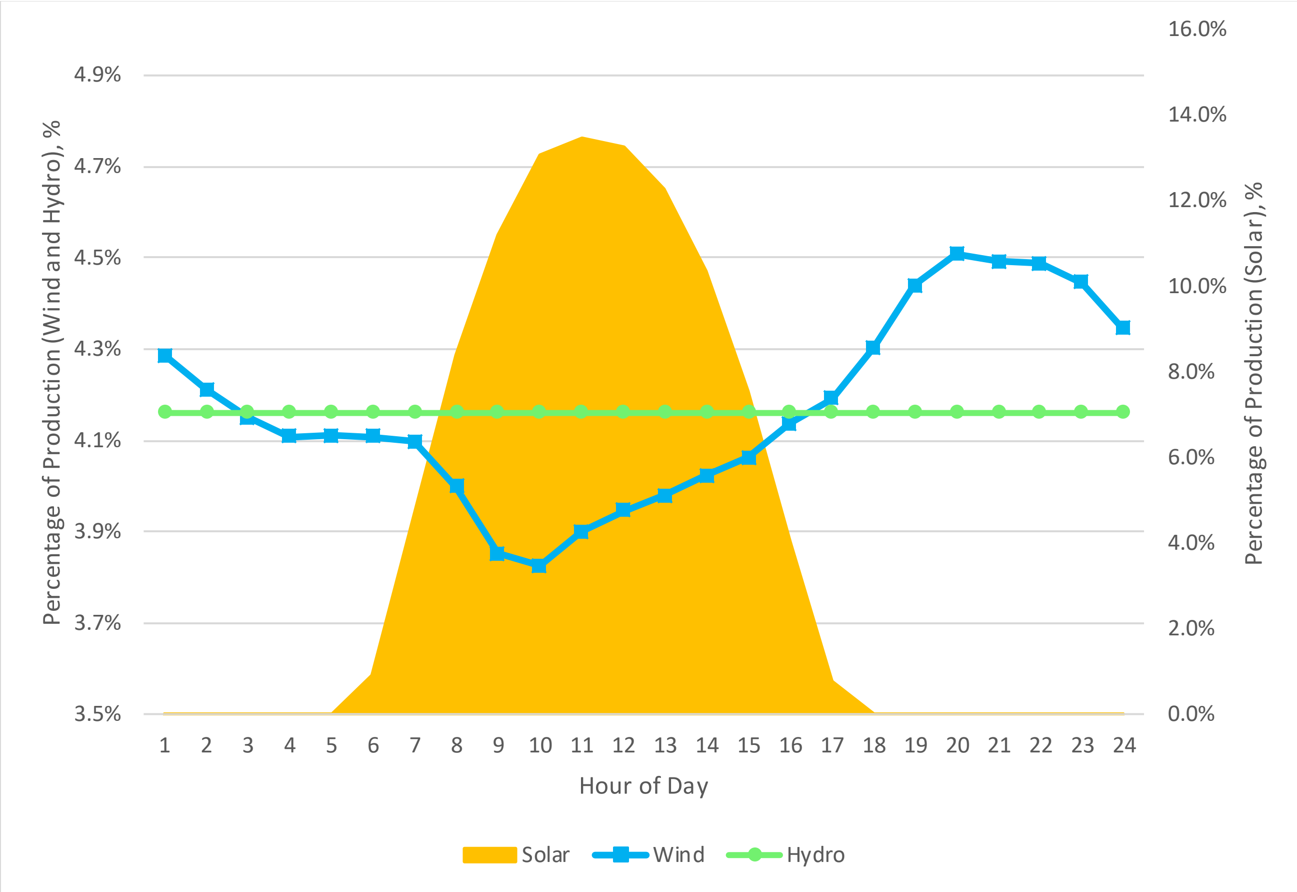
The chart below shows the comparison of the three renewable energy resources daily production.



Source: Information provided by Alternergy

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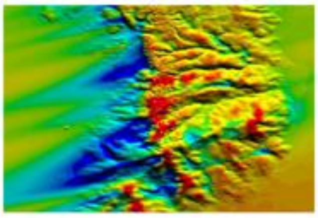
The figure below depicts the development timeline of the Group's renewable energy portfolio.

Alternergy Renewable Energy Development Timeline

1 Early Stage

- Identification of Market Opportunity
- Project Site Selection
- Point of Interconnection Selection
- Resource Assessment
- DOE Service Contract
- Initial Financial Model



2 Developing

- Site Control Agreements
- Access & Rights of Way
- Feasibility Study
- Major Permits
- Geotechnical Study
- Flood Study
- Logistics & Transport Study
- System Impact Study
- Detailed Engineering Design
- Offtake Bidding & Negotiation
- EPC Selection & Negotiation
- Community Engagement

3 Financial Close

- Final Financial Model
- EPC Contract Execution
- Offtake Agreement Execution
- Interconnection Agreement Execution
- Equity Financing Agreements
- Lenders Due Diligence
- Debt Financing Agreements
- Insurances

4 Constructing

- Early Works
- Civil Works
- Equipment Procurement
- Transportation & Logistics
- Construction Management
- Electromechanical Installation
- Testing & Commissioning
- Community Engagement

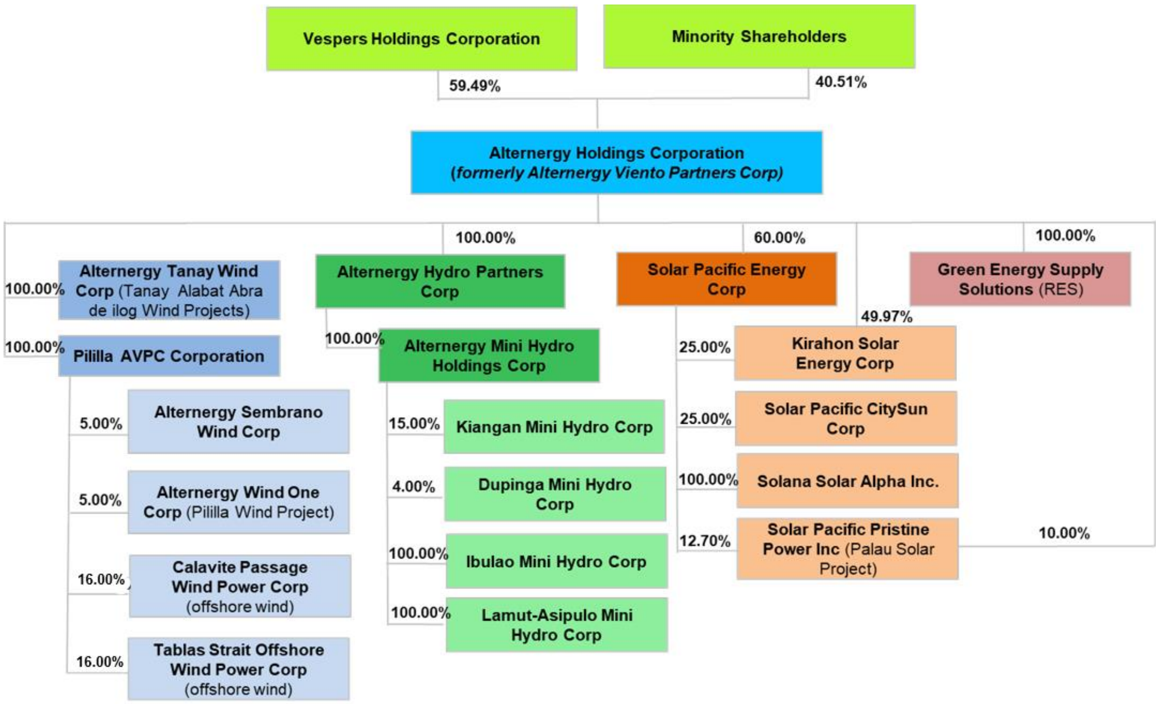
5 Operating

- Operations & Maintenance
- Spare Parts Management
- Business Permits
- Revenue & Accounts Management
- Regulatory Compliance
- Investor Reporting
- Project Site Security
- Community Engagement

Source: Information provided by Alternergy

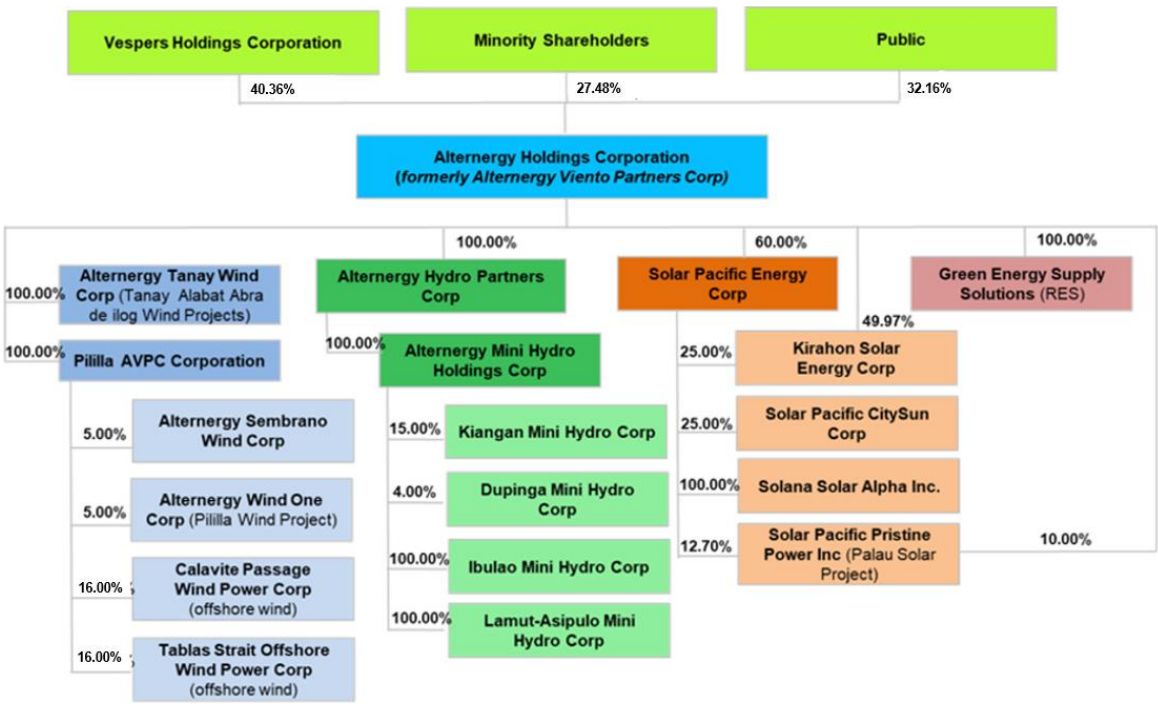
The following charts present the Company’s corporate structure based on economic interest, pre- and post-IPO.

Alternergy Corporate Structure Pre-IPO



Source: Based on AHC's Economic Interest; Information provided by Alternergy

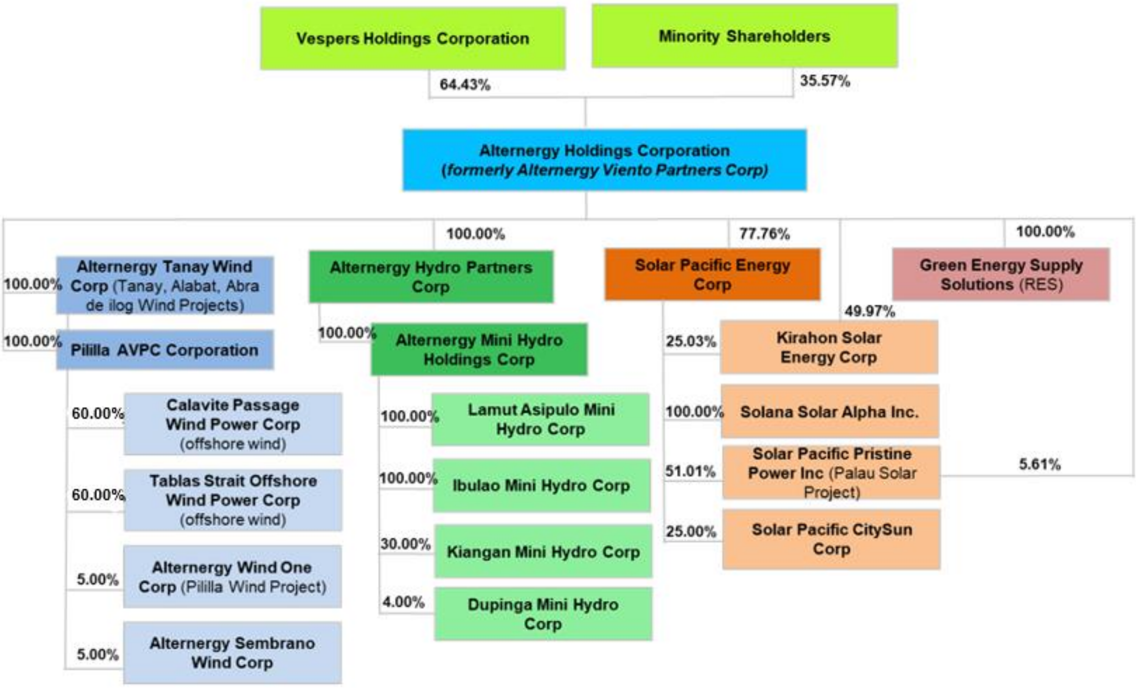
Alternergy Corporate Structure Post-IPO



Source: Based on AHC's Economic Interest; Information provided by Alternergy

The following chart presents the Company's corporate structure based on voting control.

Alternergy Corporate Structure Pre-IPO (Based on Voting Control)



Source: Based on AHC's Voting Control; Information provided by Alternergy

As of June 2022, AHC's 69.51% control of SPEC is based on AHC's direct ownership of 31.73% of the total issued and outstanding capital stock of SPEC.

In August 2022, AHC acquired an additional 8.25% stake in SPEC. and an additional 368,536 preferred shares of stock of SPEC from NCP Advisors Philippines, Inc. With said acquisitions, AHC now holds 77.76% voting interest and 60% economic interest in SPEC.

Solar Energy Portfolio

Solar Pacific Energy Corporation ("SPEC")

Solar Pacific Energy Corporation is AHC's solar energy sub-holding company that develops, builds, owns, and operates solar power plants on islands throughout the Philippines and the Pacific. AHC owns 60.00% economic interest and 77.76% voting interest in SPEC. Currently, SPEC does not have any service contract with the DOE.

As of the date of this Prospectus, SPEC owns 25.03% (representing economic and voting interest) of Kirahon Solar Energy Corporation, 100.00% (representing economic and voting interest) of Solana Solar Alpha Inc., 12.67% economic interest and 51.01% voting interest in Solar Pacific Pristine Power Inc., and 25.00% (representing economic and voting interest) in Solar Pacific CitySun Corporation.

Kirahon Solar Energy Corporation ("KSEC") - AHC's subsidiary

In July 2013, SPEC entered into an MOU with Mindanao Energy Systems ("MINERGY") for the development of Kirahon Solar Power Project Phase I ("Kirahon Solar Plant") of KSEC. Kirahon Solar Plant is a 10.0 MW$_{AC}$ solar Photovoltaic ("PV") plant that is under a 25-year Power Supply Agreement (PSA) with a local private distribution utility Cagayan Electric Power and Light Co, Inc (CEPALCO).

Kirahon Solar Plant was first commissioned in November 2015 and received its initial COC with a validity period of five (5) years from the ERC. In February 2022, the ERC extended the provisional authority for the period covering November 2021 to November 2022.

Project Summary:

Project Owner	KSEC
PV Power plant size	10.0 MW_{AC}
Annual Net Generation	18,125 MWh / year
Annual Specific Yield	1,442 kWh/ kW_p
Annual Degradation Rate	0.7%
Annual Operation Cost per kW_p	₱738 / kW_p
Location	Minergy Business Park, PHIVIDEC Industrial Estate, Iligan-Cagayan de Oro-Butuan Road, Sitio Kirahon, Barangay San Martin, Villanueva, Misamis Oriental
Off-taker	CEPALCO
PSA Term	25 years
PSA Tariff	ERC approved tariff of ₱8.75/ kWh, adjusted annually
Site Control	150,000 sqm. owned by KSEC
Interconnection	34.5kV to CEPALCO Grid
Start of Operations	October 25, 2015

AHC has 60% economic interest and 77.76% voting interest in SPEC which in turn owns a 25.03% economic and voting interest in KSEC. The effective additional 17.76% voting interest stems from the voting non-economic preferred shares acquired by AHC from NCP Advisors Philippines, Inc. in August 2022. In addition, AHC directly owns 49.97% economic and voting interest in KSEC. The difference in the direct and indirect economic and voting percentages in KSEC as shown in the table is due to the difference in the economic and voting percentages of AHC in SPEC. Thus, AHC has a direct and indirect economic interest of 64.99% and direct and indirect voting interest of 69.43% in KSEC.

As a holding company, AHC will be relying on the track record of its subsidiary, KSEC. In this respect, AHC satisfies the requirements of the PSE Amended Listing Rules, i.e., that such subsidiary (a) must have a cumulative net income, excluding non-recurring items, of at least ₱75,000,000 for three full fiscal years immediately preceding the application for listing and minimum net income of ₱50,000,000 for the most recent fiscal year, and (b) must further be engaged in materially the same businesses and must have a proven track record of management throughout the last three year prior to the filing of the application. The PSE Amended Listing Rules prohibit AHC from divesting its shareholdings in KSEC for a period of three years from the date of the listing of its shares, provided that the prohibition shall not apply if the divestment is approved by majority of AHC's shareholders.

Solana Solar Alpha Inc. ("SSAI") - AHC's subsidiary

Solana Solar Alpha Inc. is developing the 20 MW_{AC} Solana Solar power project ("Solana Solar Plant") in Hermosa, Bataan. Solana Solar Plant is a near-construction ready project The project has signed a 10 MW_{AC} PSA with AAA-rated Peninsula Electric Cooperative ("PENELCO") of Bataan dated February 4, 2022.

Project Summary:

Project Owner	SSAI
PV Power plant size *(estimate)*	20.0 MW_{AC}
Annual Net Generation *(estimate)*	42,800 MWh / year

Annual Specific Yield *(estimate)*	1,580 kWh/ kW_p
Annual Degradation Rate *(estimate)*	0.5%
Location	Hermosa, Bataan
Off-taker	PENELCO for 10.0 MW_{AC} Another 10.0 MW_{AC} under negotiation
PSA Term	PENELCO: 20 years
PSA Tariff	PENELCO: ₱4.20/ kWh pending ERC approval
Site Control	292,973 sqm. fully titled and owned by SSAI
Interconnection	69kV NGCP Hermosa Substation located 350m from property; 69kV PENELCO transmission line that traverses the property. Connection Agreements signed with NGCP and PENELCO
Target Start of Construction	Q1 2023
Target Start of Operations	Q4 2023

AHC has 60% economic interest and 77.76% voting interest in SPEC, which in turn has 100% economic and voting interest in SSAI. Thus, AHC has an indirect economic interest of 60% and 77% indirect voting interest in SSAI.

Solar Pacific Pristine Power Inc. ("SPPPI") - AHC's subsidiary

SPEC is developing Alternergy's first renewable energy project outside the Philippines and its first hybrid solar and battery energy storage project through its Solar Pacific Pristine Power Inc ("**SPPPI**"). It was selected through a competitive process by Palau Public Utilities Corporation ("**PPUC**"), the state-owned authority of the Republic of Palau, for a solar photovoltaic electric energy generating and battery storage facility with a solar PV total AC output capacity of 13.2 MW_{AC}, a battery energy storage system ("BESS") total output capacity of 10.2 MW_{AC}, and a BESS total energy storage capacity of 12.9 MWh beginning of life, designed to deliver 23,000 MWh per year. The project would be the first IPP in Palau.

As of October 2022, SPPPI achieved full drawdown of USD18 Mn and USD3.5 Mn under its financing agreements.

Project Summary:

Project Owner	SPPPI
PV Power plant size *(estimate)*	Solar PV: 13.2 MW_{AC} BESS: 10.2 MW_{AC} / 12.9 MWh
Annual Net Generation *(estimate)*	23,137 MWh / year
Annual Specific Yield *(estimate)*	1,514 kWh/ kW_p
Annual Degradation Rate *(estimate)*	0.5%
Location	Ngatpang State, Babeldaob island, Palau
Off-taker	PPUC
PSA Term	20 years, with option to extend for another five (5) years
PSA Tariff	Fixed in U.S. dollars
Interconnection	34.5kV transmission line of PPUC located at 400m from property; Connection Agreement signed with PPUC

AHC has 60% economic interest and 77.76% voting interest in SPEC, which in turn has 12.67% economic interest and a 51.01% voting interest by way of owning additional voting non-economic preferred shares in SPPPI. Thus, AHC has a direct and indirect economic interest of 17.6% and a direct and indirect voting interest of 45.27% in SPPPI.

Solar Pacific CitySun Corporation ("SPCC") - AHC's affiliate

Solar Pacific CitySun Corporation has signed 13 rooftop solar PSAs for 25 years with CityMall Commercial Centers Inc. ("CMCCI"), owned by Double Dragon Properties Corp. and SM Investment Corporation. The 13 solar rooftop projects on CityMalls throughout the country with 13 Solar Energy Service Contracts are 5.64MW_{AC} in total.

The operations of the eight (8) solar rooftop Phase I projects commenced in September 2018 for the first six (6) projects and in May 2019 for the two (2) projects. The eight (8) Phase 1 SPCC rooftops received their initial COC with a validity period of five (5) years from the ERC ranging from October 1, 2019 to August 4, 2020.

Project Summary:

Project Owner	SPCC
PV Power plant size	5.64 MW_{AC}; Of which 3.24 MW_{AC} are from 8 operating projects
Annual Net Generation	9,932 MWh / year
Annual Specific Yield	1,410 kWh/ kW_p
Annual Degradation Rate	0.7%
Annual Operation Cost per kW_p	₱948 / kW_p
Location	Various CityMall locations: Phase I Batch 1 projects are located in: (1) Boracay, Aklan; (2) Kalibo, Aklan; (3) Kabankalan, Negros Occidental; (4) Victorias, Negros Occidental; (5) Dumaguete, Negros Oriental; (6) Tagum City, Davao del Norte Phase I Batch 2 projects are located in: (7) Dau, Pampanga; (8) Mandalagan, Negros Occidental Phase II projects: (9) Cadiz, Negros Occidental; (10) San Carlos, Negros Occidental; (11) Goldenfields, Bacolod City; (12) Imus, Cavite; (13) Cotabato City, Maguindanao
Off-taker	CMCCI
PSA Term	25 years
PSA Tariff	Tariff based on a formula linked to the local distribution utility rate.
Interconnection	Direct Connection to each CMCCI CityMall
Start of Operations of 8 Plants	Phase I Batch 1 September 25, 2018 for 6 plants Phase I Batch 2 May 20, 2019 for 2 plants

AHC has 60% economic interest and 77.76% voting interest in SPEC, which in turn has 25% economic and voting interest in SPCC. Thus, AHC has an indirect economic interest of 15% and 19.44% indirect voting interest in SPCC.

Wind Energy Portfolio

Pililla AVPC Corporation ("PACO")

Pililla AVPC Corporation, a wholly-owned subsidiary of AHC, is the primary wind energy sub-holding company of Alternergy. AHC's subsidiaries aim to install onshore and offshore wind farms of up to 1,238 MW. To date, PACO was awarded by the DOE of Wind Energy Service Contract (WESC) 2022-02-198 for the exploration, development and utilization of the wind resource in Calavite Passage in Northern Mindoro last 3 March 2022. On October 26, 2022,the DOE approved the assignment of the WESC to Calavite Passage Wind Power Corporation, as the project company, and issued a Certificate of Registration in favor of Calavite Passage Wind Power Corporation.

PACO owns 16.00% economic and 60% voting interest of Calavite Passage Wind Power Corporation, 16.00% economic and 60% voting interest of Tablas Strait Offshore Wind Power Corporation, 5.00% economic and voting interest in Alternergy Wind One Corporation (AWOC), and 5.00% economic and voting interest of Alternergy Sembrano Wind Corporation (ASWC).

Calavite Passage Wind Power Corporation - AHC's subsidiary

PACO is co-developing its first offshore wind ("OSW") project. The chosen location is within the Calavite Passage, a wind-blown marine strait between Lubang Island and Calavite Point in Paluan, Occidental Mindoro. In March 2022, the DOE awarded PACO the WESC for the Calavite Passage, with a total marine area of 78,408 hectares. The assignment of the WESC to the project company, Calavite Passage Wind Power Corporation (CPWPC) was approved by the DOE on October 26, 2022 and a Certificate of Registration was issued in favor of Calavite Passage Wind Power Corporation.
PACO has entered into a shareholders agreement with Shell Overseas Investments B.V with current interests in operational offshore wind farms and several more in development, to jointly develop the Calavite Passage Offshore Wind Project of Calavite Passage Wind Power Corporation ("CPWPC").

AHC has 100% economic and voting interest in PACO, which in turn has 16.00% economic and 60% voting interest in CPWPC. Thus, AHC has an indirect 16.00% economic and 60% voting interest in CPWPC.

Tablas Strait Offshore Wind Power Corporation - AHC's Subsidiary

PACO is co-developing another offshore wind project at the southern portion of Mindoro province. The Tablas Strait Offshore Wind Project located in Magsaysay, Occidental Mindoro, Bulacan, Oriental Mindoro, and Caluya, Antique is being developed by the project company, the Tablas Strait Offshore Wind Power Corporation (TSOWPC). The application for the wind energy service contract for the Tablas Strait Offshore Wind Power Project was submitted to the DOE in July 2022 and December 2022 and has cleared the documentary review stage on January 20, 2023.

PACO has entered into a shareholders agreement with Shell Overseas Investments B.V with current interests in operational offshore wind farms and several more in development, to jointly develop the Tablas Strait Offshore Wind Project of Tablas Strait Offshore Wind Power Corporation ("TSOWPC").

AHC has 100% economic and voting interest in PACO, which in turn has 16.00% economic and 60% voting interest in TSOWPC. Thus, AHC has an indirect 16.00% economic and 60% voting interest in TSOWPC.

The combined total potential capacity of both Calavite Passage and Tablas Strait offshore wind projects is up to 1,000 MW. The capacity of each project will be determined upon the conduct of complete resource assessment.

Alternergy Wind One Corporation ("AWOC") - AHC's affiliate

PACO's project company, Alternergy Wind One Corporation, has been operating a 54 MW Pililla Rizal wind farm since June 2015, generating 133 GWh/year. Its generation is sold under a 20-year Renewable Energy Power Agreement ("REPA") with National Transmission Corporation ("TransCo") under a Feed in Tariff awarded by the ERC.

Project Summary:

Project Owner	AWOC
Power plant capacity	54.0 MW, FIT plant
Annual Net Generation	133,500 MWh / year
Annual Specific Yield	2,472.22 kWh/ kW
Annual Degradation Rate	0.05%
Annual Operation Cost per kW	₱1,625 / kW
Location	Barangay Halayhayin, Pililla, Rizal
Off-taker	TransCo
PSA Term	20 years
FIT Rate	₱7.40/ kWh base tariff
Interconnection	Meralco's Malaya-Teresa 115 kV Transmission Line, the nearest tapping point with a distance of approximately 10 kms from the project's substation
Start of Operations	June 9, 2015

AHC has 100% economic and voting interest in PACO, which in turn has 5% economic and voting interest in AWOC. Thus, AHC has an indirect economic and voting interest of 5% in AWOC.

Alternergy Sembrano Wind Corporation ("ASWC") - AHC's affiliate

The proposed 84 MW Sembrano wind project located in Pililla, Rizal and Pakil, Laguna of Alternergy Sembrano Wind Corporation is in advanced pre-development stage. As the second phase of the 54 MW Pililla Rizal wind farm, wind resource assessment, geotechnical and interconnection studies have been conducted confirming the feasibility of the Sembrano project.

Project Summary:

Project Owner	ASWC
Power plant capacity *(estimate)*	84 MW
Annual Net Generation *(estimate)*	277,529 MWh / year
Annual Specific Yield *(estimate)*	3,303 kWh/ kW
Annual Degradation Rate *(estimate)*	0.05%
Location	Pililla, Rizal and Pakil, Laguna
Off-taker	Ongoing discussions
Interconnection	Interconnection agreement with Meralco under negotiation
Target Start of Construction	Q1 2023
Target Start of Operations	Q3 2024

AHC has 100% economic and voting interest in PACO, which in turn has 5% economic and voting interest in ASWC. Thus, AHC has an indirect economic and voting interest of 5% in ASWC.

Alternergy Tanay Wind Corporation ("ATWC") - AHC's subsidiary

Alternergy Tanay Wind Corporation, a wholly owned subsidiary of the Company, is developing the Tanay Wind Power Project in Tanay, Rizal Province, and the Alabat Wind Power Project in Quezon Province.

AHC has 100% economic and voting interest in ATWC.

Tanay Wind Power Project by ATWC

The Tanay Wind Power Project in Tanay, Rizal Province has a potential capacity of up to 99.2 MW. Wind resource assessment have been conducted with a met mast and LiDAR.

Project Summary:

Project Owner	ATWC
Power plant capacity *(estimate)*	99.20 MW
Annual Net Generation *(estimate)*	252,983 MWh / year
Annual Specific Yield *(estimate)*	2,550 kWh/ kW
Annual Degradation Rate *(estimate)*	0.05%
Location	Brgy. San Andres and Cuyambay, Tanay, Rizal
Off-taker	Ongoing negotiations with Distribution Utilities, Retail Electricity Suppliers
Interconnection	115 kV transmission line connecting to the 230kV Antipolo substation of the NGCP located 30 kilometers from the project site
Target Start of Construction	Q1 2024
Target Start of Operations	Q4 2025

Alabat Island Wind Power Project by ATWC

Located on the eastern seaboard of Luzon Island, the Alabat Island Wind Project in Quezon Province is a project of ATWC in the early stage. After securing the Wind Energy Service Contract from the DOE in December 2019, ATWC received the endorsements of the three Alabat Island municipalities of Quezon, Alabat, and Perez, endorsements from host barangays within Alabat municipality, and the endorsement of the Quezon Provincial Development Council. In October 2022, the met mast tower was erected on the site.

Project Summary:

Project Owner	ATWC
Power plant capacity *(estimate)*	49.60 MW
Annual Net Generation *(estimate)*	169,920 MWh / year
Annual Specific Yield *(estimate)*	3,425.81 kWh/ kW
Annual Degradation Rate *(estimate)*	0.05%
Location	Quezon Province
Off-taker	Under negotiations
Interconnection	Under negotiations
Target Start of Construction	Q2 2025
Target Start of Operations	Q3 2026

Abra de Ilog Wind Project

In December 2008, the Department of Energy awarded a Wind Energy Service Contract for the Abra de Ilog Wind Project in Occidental Mindoro to Alternergy Philippine Holdings Corp. ("APHC"). It is the Company's intent to cause the assignment of the WESC from APHC to a new special purpose vehicle organized for the purpose of undertaking the Abra de Ilog Wind Project.

In 2010, the Asian Development Bank ("ADB") partly financed the feasibility study of the Abra de Ilog Wind Project. ATWC conducted the feasibility study and a met mast was installed to measure the wind resource.

Mini Hydro Energy Portfolio

Alternergy Mini Hydro Holdings Corporation ("AMHHC")

Alternergy Mini Hydro Holdings Corporation is the primary hydro energy sub-holding company and wholly owned subsidiary of AHC. AMHHC is currently developing one run-of-river hydropower project in Nueva Ecija and three (3) run-of-river hydropower projects in Ifugao with a total potential capacity of about 36 MW.

AMHHC owns 100.00% (representing economic and voting interest) of Lamut Asipulo Mini Hydro Corporation, 100% (representing economic and voting interest) of Ibulao Mini Hydro Corporation, 15.00% economic and 30% voting interest of Kiangan Mini Hydro Corporation, and 4.00% (representing economic and voting interest) of Dupinga Mini Hydro Corporation.

Lamut Asipulo Mini Hydro Corporation ("LAMHC") - AHC's subsidiary

The 6.8 MW Lamut-Asipulo run-of-river mini-hydropower project of Lamut Asipulo Mini Hydro Corporation is a near construction ready project along the Cawayan River along the two municipalities of Asipulo and Lamut in the Ifugao Cordillera Administrative Region.

Project Summary:

Project Owner	LAMHC
Power plant capacity *(estimate)*	6.80 MW
Annual Net Generation *(estimate)*	33,270 MWh / year
Annual Specific Yield *(estimate)*	4,893 kWh/ kW
Annual Degradation Rate *(estimate)*	0.50%
Location	Brgys Pula & Panubtuban, Asipulo; Brgys Hollowon, Panopdopan and Nayon, Lamut (Transmission Line)
Off-taker	Vying for FIT
PSA Term	20 years
PSA Tariff	To be determined by the ERC
Interconnection	In process
Target Start of Construction	Q4 2023
Target Start of Operations	Q2 2025

AHC has 100% economic and voting interest in AMHHC, which in turn has 100% economic and voting interest in LAMHC. Thus, AHC has an indirect economic and voting interest of 100% in LAMHC.

Ibulao Mini Hydro Corporation ("IMHC") - AHC's subsidiary

The 7.4 MW Ibulao 2 mini-hydro project is an early development project being developed by Ibulao Mini Hydro Corporation. The DOE awarded the Service Contract and Confirmation of Commerciality for the proposed Ibulao 2 project in September 2013 and May 2016, respectively.

Project Summary:

Project Owner	IMHC
Power plant size *(estimate)*	7.42 MW
Annual Net Generation *(estimate)*	34,441 MWh / year
Annual Specific Yield *(estimate)*	4,643 kWh/ kW
Annual Degradation Rate *(estimate)*	0.50%
Location	Brgy. Bolog in the Municipality of Kiangan and Brgy. Caba in the Municipality of Lagawe in the province of Ifugao
Off-taker	Vying for FIT
PSA Term	20 years
PSA Tariff	To be determined by the ERC
Interconnection	In process
Target Start of Construction	Q2 2024
Target Start of Operations	Q2 2026

AHC has 100% economic and voting interest in AMHHC, which in turn has 100% economic and voting interest in IMHC. Thus, AHC has an indirect economic and voting interest of 100% in IMHC.

Kiangan Mini Hydro Corporation ("KMHC") - AHC's affiliate

The 17.4 MW Kiangan run-of-river project in Ifugao of Kiangan Mini Hydro Corporation combines three hydro developments along the Asin, Hungduan, and Ibulao Rivers. AMHHC took over project development of Kiangan Hydro from the original developer Enerhighlands Corporation in November 2013. In 2015, the DOE approved the assignment of the Hydro Service Contracts of Asin, Hungduan and Ibulao1 from Enerhighlands Corporation to KMHC.

In September 2022, KMHC achieved first drawdown of Php436 Mn from Development Bank of the Philippines under an omnibus loan and security agreement.

Project Summary:

Project Owner	KMHC
Power plant capacity *(estimate)*	17.40 MW
Annual Net Generation *(estimate)*	82,378 MWh / year
Annual Specific Yield *(estimate)*	4,734 kWh/ kW
Annual Degradation Rate *(estimate)*	0.50%
Location	Barangays Bokiawan, Dalligan and Mongayang within the municipality of Kiangan
Off-taker	Vying for Hydro Feed-in Tariff
PSA Term	20 years FIT
PSA Tariff	To be determined by the ERC
Interconnection	Connection Agreement signed with NGCP
Start of Construction	April 2021
Target Start of Operations	Q4 2024

AHC has 100% economic and voting interest in AMHHC, which in turn has 15% economic and 30% voting interest in KMHC. Thus, AHC has an indirect economic of 15% and voting interest of 30% in KMHC.

Dupinga Mini Hydro Corporation ("DMHC") – AHC's affiliate

The 4.60 MW Dupinga run-of-river project of Dupinga Mini Hydro Corporation is located along the Dupinga River in Gabaldon, Nueva Ecija. It is currently under construction since June 2020, with complete comprehensive feasibility study and detailed engineering design and government permits and approval.

In September 2022, DMHC achieved first drawdown of Php310 Mn from Development Bank of the Philippines under an omnibus loan and security agreement.

Project Summary:

Project Owner	DMHC
Power plant capacity *(estimate)*	4.60 MW
Annual Net Generation *(estimate)*	22,041 MWh / year
Annual Specific Yield *(estimate)*	4,791 kWh/ kW
Annual Degradation Rate *(estimate)*	0.50%
Location	Barangay Malinao & Ligaya, Gabaldon, Nueva Ecija
Off-taker	NEECO II Area 2
PSA Term	25 years
PSA Tariff	₱5.46/kWh with inflation adjustment
Interconnection	Interconnection Agreement with NEECO II Area 2
Start of Construction	January 2021
Target Start of Operations	Q2 2024

AHC has 100% economic and voting interest in AMHHC, which in turn has 4% economic and voting interest in DMHC. Thus, AHC has an indirect economic and voting interest of 4% DMHC.

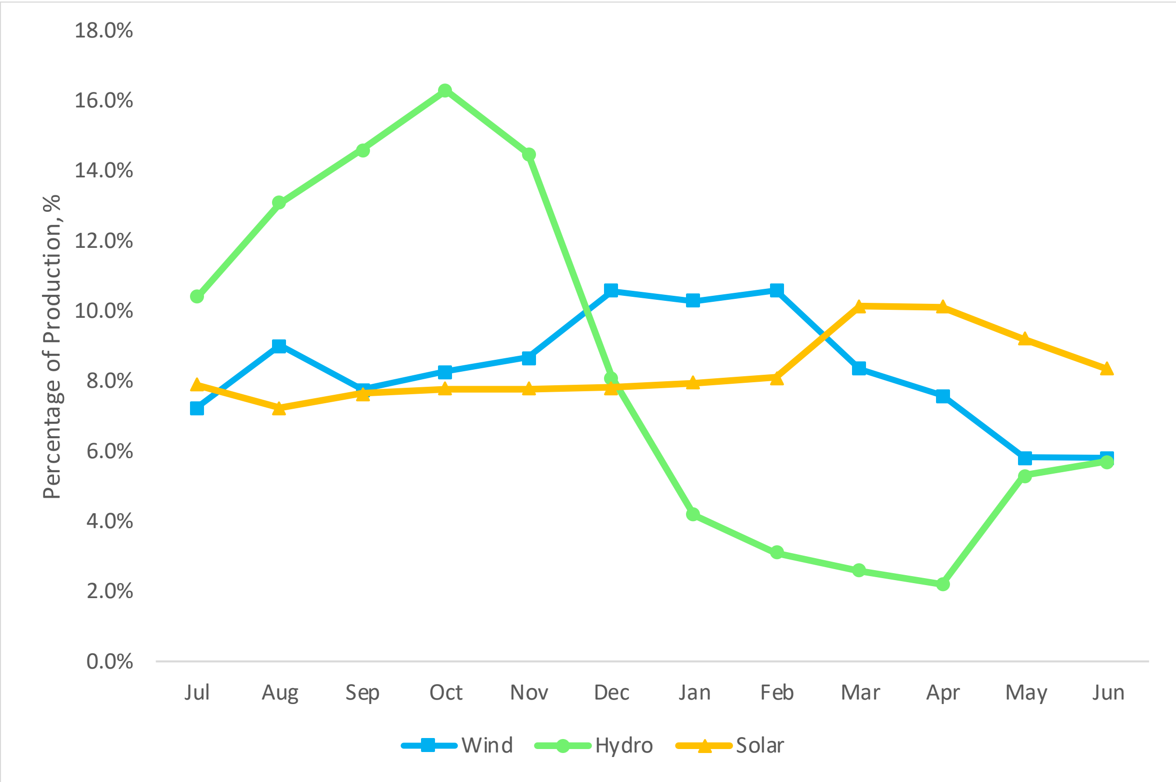
Strategic Focus on Renewable Energy in the Philippines

Within Asia, the Philippines presents a bright spot for renewable energy investors. The country's GDP grew 7.7% for the first 9 months of 2022. The country is projected to grow the second fastest in ASEAN in 2022, according to investment banking giant Goldman Sachs and among the growth leaders in the Asia Pacific Region, based on the World Bank's Global Economic Prospects. Based on WB's forecasts, growth in the Philippines is projected at 6.5% in 2022, supported by sustained public investment and recovering household consumption. Additional positive factors include rising electricity demand, significant renewable energy resources, attractive tariffs, and a comprehensive Renewable Energy Law that provides tax privileges and feed-in tariffs. For these strategic reasons, Alternergy has decided to focus on developing renewable energy projects in the Philippines.

Further, the Philippines has significant renewable energy resources and is meanwhile experiencing power outages in certain grids due to economic growth. The Philippines is considered to have the highest wind energy potential of any country in Southeast Asia. According to a 2003 study undertaken by the University of Philippines, the Philippines has untapped commercial wind energy potential in excess of 7.4 GW. The country's total hydropower resource potential is placed at about 13,097 MW, based on available data. Meanwhile, it has been estimated that the country has an annual solar energy potential average of 5.1 kWh/m^2 per day, according to World Wildlife Fund.

Diversified "Triple Play" Portfolio of Hydro, Wind and Solar

The Group is one of a few RE developers with a diversified "Triple Play" renewable energy portfolio that currently covers most of the key RE resources, particularly in solar, wind, and run-of-river hydro and battery storage plants. This allows for a diversified mix of complementary power generation revenues.



Source: Information provided by Alternergy

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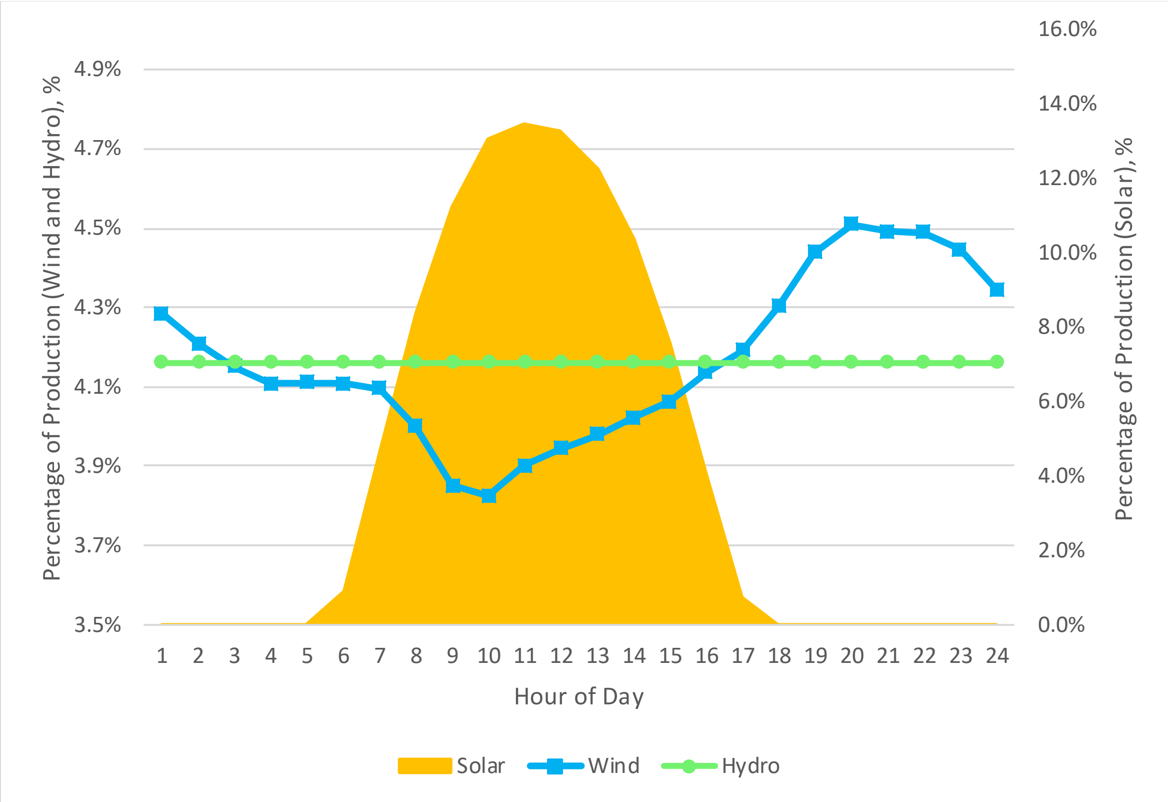
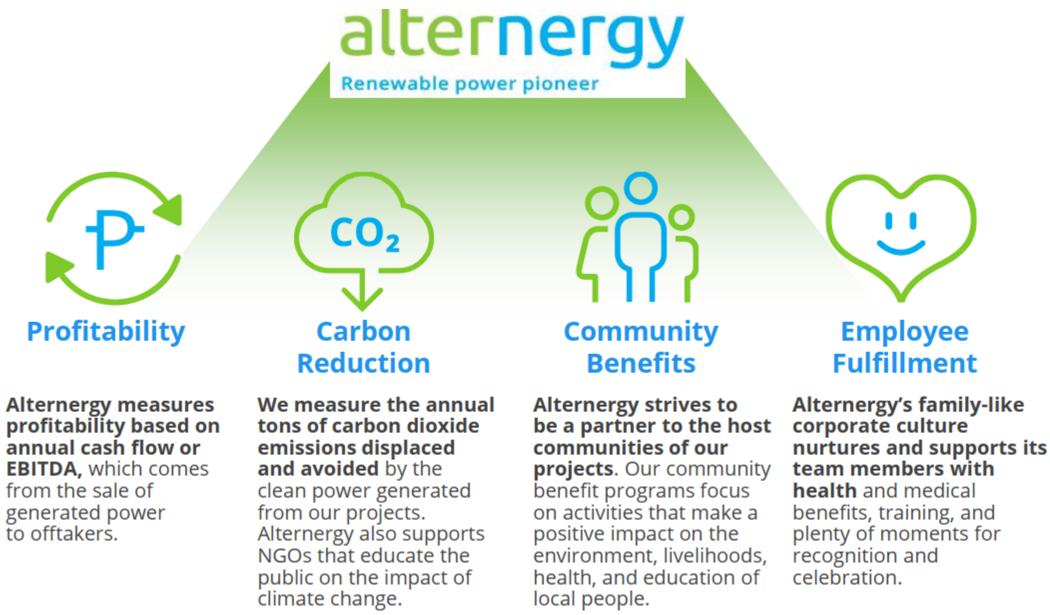
The chart below shows the comparison of the three renewable energy resources daily production.



Source: Information provided by Alternergy

Quadruple Bottom Line Philosophy

Alternergy is managed as a quadruple bottom line company in terms of cash flow profitability, carbon emission reduction, host community benefits, and employee satisfaction.



Source: Information provided by Alternergy

Competitive Strengths

The Group has established competitive strengths that should result in the success of the project development and execution, profitable operations, and acquire new opportunities for growth. These are as follows:

- The Group has a well-defined and committed strategic focus on renewable power generation as its core business given its robust renewable energy ("RE") project pipeline in the Philippines and the Pacific islands.
- One of the first movers in RE, particularly in wind renewable energy projects where it obtained service contracts and undertook feasibility and technical studies for wind farms back in 2008 when it was granted one of the earliest WESCs.
- The Group is one of a few RE developers with a diversified “Triple Play” renewable energy portfolio that currently covers most of the key RE resources, particularly in solar, wind, and run-of-river hydro and battery storage plants. This allows for a diversified mix of complementary power generation revenues.
- Most of the Group's operating RE projects were able to avail long term power sale agreements comparable to Feed-in-Tariff rates that have allowed them to be financially viable and attractive.
- Its key customers are high-quality off-take institutions like TransCo, high credit-rated private distribution utilities, credit-worthy electric cooperatives, and key commercial customers.
- Members of the Group's senior management have been involved in both the public and private sector relative to energy development as well as policy development and implementation.
- The Management team is comprised of professionals with a diverse but complementary background and expertise in policy, engineering and project management and implementation, finance, law, sustainability and regulatory compliance for RE projects.
- The Group's senior management remains active and engaged in working with public sector officials in the development, regulation, monitoring and promotion of renewable energy.
- The Group's senior management also maintains proactive engagement with energy policy and regulatory officials through active participation and leadership in private sector renewable industry associations.
- The Group's senior management has a wide network of contacts among domestic and foreign equity partners that has been key to funding its various projects.
- The Group’s pioneering debt experience, particularly in project finance, has provided the Group access to competitive financing terms from a variety of domestic lenders and supranational lenders.
- The Group and its management have established working relationships with key senior and mid-level officials of relevant government agencies of the DOE, DAR, DENR, DILG, DPWH, BOI, CAAP, NCIP, NWRB and the respective LGUs where its projects are located.

As one of the pioneers in wind and solar energy development and with a strong track record of quickly executing and efficiently operating wind and solar power projects, the Group is well-positioned to take advantage of the expected massive growth in the renewable energy sector.

According to the DOE Philippine Energy Plan for 2020 to 2040, renewable energy installed capacity is targeted to increase by 53GW to 81GW by 2040, with around 60% of that is projected to come from solar generation. The Group also notes policy and investment trends towards sustainability, and clean power is expected to play a central role in sustainable development.

Strategies

The Group’s business plans and strategies include the following:

- Leverage the AHC Group's solar, wind and run-of-river hydro development expertise. By maintaining a robust pipeline of projects under varying stages of development in each of the Group's three renewable sectors, its project completion cycle ensures steady growth.
- Pursue new RE projects, especially in the RE resources where the Group has established expertise in the technical, regulatory, project feasibility assessment, project management, and financing aspects.
- Secure bankable off-take through bid participation and contracting on an opportunistic basis to maximize contracted revenues from credit-worthy off-takers.
- Focus on RE resource projects where FIT rates are available or are expected to be made available given developments in the DOE on the matter.
- Capitalize on off-take opportunities from open access by directly contracting with Contestable Customers through its licensed retail electricity subsidiary.
- Optimize operations and harness synergies across the platform to further improve margins.
- Over the years, the Group has cultivated a preferred cadre of technical, legal and financial service providers that shorten project development timelines and allow for smoother execution towards financial close.
- Tap innovative debt and capital market instruments in sustainable finance that complement the Group's sustainability focused business philosophy, such as green bonds, blue bonds, supranational entity loans.
- Explore, adopt, and deploy emerging technologies such as battery storage, floating solar, and offshore wind that enhance the Group's renewable power business.
- Cultivate relationships with stakeholders to ensure the success of its projects, particularly in reaching consents from indigenous peoples among its host communities.
- Ensure organization is able to bring in new talent to cover the growing number of projects under the group.

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Investor Relations Office

The Company's Investor Relations Unit ("IR Unit") will implement an investor relations program that will enable shareholders and potential investors to be informed of corporate activities and transactions. The IR Unit will also handle communication of relevant information to stakeholders and the broader investor community. It will also be responsible for receiving and responding to shareholder and investor queries relating to the Company.

Marie Francesca Amatong has been appointed as the Investor Relations Officer ("IRO") of the Company. The IRO will ensure that Alternergy timely and fully complies with the applicable disclosure rules and requirements of the SEC and the PSE. In addition, the IRO will oversee most aspects of the Company's shareholder meetings, press conferences, and investor briefings as well as the management of the investor relations sections of the corporate website.

The IR Unit will be located at the principal office of the Company, with contact details as follows:
Company email: contact@alternergy.com
Contact Numbers: +632 7759 4327
IRO email: investorrelations@alternergy.com
Website: www.alternergy.com/investor-relations

Issuer Information

The Company's principal office is at Level 3B 111 Paseo de Roxas Building, Paseo de Roxas, Makati City, Metro Manila, Philippines 1226 and with telephone number (+632) 7759 4327. The Company's website is www.alternergy.com. The Company can likewise be reached for inquiries through its IRO.

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RISK FACTORS

An investment by prospective investors in the Offer Shares involves a number of risks. The Company's past performance is neither an indication nor a guide to its future performances. The price of securities can and does fluctuate, and any individual security may experience upward or downward movements or may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. There is an extra risk of losing money when securities are bought from smaller companies. There may be a big difference between the buying and selling price of these securities. For investors that deal in a range of investments, each investment carries a different level of risk.

Investors should carefully consider all the information contained in this Prospectus, including the risk factors described below before deciding to invest in the Offer Shares. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or that are currently considered immaterial could have a material adverse effect on the Company's business prospectus, financial condition, results of operations, the market price of the Offer Shares, and the Company's ability to make dividend distributions to its shareholders. All or part of an investment in the Offer Shares could be lost.

This Prospectus also contains forward-looking statements and forward-looking financial information that involve risks, uncertainties, and assumptions. The Company's actual results could differ materially from those anticipated in these forward-looking statements and forward-looking financial information as a result of certain factors, including the risks faced by the Company as described below and elsewhere in this Prospectus.

This risk factors discussion does not purport to disclose all risks and other significant aspects of investing in the Offer Shares. Investors should undertake independent research and study in trading of securities before commencing any trading activity. Investors may request for publicly available information on the Company from the SEC. An investor should seek professional advice if he or she is uncertain of or has not understood any aspect of this Offer Shares or the nature of risks involved in purchasing, holding, and trading the Shares. Each investor should consult their own counsel, accountant, and other advisors as to the legal, tax, business, financial, and other related aspects of an investment in the Shares.

The risk factors discussed in this section are of equal importance and are separated into categories for ease of reference only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to our business, results of operations, financial condition, and prospects.

Risks Relating to the Company and the Business

Unsuccessful Implementation of Business Plans and Growth Strategies

The Company's future operating and financial performance and success largely depend on its ability to implement its business strategies successfully. There can be no assurance that the Company will successfully implement the business strategies described in this Prospectus or those to be developed by its management, or that implementing these strategies will sustain or improve and not harm its results of operations in targeted sectors. The Company's ability to implement its business strategies depends on, among other things, its ability to finance its operations and future projects, respond to regulatory changes, and retain and attract highly skilled technical and managerial personnel.

The upfront capitalization required is substantial, and delays of capital infusion and project execution and commissioning may hinder profitability, and adversely affect the Group's ability to raise financing for its renewable energy projects and its ability to contract as future customers may doubt the Group's ability to execute projects.

Further, the Group's development of new projects is subject to substantial risks that could give rise to delays, unanticipated cost overruns, unsatisfactory construction, or development, or the total or partial loss of the Group's interest in the project under development, construction, or expansion. Such risks to development include:

- The need to incur expenses for preliminary engineering, permits, and development and other expenses before determining whether a project is feasible, economically attractive, or capable of being financed;
- The inability to sign acceptable Power Supply Agreements (**PSAs**) with customers;
- The inability to negotiate acceptable payment agreements;
- The inability to secure adequate project financing;
- Shortages and insufficient quality of equipment, materials, and labor and the breakdown or failure of equipment or processes;
- Social unrest and terrorist activities that may prevent the completion of projects;
- Engineering and environmental problems;
- Construction and operational delays or unanticipated cost overruns;
- Failure by key contractors and vendors to timely and properly perform their obligations; and
- Adverse environmental and geological conditions (including inclement weather conditions).

Any such delays, unanticipated cost overruns, unsatisfactory construction or development, or total or partial loss of the Group's interests in such projects could have a material adverse effect on the Group's business, financial condition, and results of operation. To mitigate possible construction delays and cost overruns, the Group implements a proactive project management and cost control methods. In addition, the Group provides for cost overrun contingencies in each of its project budget.

The Group is confident that it can mitigate the following risks:

a) Financing Risks – The Group has successfully secured over the last 12 years a total amount of Php13.2 billion of debt financing for its various projects from a variety of lenders and international institutions. The Group is confident that it will continue to have, which can provide the Group access to debt capital at competitive rates that will allow the Group to pursue the projects to generate revenue.

b) Execution Risks – The Group has successfully brought to operations 10 power projects within budget and on schedule. The Group executes and oversees its projects through its in-house engineering team, who are experts in their respective fields. Where these are insufficient, the Group can also call upon the expertise within the Group to provide technical assistance and support. In addition, the Group is also working closely with leading engineering contractors, suppliers, and consultants in implementing its projects.

c) Quality Assurance Risks – The Group has an established auditing system that conducts random checks and spot audits in order to uphold the integrity and quality of work and ensure that these systems are operationalized according to the Group's highest standards.

Because AHC has a relatively short operating history since 2008, any prospective investor must consider the challenges frequently encountered by young companies seeking to develop renewable energy technologies. Despite its short history, the Group has been successful in developing wind and solar projects from financial close to construction and commercial operations.

The Group will continuously evaluate its strengths and the risks to which its operations are exposed. It will prudently execute its expansion strategies and leverage on the expertise of the Group's senior management team which has many years of local and international experience in the renewable energy field. Accordingly, it will revise its key strategies to take advantage of its strengths and mitigate, if not, eliminate the negative impact of the risks on its operations.

Inability to Maximize Plant Capacity with Off-take Agreements

The Group is working to secure additional off-take through agreements with RESs and to participate in CSPs. If additional off-take agreements are still in the process of being obtained, the Group will sell power through the WESM at rates based on spot market prices. There can, however, be no assurance that the Group will be able to enter into additional off-take agreements, or if it does, that the pricing may be too low to make the project highly profitable, even at WESM prices, which could have a material adverse effect on the Group's business and financial condition.

The WESM may be an attractive off-take option because the energy produced by the Group is often available during the times when demand is highest, and, as a variable renewable energy, has priority dispatch over generation from other sources, ensuring the Group's energy will always be sold through the WESM at the spot price.

While there is an upside to selling its energy at higher prices, the Group aims to make its project viably sell at much lower costs. Management works towards this through leveraging the Group's capabilities in EPC and O&M to achieve cost-efficiency.

Supply Chain Consideration on Importation of Equipment

The supply of major equipment such as PV modules, inverters, wind turbine generators, water turbines, and other peripherals, which are usually sourced from abroad, may be a source of concern. Where issues on port congestion and other logistical problems arise, such as during the COVID-19 pandemic, this may be a source of delay in the completion of projects that may impact the Group's revenue stream. Due to rising global inflation, the Company also anticipates an increase in project development costs as a result of the increase in prices of key materials such as cement and steel. There has been volatility in cost over the last year resulting from multiple factors such as the rise of fuel prices i.e. gasoline and diesel due to the Russo-Ukrainian war and the supply chain challenges in the shipping industry, among others. The Group has established long-term relationships with equipment suppliers. On several occasions, the Group has successfully negotiated an extended price validity period from foreign equipment suppliers to mitigate the risk of higher cost of imported equipment and materials.

As the technology for solar becomes more and more accepted, the commoditization of parts is not far behind. By itself, this will reduce the risks of the Group being unable to source critical supplies from a single or limited group of suppliers.

Moreover, although subject to the 12% value-added tax (**VAT**), the importation of the foregoing major equipment is exempt from customs duties, which is among the tax incentives that the Group's project companies can avail of as BOI-registered RE Developers.

Increased Competition in the Power Industry

The Philippine Government deregulated the power industry starting in the 1990's and privatized at least 70% of its power generation facilities to improve the country's power supply.

In relation to improving the country's power supply, the Philippine Government also passed laws and enacted regulations such as:

- The Electric Power Industry Reform Act of 2001 (**EPIRA**) to regulate the privatized industry;
- Instituted a Competitive Selection Process (**CSP**) to ensure the transparency of procurement and sale of electricity between generators and distributors;
- Established Wholesale Electricity Spot Market to develop a transparent and efficient trading mechanism for electricity generated in excess of those allocated through the CSP;
- The Renewable Energy Act of 2008 to promote the use of renewable energy; and

- Established the Green Energy Auction Program (**GEAP**) and the Green Energy Option Program (**GEOP**), among others.

For more information on the regulatory background, please see the discussion on the Regulatory Framework section of the Prospectus. The above promulgations, apart from regulating the industry, were established to promote competition among industry players and new entrants in the hope of further lowering the cost of electricity.

The increased competition leads to risks relating to electricity prices that trend lower with players aiming to secure bids and contracts from various DUs. This makes winning power supply bids more challenging and may potentially delay the construction of new power plants in the absence of long-term off-take agreements. In addition, the lower-trend electricity price also poses a risk to the long-term return and profitability of generating entities and thereby makes such investments less attractive.

The risk to the Group is primarily mitigated by its choice to build renewable energy projects which are generally accepted as having minimal levelized cost of electricity. With lower trending prices resulting from increased competition, the Group is able to bid competitively while maintaining reasonable levels of return. The Group markets and contracts its projects ahead to expand the time within which it must win power supply bids and reduce this risk. The Group also continues to monitor the developments in the industry and among its competitors to be able to adapt immediately.

Competitors may have greater financial resources and other capabilities than the Group, giving them the ability to respond to operational, technological, financial, and other challenges more quickly than the Group. The Group believes that it is disciplined and innovative in its resource assessment, cost structure, and financing terms.

The Company believes that there will be further increase in competition in the renewable power market. The main competitors include Filipino conglomerates and its respective subsidiaries, particularly Aboitiz Power Corporation, First Generation Corporation, AC Energy, SMC Global Power Holdings, Meralco PowerGen and Solar Philippines.

While there is an anticipated robust competition, the Company believes it is poised to effectively meet this competition as set forth in the section “Competitive Strengths and Strategies” of this Prospectus. The Company has a portfolio of projects using diversified renewable energy sources (solar, wind, run-of-river hydro) and has signed several long-term power supply agreements as secure offtake markets. The Company has a committed team of experienced management with proven track record and are actively engaged in the daily operations and project development.

Dependence on AHC’s Key Management

The Group relies on the services of its executive officers and other members of its senior management team including Vicente S. Pérez Jr., Gerry P. Magbanua, Eduardo M. Miranda, Knud Hedeager, and Janina C. Arriola. The loss of key employees or any other member of the Group’s senior management team could have a material adverse effect on the business. The Group may not be able to retain or replace these key employees in the immediate term. Several key employees, including the executive officers, are subject to employment laws in the Philippines and to arrangements that contain post-employment non-competition provisions. However, these arrangements permit the Group’s employees to terminate their employment with it with due notice and to comply with the non-competition provisions as stipulated in their respective contract of employment. If the Group terminates or discontinues the services of its key personnel, the Group should be able to mitigate this risk by hiring the services of qualified consultants who will supervise the project from start to completion. Part of their scope is to review the work performed by the Group’s experts and provide value engineering services.

The key personnel possess technical and business capabilities that would be difficult to replace in the immediate term. The loss or diminution in the services of the senior management or other key team members, or its failure to maintain the necessary management and other resources to operate and grow the business could have a material adverse effect on the Group's business.

The senior management has been involved since its inception and has equity interest in AHC which makes it unlikely for the services of the senior management team to be lost or diminished. In addition, since the senior management is composed of five persons with diverse expertise and experience, the Company believes that it is unlikely that the services of all senior management will be lost at the same time.

Nature of Renewable Energy Projects

The Group's business involves the exploration, development and production of naturally recurring energy resources. These activities are subject to uncertainties. Renewable energy projects may experience certain events such as drought, flooding, earthquake, tsunami, typhoons, or volcanic activity. The occurrence of any of these uncertainties may increase the Group's operating costs and capital expenditures or reduce the efficiency of its plants. This, in turn, could reduce the Group's income and materially and adversely affect its business, financial condition, results of operations and cash flow. If the Group's operations are disrupted by a serious natural disturbance, its business interruption and property damage insurance may not be adequate to cover all losses sustained.

To mitigate uncertainties on power production of the location of the projects, reputable third-party consultants conduct thorough geological and meteorological assessments. Given the frequency of typhoons and other storms passing through the project sites, the equipment chosen should be able to withstand the effects of such natural calamities.

Fluctuations in Foreign Currency Exchange Rates

Foreign exchange exposure may arise if contractual obligations are not aligned under the same currency. For SPPPI, the PPA signed with the Palau Public Utilities Corporation is denominated in USD and the sources of financing, both debt and equity, are also denominated in USD.

The Group ensures the debt financing currency mix matches its revenue currency adjustment. The Group's debt and equity financing are, and its future sales and cash inflows will be, denominated in Philippine Peso, while purchases on certain imported equipment are in currencies other than Philippine Peso, mostly the U.S. dollar. The changes in exchange rates between the Philippine Peso and the U.S. dollar between the time that the Group receives funds in Philippine Pesos and the time it spends them in U.S. dollars could have an adverse effect on its results of operations and financial condition.

To manage the risk, the Group will factor in sufficient margins in its budgets and off-take agreements to account for potential depreciation of the Philippine Peso.

Validity and Enforceability of Off-take Agreements

Any inability or failure on the part of the Group to meet its obligations or comply with the terms and conditions under any of the off-take agreements that the Group may enter into, may constitute a material breach thereof and could lead to the cancellation or termination of such off-take agreement.

Potential material breaches include failure to commence operations within a target latest completion date or failure by an off-taker to pay the seller within a prescribed period.

In order to mitigate these potential breaches, the Group enters into an EPC agreement that includes a provision for delay compensation to ensure that the projects are completed within the agreed schedule and closely monitors the progress of construction to ascertain that construction milestones are achieved.The Group also carefully assess the credit worthiness of an off-taker and occasionally requires its offtakers to provide credit support in the form of standby Letter of Credit or cash escrow.

In determining tariffs, the Group participates in competitive selection process either by invitation or through public bidding wherein rates are determined based on prevailing market price and on acceptable rates of return.

High Dependence on a Few Key Customers and Credit and Collection Risk

As in other businesses, the power business is exposed to credit and collection risks related to its customers. The Group foresees DUs' or RES's to be among its customers. There can, however, be no assurance that all customers will pay the Group in a timely manner or at all. In such circumstances, the Group's working capital needs may increase. If a large amount of its customers is unable or unwilling to pay the Group, its financial condition could be negatively affected.

Given the potential collection risk, the Group will continue to review the capability of its off-takers as part of the accreditation process and ensure that its off-take agreements protect against the risk of non-payment. Credit terms in the power industry are usually 30 days. As of the date of the Prospectus, there have been no defaults reported. In the event of a particular off-taker's default, it will be able to sell to the other off-takers also connected to the national grid or to WESM, if available.

Generally, each of the Group's operating plants sell to only one off-taker. The Group ensures that the off-takers are credit worthy with a good payment track record. The Group carefully assess the credit worthiness of an off-taker and on occasions have obtained a credit support in the form of standby Letter of Credit or cash escrow.

Electric Power Price Fluctuations

Electricity prices fluctuate substantially due to several factors outside of the Group's control including, but not limited to:

- Changes in the generation capacity in the market, including new supply from new or expanded power plants, or decreased supply from decommissioning of existing power plants;
- Additional transmission capacity;
- Electric supply disruptions, such as power plant outages and transmission disruptions;
- Changes in power demand or in patterns of power usage, including the potential development of demand-side management tools and practices;
- The authority of the ERC to review and adjust the prices on the WESM;
- Climate, weather conditions, natural disasters, wars, embargoes, terrorist attacks, and other catastrophic events;
- Availability of competitively priced alternative power sources; and
- Changes in the power market and environmental regulations and legislation.

These factors may have a material adverse effect on the Group's business, financial condition, and operations.

Based on the historical prices of WESM, the Group believes that its lower-cost profile will help mitigate risks that the Group is unable to sell electricity at a profit. In addition, with the Group securing a fixed-price off-take contract, the impact of electric price fluctuations on the Group's financials are partially mitigated.

Insurance Coverage

The Group's operations carry inherent risks of personal injury and loss of life, damage to or destruction of property, plant, and machinery, and damage to the environment, which are subject to risks such as fire, theft, flood, earthquakes, and terrorism, that the Group considers to be insurance coverage customary in the industry. All projects have Construction All Risks ("CAR")/Property Damage, Business Interruption, Marine Cargo, General Liability and Sabotage & Terrorism coverages. However, such insurance may not adequately cover all losses or liabilities that may arise from the Group's operations, including, but not limited to, when the loss suffered is not easily quantifiable. Moreover, even where the Group has made a claim under an existing insurance policy, the Group may not be able to successfully assert the Group's claim for any liability or loss under such insurance policy. If the Group's losses significantly exceed the Group's insurance coverage or cannot be recovered through insurance, the Group's business, financial condition, and results of operations could be materially and adversely affected.

To manage the risks of having incomplete insurance coverage, the Group leverages on its experience in obtaining insurance for its projects against risks related to constructing and operating renewable energy projects. To manage the risk of failing to assert the Group's claim on insurance, a protocol will be set-up to properly monitor, document, assess, and report incidents that are covered by insurance policies in place.

Failure to Secure the Necessary Right-of-Way to Connect to the Grid

In such case that the Group is not able to secure a necessary right-of-way for the construction and operation of its projects, the Group may not be able execute its plan of supplying electricity through the grid.

Right of way issues are common challenges in any development project. The Group has handled ROW issues by either avoiding the property in question or negotiating an alternative right-of-way. To mitigate the risk of not securing the remaining rights-of-way, the Group is in constant communication with relevant local government units for the transmission line right of way. In parallel, the Group conducts due diligence on the properties involved by verifying information with relevant government agencies, thereby ensuring the viability of all land under negotiation. In case of difficulty in securing these permits, the Group can tap the DOE for assistance. In extreme cases, we have invoked eminent domain through the DOE.

Section 9 of RA 9136 mandates open and non-discriminatory access to the power transmission system, subject to technical evaluation. However, the Group needs to be compliant with the technical requirements of the Grid Operator (i.e., NGCP).
To mitigate the Group's risk of not being able to connect to the Grid and to ensure that the Group will pass the technical evaluation of the Grid Operator and can facilitate prompt action on requirements concerning connection to the Grid, the Group hired and, if necessary, will hire additional engineering professionals as well as external consultants, and has maintained constant communication with the Grid Operator.

Failure to Obtain Financing or the Inability to Obtain Financing on Reasonable Terms

The Group's operations, growth, and expansion plans are expected to be funded mostly by a combination of debt and equity. The Group's ability to raise additional equity financing from non-Philippine investors is subject to foreign ownership restrictions imposed by the Philippine Constitution and applicable laws.

The Group's access to debt financing as a source of funding for new projects and for refinancing maturing debt is subject to several factors, some of which are outside of the Group's control. This includes political instability, economic downturn, social unrest, changes in law or the bankruptcy of an unrelated power generation company, any of which could potentially increase the Group's cost of borrowing or restricting the Group's access to credit markets.

The Group cannot guarantee that it will continue to be able to arrange financing on acceptable terms for other and/or additional projects. The Group's inability to obtain financing would adversely affect its ability to develop, construct and operate renewable energy projects and execute its growth strategies.

However, the Group has successfully raised debt financing for its ongoing projects, totaling Php13.2 billion. Given the Group's track record, the Group believes that financing institutions will continue to extend financing to the Group. In addition, the Group has developed and plans to continue developing and executing financial plans of the senior management with extensive experience in negotiating project debt finance.

Potential Termination and Expiry of Renewable Energy Service Contract ("RESC")

Any inability or failure by the Group's subsidiary or affiliate which is party to a RESC to comply with the terms and conditions in the RESC may constitute a material breach of such RESC that could lead to its termination.

Substantially all the Group's business plans and strategies depend on its rights under the relevant RESC, which, therefore, needs to remain subsisting. The RESC gives the renewable energy project companies exclusive rights to explore, develop, and utilize the renewable energy resources within the defined contract area. The RESC has a term of 25 years, from the date of execution of the service contract, renewable for another 25 years.

To mitigate this risk, the Group has, and will continue to, diligently complied with the requirements under RESC and continues to monitor compliance with the requirements.

Third-Party Claims in the Project Properties

Based on the 1987 Philippine Constitution, all forces of potential energy and natural resources within the country's territory belong to the state. Any exploration, development, and utilization of such are under the full control of the state. The RESC is awarded to a developer without prejudice to the ownership of the land covered in the said RESC. Hence, the failure to secure ownership or possessory rights over such land may give rise to third party claims that could stop or delay project implementation since the RESC does not grant land ownership or possessory rights.

The Group through its direct subsidiary, KSEC, and indirect subsidiary, SSAI, own parcels of land and may continue to acquire and own land for purposes of its business. However, other locations are subject of lease agreements. Failure to sign purchase or lease agreements with the lot owners of the proposed locations will result in additional negotiations with other lot owners and may cause a delay in a project's commissioning date. Moreover, while the lease agreements over areas covered by pipeline projects allow a renewal for a period of 25 years or more years upon agreement of the parties, said renewal is not assured.

To minimize the risk of eviction by third parties, the Group's lease contracts, to the extent possible, are annotated on the titles of the covered lands to bind third persons. The Group also simultaneously obtains agreements from alternative lot owners. Please refer to the Description of the Properties section of this Prospectus for the purchased and leased land properties. As of date, the Company has not experienced any adverse third party claims over the land covered by its service contracts.

Resistance from Host Community

Social acceptance of the project is necessary as its absence may lead to undesirable dealings with the community.

To address this concern, the Group has initiated information, education, and communication campaigns with the local government units and host communities in each of its project sites.

Transactions with Related Party

The Group's Related Party Transactions are compliant with relevant regulations. While the Company believes that all past related party transactions have been conducted at arm's length on commercially reasonable terms, these transactions may involve conflicts of interest, which, although not contrary to law, may be detrimental to the Company.

The Company has instituted internal policies with respect to related party transactions and ensures that it is compliant with the policies instituted on transactions involving related parties. Relevant related party transactions are also discussed by the Related Party Transactions Committee that oversees such matters. See Certain Relationships and Related Party Transactions.

Inability to attract and retain skilled professionals

The Group's ability to plan, design, and execute current and future projects depends on its ability to attract, train, motivate and retain highly skilled professionals such as electrical, mechanical, geodetic, civil engineers and specialists focused on regulatory, permits and licenses, marketing and community engagements. The Group believes that there is significant demand for such personnel from its onshore competitors and companies outside the Philippines. Any inability on the part of the Group in hiring and, more importantly, retaining qualified personnel could impair its ability to undertake project design, planning and execution activities and could require the Group to incur additional costs by having to engage third parties to perform these activities.

The Company believes it maintains a positive relationship with its skilled professionals. To attract and retain skilled professionals, the Company strives to provide a competitive compensation and benefits package. AHC recognizes that employees are a critical resource and efforts to retain this talent through implementation of employee engagement programs, competitive compensation and benefits, training programs, succession planning, and programs to promote employee well-being. Under extreme situations where the Company might find it difficult to hire skilled professionals in the Philippines, it will tap its network outside the country to procure the talent needed.

Dependence on dividends and distributions from the subsidiaries

The Company is a holding company and conducts no independent business operations other than providing certain corporate and other support services to its subsidiaries. The Company conducts substantially all of its operations through the subsidiaries. Substantially all of its assets are held by, and substantially all of its earnings and cash flows are attributable to, the subsidiaries. The Company's liquidity, ability to pay interest and expense, meet obligations, provide funds and distribute dividends are dependent upon the flow of funds from the subsidiaries.

Each of the subsidiaries adopted uniform dividend policy, approved by its respective board of directors, whereby the subsidiaries will distribute Distributable Cash by way of dividends declared out of the unrestricted retained earnings in each fiscal year post-Commercial Operations Date. Distributable Cash refers to 100% of the cash and cash equivalents available for distribution other than those required for working capital purposes and subject to restrictions under the financing documents, applicable law, and other agreements to which each subsidiary may be bound.

There can be no assurance that the subsidiaries will generate sufficient earnings and cash flow to pay dividends or otherwise distribute sufficient funds to the Company to enable it to meet its own financial obligations. The ability of the subsidiaries and affiliates to pay dividends is subject to applicable laws and restrictions contained in debt instruments of such subsidiaries and affiliates and may also be subject to deduction of taxes. No assurance can be given that the Company will have sufficient cash flow from dividends to satisfy its own financial obligations. Any shortfall would have to be made up from other sources of revenue, such as a sale of investments, or financing available to the Company, which could materially and adversely affect the Company's business, financial condition and results of operations.

Risk on ownership of the projects or contracts

Certain projects are not wholly-owned by the Company and that it might encounter conflict with its partners. As of date of this Prospectus, the Group has not had any shareholders dispute with its equity partners. All of the Group's shareholders agreement have provisions on dispute resolution, including mutual discussions, followed by binding arbitration and agreed exit mechanisms in the event of unresolved dispute. Moreover, the Group maintains a good and harmonious relationship with all its partners.

The Company has acquired, through separate and individual Share Purchase Agreements, shares of stock in Kirahon Solar Energy Corp. ("KSEC") from the Sant Charitable Foundation, Josan Farms, Inc., and QBL Eco Corporation. The Share Purchase Agreements transferred absolutely and unconditionally to AHC, as of the date of execution of each of the agreements, Kirahon Solar Energy Corp. ("KSEC") shares. The maturity date for the payment of the KSEC shares is nine (9) months from the date of execution of each of the agreements. Subsequently, the Company and each seller also executed separate individual Amended and Restated Share Purchase Agreements and Deeds of Sale of Shares of Stock where the Company and each seller agreed to allow the parties to negotiate an extension of the maturity date with the intent of preserving, to the maximum extent permitted by law, their respective rights under the original Share Purchase Agreements. This includes a situation where the consideration and accrued interest are not paid in full by the earlier of (i) 5 Banking Days after receipt of proceeds from the initial public offering in the relevant escrow account or (ii) the maturity date.

The Certificates Authorizing Registration (CARs) covering the transfers were issued on the following dates: (a) Josan Farms Inc. - October 24, 2022, (b) QBL Eco Corporation - October 25, 2022, and (c) Sant Charitable Foundation Inc. - October 26, 2022. The transfers were recorded in KSEC's stock and transfer book on October 26, 2022.

Until the consideration is fully paid, AHC is obligated to pay to each seller all accrued dividends pertaining to the shares as interest. As of the date of this Prospectus, the consideration remains unpaid. If the consideration remains unpaid on maturity date or its extension, the sellers may seek to have the sale judicially rescinded. As of the date of this Prospectus, the shares in KSEC acquired by the Company remain unpaid.

Payment is ensured by Company's intended allocation of ₱ 522,186,500 of the proceeds from the Offer towards the payment of accrued liabilities on the KSEC shares. The Escrow Agreement on the Use of Proceeds provides that the proceeds from the IPO allotted for the full payment of the consideration for the sale of KSEC shares shall be released by the escrow agent directly to the sellers. It further provides that there shall be no reallocation and/or revisions to the timetable with respect to the use of IPO proceeds corresponding to the payment of the accrued liabilities on the acquired KSEC shares. The Sant Charitable Foundation, Josan Farms, Inc., and QBL Eco Corporation, which sold their KSEC shares to the Company through their individual Share Purchase Agreements, confirmed their previous acknowledgment in their respective Share Purchase Agreements that the Company is the legal and beneficial owner of the KSEC shares when they accepted the terms of the Escrow

Agreement on the Use of Proceeds and designated demanding the fulfillment of the latter agreement as their remedy.

As an additional mitigant, the Company has obtained approval for a short-term facility from a local universal bank, a portion of the proceeds of which facility shall be allocated for the payment of the accrued liabilities in respect of the acquisition of the KSEC shares.

Regulations with regard to the approval of future projects

Key permits and contracts have to be obtained in various stages of development before the Group can proceed with the construction and eventual completion and operation of renewable energy projects. Key permits and contracts issued or signed by regulators, government agencies or government-related entities comprise a sizable portion of the Group's development resources, critical ones include, but are not limited to, the RESC issued by the DOE, the ECC issued by the DENR, the approval of the PSA by the ERC (as applicable), the System/Distribution Impact and Facility Studies conducted by nominated contractors of the NGCP or the respective DU, local government unit endorsements, Land Use Conversion Certificates issued by the DAR (as applicable), and land rights acquisition and transfer approvals as needed from the respective cities or municipalities, among others.

Any delays in securing approvals, or issuances from any of the above-mentioned agencies or entities may severely affect the development timetable of certain projects of the Group and may not necessarily be within the Group's control. While the Group exerts all necessary efforts using its available resources to comply with all requirements to obtain these approvals as effectively and as swiftly as possible, material delays may still be caused by various circumstances or events outside the Group's influence, including, but not limited to, certain agencies' lack of manpower vis-à-vis the number of applications for review and approval, limitations on workforce presence caused by the pandemic, force majeure events, and potential adverse political affiliations of key individuals within certain agencies.

The Group mitigates potential delay risks by ensuring that it complies with all requirements of these key agencies and maintains a good track record for compliance even with projects that have achieved completion. The Group and its management team maintains good working relationships with these agencies and are invested in being involved and understanding any potential changes in rules and regulations that may affect its projects. The Group also simultaneously conducts development work for multiple pipeline projects in different locations within the region to further provide contingency and redundancy should any one project encounter a major development roadblock.

The Group may incur additional cost related to compliance with environmental regulations

The power industry is subject to environmental laws and regulations intended to prevent pollution and protect human health and the environment from hazardous substances and wastes produced as a result of the operations of the power generation facilities. Over time, requirements for compliance with these regulations have developed to be more stringent resulting in additional costs incurred for power generation companies to comply. While power generation companies have established protocols and procedures that enable it to be fully compliant as of the date of their development and construction, there is no guarantee that its current processes and compliance will remain acceptable to the regulatory agencies in the future. Additional requirements may also be set within the designed operating lifespan of the Group's power plants and such changes are beyond the control of the Group. It is notable that the effect of power generation facilities to the environment through time has a direct effect on the evolution of environmental regulation. As regulators require additional measures for compliance, it is possible that compliance costs incurred will be absorbed by the Group because these may not be passed on the Group's customers as energy prices are likewise regulated.

To manage this risk, the Group ensures that it has a competent team to handle compliance with environmental regulations and formulate programs to efficiently adapt to prospective changes in regulation. Its portfolio and pipeline made up of solar, wind and hydro plants also help hedge any risk exposures to changes in environmental regulations. Consistent with Alternergy's commitment to environmental sustainability, Alternergy has modeled the tons of carbon dioxide equivalent (tCO_2e) mitigated through the installation of renewable energy, against a business as usual projection for the power mix. The tCO_2e mitigated are estimated using the Alternergy's conservative grid emissions factor of 50%, i.e., one MWh of electrical output is equivalent to 0.5 tCO_2e mitigated. Alternergy estimates that its best case pipeline portfolio could result in a maximum 547,935 tCO_2e mitigated.

As of the date of this Prospectus, the Group has not incurred any additional costs related to compliance with environmental regulations.

Potential legal or administrative proceedings

Just like any other company, the Company is exposed to potential legal or administrative proceedings which may affect its operations and financial standing and cause the Company to incur additional costs, delays in the schedule, and the diversion of resources and management's attention. In the event that such a proceeding is brought against the Company, the Company will diligently defend against such claims.

Risks Relating to the Philippines

Risks relating to the Philippines are systemic in nature and outside the Company's control. However, the Company intends to continue to maintain appropriate financial and operational controls and policies within the context of the prevailing business, economic, and political environment taking into consideration the interests of its shareholders, customers, and other stakeholders.

Changes and Inconsistencies in Philippine Laws and Regulations

The Company's businesses are subject to various Philippine laws and regulations. The DOE is mandated by RA No. 7638 (Department of Energy Act of 1992) to prepare, integrate, coordinate, supervise and control all plans, programs, projects, and activities of the Government relative to energy exploration, development, utilization, distribution, and conservation.

Further, the Renewable Energy Act of 2008 authorizes the DOE to enter into RESCs with the Company or its assignee for the exclusive right to explore and develop particular RE areas under the said Act. Rules, regulations, and other issuances pursuant thereto are regularly issued leading to an evolution in applicable rules.

As such, there is a risk that government regulators, both at the national and local levels, may implement more stringent policies and/or regulations in the future that will make it more difficult or more costly for the Group to operate its business and remain compliant. The Group has no control over these events. In any case, the Group has put into place a compliance team that focuses on ensuring the Group's adherence to laws, rules, and regulations that are in effect.

Taxation

The Philippines currently offers incentives that encourage investment in RE operations to address the power crisis. These incentives include the following:

- Income tax holiday (**ITH**) for the first seven (7) years of its commercial operations;
- Duty-free importation of RE machinery, equipment, and materials and parts thereof, including control and communication equipment, within the first 10 years from the issuance of a Certificate of Registration of an RE developer;
- Special realty tax rate on equipment and machinery and other improvements of a registered RE developer actually and exclusively used for RE facilities which shall not exceed 1.5% based on the original cost less accumulated normal depreciation or net Book Value;
- Deductibility from gross income of net operating loss carry-over (NOLCO) incurred during the first three (3) years from the start of commercial operation for the next seven (7) consecutive taxable years immediately following the year of loss, provided said NOLCO had not been previously offset as deduction from gross income;
- Corporate tax of 10% on net taxable income after the seven (7) years of ITH;
- Accelerated depreciation, if, and only if, an RE project fails to receive an ITH before full operation;
- Zero percent Value Added Tax (**VAT**) rate on sale of power generated from renewable sources of energy as well as on purchases of local supply of goods, properties and services needed for the development, construction, and installation of plant facilities, and the whole process of exploration and development of RE sources up to its conversion into power;
- Tax exemption of carbon credits; and
- Tax credit on the purchase of machinery, equipment, materials, and parts from a domestic manufacturer, fabricator, or supplier equivalent to 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, provided said equipment, machinery, and spare parts are reasonably needed and shall be exclusively used by the RE developer in its registered activity, the purchase is made from an accredited or recognized domestic source, and the purchase is made within the validity of the RE service/operating contract.

The tax incentives provided under the Renewable Energy Act of 2008 are not affected by the laws repealed under Section 17 of Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE). As such, the Group expects that it will continue to enjoy the previously cited tax incentives.

However, there is no guarantee the existing tax regime will remain, and that no changes adverse to the Group's operations will be implemented. The energy industry, however, maintains a liaison within the legislative branch of the Government that helps ensure that RE operations will continue to enjoy a fair tax environment in the years to come.

Permits and Licenses

The Group's business is highly regulated, and the Group requires several licenses, approvals, registrations, consents, and permits to operate its businesses in the Philippines. The Group may need to apply for approvals, including the renewal of approvals already secured that may expire, from time to time, as and when required in the ordinary course of business. If the Group fails to obtain or renew such licenses, approvals, registrations, consents, and permits in a timely manner (such as but not limited to Bureau of Customs Registration Certificate, DENR Tree Cutting Permit, ERC Certificate of Compliance, ERC Approval of Transmission Point-to-Point, and WESM Registration, which permits are in the process of being secured or to be secured in due course), the Group may not be able to execute renewable energy projects and the operations may be hampered, which could affect the Group's business, financial condition, and results of operations.

Further, Government approvals and licenses are subject to numerous conditions, including adherence to emission standards and regular monitoring and compliance requirements, some of which are onerous and require the Group to incur some level of expenditure. The Group may incur some costs, including clean up and/or remediation costs, fines and civil or criminal sanctions, as a result of violations of or liabilities under environmental or health and safety laws, which may have a material adverse effect on the Group's business or financial condition. The Group cannot assure investors that approvals, licenses, registrations, consents, and permits issued to the Group will not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or to apply for and obtain the required licenses, approvals, registrations, consents, or permits, or any suspension or revocation of any approvals, licenses, registrations and permits that have been or may be issued to the Group, may materially and adversely affect the Group's operations. Please see subsection Permits and Licenses of this Prospectus for more details, including such approvals for which applications are pending before relevant authorities.

Delays in obtaining material permits will result in delays to relevant phases of planning and construction. Given the Group's track record, however, it has developed expertise in permit processing and relationships with various permitting agencies.

Changes in the regulatory framework could adversely affect the business of the Group. Many governmental agencies and regulatory organizations are authorized to take actions that affect the Group. The effect of any future legal or regulatory change on the Group is not possible to predict, but could be substantial and adverse. Energy regulation may continue to be subject to challenges, modifications, or the imposition of additional requirements. The Group may not be able to obtain or maintain all regulatory approvals that may be required in the future or secure any necessary modifications to existing regulatory approvals.

To mitigate this regulatory risk, the senior management actively participates in consultations and is in constant coordination with relevant government agencies and working groups of the DAR, DOE, and the National Renewable Energy Board.

Impacts of Health, Environment, and Safety Regulations

Safety, health, and environmental laws and regulations have become more stringent, and this trend is expected to continue. The adoption of new safety, health, and environmental laws and regulations, new interpretations of existing laws, and increased governmental enforcement of environmental laws may require additional capital expenditures or additional operating expenses to comply with such laws and to maintain current operations. The Group may be subject to a number of laws and regulations affecting many aspects of its future operations. Such laws and regulations will generally require the Group to obtain and comply with a wide variety of licenses, permits, and other approvals. The Group trains and assigns accredited health and environment compliance officers for each of its projects.

Any Downturn in the General or Economic Conditions in the Philippines

Historically, the Group's results of operations have been influenced, and will continue to be influenced, to a significant degree by the general state of the Philippine economy. As a result, its income and results of operations depend, to a significant extent, on the performance of the Philippine economy. In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the peso and the imposition of exchange controls.

In addition, global financial, credit and currency markets have experienced, and may continue to experience, significant dislocations and liquidity disruptions. There is significant uncertainty as to the potential for a continued downturn in the U.S. and the global economy, which would be likely to cause a deterioration of the economic conditions in the Philippines. There can be no assurance that current or future governments will adopt economic policies conducive to sustaining economic growth, and the Group cannot provide assurance of effective mitigation to such systemic risk.

In 2020, the COVID-19 pandemic crippled the global economy, including that of the Philippines. COVID-19 was declared as a pandemic by the World Health Organization and spread globally over the course of the ensuing years. Countries around the world have taken numerous measures in varying degrees to contain the spread of COVID-19, including community quarantine or lockdowns, social distancing directives, suspension of operations of non-essential businesses and the imposition of travel restrictions and transport of goods, which greatly affected businesses, eventually leading to a global economic recession. The Philippine government implemented a lockdown in 2020, considered one of the longest and strictest in the world, to control the spread of the virus but at great expense to the economy. The Philippine economy contracted by -9.6% year-on-year in 2020, its steepest economic contraction on record. The figure was also the country's first economic recession in more than two decades when the economy posted a negative GDP growth of 0.5% back in 1998.

However, hopes of a gradual recovery of the domestic economy remained at the start of 2021 as the country began to adjust and cope with the effects of the pandemic and given the accelerated rollout of COVID-19 vaccines which commenced in March 2021. Despite posting a negative GDP growth of 3.9% during the 1Q 2021 in view of the effects of the lingering pandemic, the Philippine economy rebounded in 2Q 2021 with GDP expanding by 12.0% year-on-year as the government tried to balance the need to contain the pandemic and address the need to restore jobs and incomes among the working population by loosening mobility restrictions during the same period. Positive GDP growth was likewise sustained for the succeeding quarters of the year with the economy growing at 6.9% and 7.7% year-on-year during the 3Q and 4Q of 2021, respectively. The country's GDP grew by 5.6% year-on-year in 2021, exceeding the Government's adjusted target of 5.0% to 5.5% for the year. During 4Q 2021 or prior to the spread of the highly transmissible COVID-19 Omicron variant, the country saw a sharp decline in COVID-19 cases, encouraging most businesses to open at near or full capacity during the period.

The country's GDP grew 7.7% for the first 9 months of 2022, as the country returns to pre-pandemic levels on the back of eased mobility restrictions and quarantine requirements.

Any future deterioration in economic conditions in the Philippines could materially and adversely affect the Group's business, financial position, and operations, including the Group's ability to grow its business and implement its business strategy. Changes in the conditions of the Philippine economy could materially and adversely affect the Group's business, financial condition, or operations.

Factors that may adversely affect the Philippine economy include: decreases in business, industrial, manufacturing or financial activities in the Philippines, Southeast Asia or globally; scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, Southeast Asia or globally; exchange rate fluctuations and foreign exchange controls; rising inflation or increases in interest rates; levels of employment, consumer confidence and income; changes in fiscal and regulatory policies; budget deficits; adverse trends in the current accounts and balance of payments of the Philippine economy; public health epidemics or outbreaks of diseases, such as re-emergence of Middle East Respiratory Syndrome-Corona virus (MERS-Cov), Severe Acute Respiratory Syndrome (SARS), avian influenza (commonly known as bird flu) or H1N1, and the COVID-19, or the emergence of another similar disease (such as Zika) in the Philippines or in Southeast Asia; natural disasters, including but not limited to tsunamis, typhoons, volcanic eruptions, earthquakes, fires, floods and similar events; political instability, terrorism, or military conflict; and other regulatory, social, political, pathological, climatic or economic developments in or affecting the Philippines.

Any downturn in the Philippine economy may have a negative impact on general business conditions in the Philippines, which may materially reduce the revenues, profitability, and cash flows of the Group.

Ability of Philippine Consumers to Absorb One of the Highest Electricity Costs in Asia

According to the Philippine Statistics Authority (PSA), the Philippines' Gross Domestic Product (GDP) posted a growth of 7.7% in the fourth quarter of 2021, resulting in a 5.6% full-year growth in 2021. This is an improvement from the 8.3% contractions recorded for the same quarter in 2020 and the 9.5% contraction in the full-year 2020. This is also higher than the estimates of Philippine Development Budget Coordination Committee (DBCC) at 6.5% to 7.5% for 2021. Philippine DBCC projects the country's GDP to grow at 7.7% in 2022, 6.1% in 2023, and 5.1% in 2024. Similarly, the Philippine government sees an acceleration for 2022 and targets a 7% to 9% GDP growth for 2022, and 6% to 7% for both 2023 and 2024. On the other hand, the GDP forecasts of Asian Development Bank for 2022 is lower than Philippine DBCC estimates at 5.3% growth.

GDP growth is an indicator to consider for the Group's off-take strategy. Businesses and other establishments will continue to need cheaper sources of electricity to be able to sustain its growth, not wanting to miss momentum.

Moreover, the Philippines has one of the highest electricity rates in Southeast Asia. As such, the average Philippine consumer may not be able to absorb continued increases in electricity costs resulting from, among other things, the volatile global oil prices and other inflationary pressures. Higher fuel prices may result in increased generation costs, which may, in turn, result in increased tariffs charged by the Distribution Utilities to levels that the consumers will be unable to absorb. The Group's management believes that its organization is well positioned to offer competitive energy prices to potential customers.

Political Risk or Social Instability in the Philippines

The Philippines has from time to time experienced political, social, and military instability. In the past decade, there has been political instability in the Philippines, including alleged extrajudicial killings, alleged electoral fraud, impeachment proceedings against two (2) former presidents and the chief justice of the Supreme Court of the Philippines, military uprisings, and public protests arising from alleged misconduct by previous administrations. In addition, a number of incumbent and past officials of the Philippine government are currently under investigation on corruption charges stemming from allegations of misuse of public funds, extortion, and bribery. An unstable political environment may also arise from the imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting.

There can be no assurance that acts of political violence will not occur in the future and any such events could negatively impact the Philippine economy. An unstable political environment may negatively affect the general economic conditions and operating environment in the Philippines, which in turn could have a material adverse effect on the business, operations, and financial condition of the Group.

In addition, the Group may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations. In May 2022, the Philippines elected both national and local government officials, including the President of the country. On May 25, 2022, Ferdinand Romualdez Marcos Jr. was officially proclaimed the next Philippine President. As President, he will determine the country's agenda and policies for the next six years.

The Group may also be affected by changes in government policies in the Philippines. Such regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact the Group's business.

There can be no assurance that the current or any new administration will continue to implement social and economic policies that promote a favorable and stable macroeconomic and business environment. Policy instabilities or a fundamental change of policy direction, including those with respect to Philippine foreign policy, may lead to an increase in political or social uncertainty and the loss of investor confidence in the Philippines. Any potential instability could have an adverse effect on the Philippine economy, which may impact our business, prospects, financial condition, and results of operations.

Government May Temporarily Take Control of the Group's Business in Times of National Emergency

The Philippine Constitution provides that in times of national emergency, when the public interest so requires, the Government may temporarily take over and direct the operation of any privately-owned public utility or business. The term national emergency has been interpreted to include threat from external aggression, calamities, or natural disasters, and strikes of such proportion as would paralyze government service. Recent jurisprudence has held that, in the event of such a temporary takeover, the Government is not required to compensate the private entity-owner of the business, nor may the private entity-owner that has been affected by the takeover claim compensation. If the Government takes control of the Group's business/es in a time of national emergency, the Group's business, financial condition, and results of operations may be adversely affected.

Acts of Terrorism could Destabilize the Country

The Philippines has been subject to a number of terrorist attacks in the past several years. The Philippine army has been in conflict with various groups which have been identified as being responsible for kidnapping and terrorist activities in the Philippines as well as clashes with separatist groups. In addition, bombings have taken place in the Philippines, mainly in cities in the southern part of the country.

An increase in the frequency, severity, or geographic reach of these terrorist acts, violent crimes, bombings, and similar events could have a material adverse effect on investment and confidence in, and the performance of, the Philippine economy. Any such destabilization could cause interruption to the Group's business and materially and adversely affect the Group's financial conditions, results of operations and prospects.

Continued conflicts between the Government and separatist groups could lead to further injuries or deaths of civilians and members of the Armed Forces of the Philippines, which could destabilize parts of the Philippines and adversely affect the Philippine economy. There can be no assurance that the Philippines will not be subject to further acts of terrorism or violent crimes in the future, which could have a material adverse effect on the Group's business, financial condition, and results of operations.

Territorial and other disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

The Philippines, China and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea. Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. In April and May 2012, the Philippines and China accused one another of deploying vessels to the shoal in an attempt to take control of the area, and both sides unilaterally imposed fishing bans at the shoal during the late spring and summer of 2012. These actions threatened to disrupt trade and other ties between the two (2) countries, including a temporary ban by China on Philippine banana imports, as well as a temporary suspension of tours to the Philippines by Chinese travel agencies. Since July 2012, Chinese vessels have reportedly turned away Philippine fishing boats attempting to enter the shoal, and the Philippines has continued to protest China's presence there. In January 2013, the Philippines sent notice to the Chinese embassy in Manila that it intended to seek international arbitration to resolve the dispute under the United Nations Convention on the Law of the Sea. China has rejected and returned the notice sent by the Philippines requesting arbitral proceedings. Chinese vessels have also recently confronted Philippine vessels in the area, and the Chinese government has warned the Philippines against what it calls provocative actions. Recent talks between the Government of the Philippines and the United States of America about increased American military presence in the country, particularly through possible American forays into and use of Philippine military installations, may further increase tensions.

In February 2013, several hundred-armed Filipino-Muslim followers of Sultan Jamalul Kiram III, the self-proclaimed Sultan of Sulu from the south of the Philippines, illegally entered Lahad Datu, Sabah, Malaysia in a bid to enforce the Sultan of Sulu's historical claim on the territory. As a result of the illegal entry, these followers engaged in a three (3) -week standoff with the Malaysian armed forces, resulting in casualties on both sides. Clashes between the Malaysian authorities and followers of the Sultan of Sulu have killed at least 98 Filipino Muslims and 10 Malaysian policemen army since March 01, 2013. In addition, about 4,000 Filipino-Muslims working in Sabah have reportedly returned to the southern Philippines.

On May 09, 2013, a Philippine Coast Guard ship opened fire on a Taiwanese fisherman's vessel in a disputed exclusive economic zone between Taiwan and the Philippines, killing a 65-year-old Taiwanese fisherman. Although the Philippine government maintained that the loss of life was unintended, Taiwan imposed economic sanctions on the Philippines in the aftermath of the incident. Taiwan eventually lifted the sanctions in August 2013 after a formal apology was issued by the Government of the Philippines. However, the incident has raised tensions between the two (2) countries in the recent year.

On March 30, 2014, the Philippines invoked the compulsory settlement of dispute clause under the U.N. Convention on the Law of the Seas and submitted a case to the Permanent Court of Arbitration in The Hague against China over the territorial dispute in the West Philippine Sea. On July 12, 2016, the international tribunal issued a decision stating among others that there was no legal basis for China to claim historic rights to resources within the sea-areas falling within the nine-dash line and that China violated the Philippines' sovereign rights in its exclusive economic zone by: a) interfering with Philippine fishing and petroleum exploration; b) constructing artificial islands; and c) failing to prevent Chinese fishermen from fishing in the zone. However, the international tribunal found that it lacked jurisdiction to consider the implications of a stand-off between Philippine marines and Chinese naval and law enforcement vessels holding that the dispute involved military activities and was therefore excluded from compulsory settlement. However, as of date, China has yet to recognize and comply with the rulings of the international tribunal, claiming that it did not participate in the proceedings as the tribunal had no jurisdiction over the case. News reports have reported increased Chinese activity in the area, including the installation of missile systems and the deployment of bomber planes. Other claimants have challenged China's actions in the West Philippine Sea.

There is no guarantee that the territorial dispute between the Philippine and other countries, including China, would end or that any existing tension will not escalate further, as China has taken steps to exercise control over the disputed territory. Should these territorial disputes continue or escalate further, the Philippines and its economy may be disrupted, and the Group's operations could be adversely affected as a result

Further escalation and widening of the Russian-Ukraine conflict can lead to potential global political, security and economic disruption

On 24 February 2022, Russia launched a large-scale invasion of Ukraine. Russian President Vladimir Putin authorized what the Russian government called as "special military operations" in Ukraine with missile and artillery attacks, striking major Ukrainian cities including capital, Kiev. The invasion caused an uproar globally particularly from the European Union-member countries as well as the United States, Canada, Japan, Australia, among others.

The invasion came after months of tension that built up between Ukraine and Russia following an appeal made in January 2021 by Ukrainian President Volodomyr Zelensky to US President Joe Biden and other North Atlantic Treaty Organization ("**NATO**") members to hasten Ukraine's request for membership in the NATO. As early as April 2021, Russia decided to move large quantities of arms and equipment as well as military troops near Ukraine's borders in what Russia said are training exercises. Russia presented its security demands in December 2021 which included, among others, for NATO to pull back its troops and weapons from eastern Europe and bar Ukraine from joining NATO citing that Ukraine's membership will pose as a security threat to Russia. Amid growing Western fears of a possible invasion of Ukraine by Russia, the United States promised to send additional US troops to NATO members but emphasized that the US and its NATO allies would not send troops to Ukraine but warned of severe economic sanctions should Russia take military action.

On February 22,2022, a few days before the invasion, the US, United Kingdom, and their allies, slapped targeted sanctions on Russian parliament members, banks, and other assets in response to Russia's troop order. Germany likewise decided to halt the Nord Stream 2 gas pipeline project. On February 26, 2022, following the invasion of Ukraine, the US and its Western allies imposed new sanctions, including restrictions on Russia's central bank, and expelling key Russian banks off the main global payments system, most notable of which is the Society for Worldwide Interbank Financial Telecommunications or SWIFT, which is a high security system that provides for safe and secure financial transactions across borders.

The ongoing war between Russia and Ukraine has negatively affected the global economy, particularly the energy and the financial markets considering the geopolitical and market uncertainties associated with the conflict and the severity of the sanctions imposed on Russia by the US and its allies. President Vladimir Putin recently said that sanctions imposed by the West on Russia are akin to a declaration of war and warned that any attempt to impose a no-fly zone over Ukraine would lead to catastrophic consequences for the world. Likewise, fears that the crisis might further escalate and broaden in scope have made the global markets anxious and unsteady, which may lead to potential adverse implications on the global political, security and economic landscapes, unless a clear direction towards de-escalation is agreed upon.

There can be no assurance that the ongoing conflict between Russia and Ukraine will not further escalate and widen to into a full-fledged war involving NATO member countries including the US and its allies. Any such developments could have a negative effect, directly or indirectly, on the Philippine economic and business environment and eventually on the Group's business, financial condition, and results of operations.

Sovereign Credit Ratings of the Philippines

Historically, the Philippines' sovereign debt has been rated non-investment grade by international credit rating agencies. In 2019, the Philippines' long-term foreign currency-denominated debt was upgraded by S&P Global ("S&P"), to BBB+ with stable outlook, while Fitch Ratings ("Fitch"), and Moody's Investors Service ("Moody's"), affirmed the Philippines' long-term foreign currency-denominated debt to the investment-grade rating of BBB and Baa2, respectively, with a stable outlook. As of July 16, 2020, Moody has affirmed the Philippines Baa2 rating with stable outlook. On January

10, 2021, Fitch affirmed the Philippines' long-term foreign-currency issuer default rating at BBB, noting that the outlook is stable. On July 12, 2021, however, Fitch revised the outlook of the Philippines to negative, although its long-term foreign-currency issuer default rating remained at BBB. The change in outlook was attributed to the potential scarring effects, and possible challenges associated with unwinding the exceptional policy response to the COVID-19 health crisis and restoring sound public finances as the pandemic recedes. As of May 28, 2021, S&P maintained its BBB+ long-term credit rating for the Philippines with a stable outlook, and also affirmed its A-2 short-term credit rating for the Philippines. While Moody's and S&P retained the sovereign rating and stable outlook, no assurance can be given that these agencies will not in the future downgrade the credit ratings of the Government and, therefore, Philippine companies, including the Company. As a systemic risk, the Company cannot provide assurance of effective mitigation. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

The Philippine Government's credit ratings directly affect companies domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. No assurance can be given that Fitch, Moody's, S&P, or any other international credit rating agency will not downgrade the credit ratings of the Philippine Government in the future and, therefore, Philippine companies. Any such downgrade could have a material adverse impact on the liquidity in the Philippine financial markets, the ability of the Philippine Government and Philippine companies, including the Company, to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

Occurrence of Natural or Other Calamities, including Severe Weather Conditions and Epidemics

The Philippines has experienced a number of major natural disasters over the years, including typhoons, droughts, volcanic eruptions, and earthquakes, as well as outbreaks of infectious diseases, such as H1N1 influenza (commonly known as swine flu) and more recently, COVID-19.

There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the development and construction of any of the Group's project companies. Any natural or other catastrophes may disrupt the Group's business activities and may affect the availability of materials needed for the Group's project companies. As a result, the occurrence of natural or other catastrophes may adversely affect the Group's business, financial condition, and results of operations.

There can be no assurance that the Group will be fully capable of dealing with these situations and that the insurance coverage it maintains will fully compensate it for all the damages and economic losses resulting from these catastrophes. The Group's business, financial condition and results of operations may be materially and adversely affected by any disruption of its operations or operations of its suppliers, distributors, and other contractors, including due to any of the events mentioned above.

To mitigate the risk of business interruptions, the Group established a business continuity and disaster recovery plan. The Group developed watch towers, which the business units monitor daily to help business unit leaders gauge if it is now an opportunity to trigger the implementation of the plan. The watch towers outline the possible risks/disasters, whether man-made or through a natural calamity, which can possibly happen and how the business must react to minimize, if not eliminate, any business disruption. Likewise, a disaster recovery plan is created to guide the business unit leaders and talents on how to manage the business immediately after a calamity occurs.

COVID-19 Global Pandemic

The COVID-19 pandemic created economic disruption, uncertainty, and volatility, all of which affected and may continue to affect the Group's businesses. Although the Group has implemented numerous initiatives to mitigate the adverse effects of the pandemic, the duration and extent of these effects are beyond the Group's control. As of Prospectus Date, quarantine restrictions are still in place in the Philippines and may be made more stringent if COVID-19 cases rise.

Due to numerous uncertainties and factors arising from the pandemic that are beyond the Group's control, it may be difficult to predict the pandemic's long-term effect on the Group, its businesses, results of operations, cash flows, and financial condition. These factors and uncertainties include, but are not limited to:

- The severity and duration of the pandemic, including whether there are subsequent waves or other additional periods of increases or spikes in the number of COVID-19 cases in future periods in areas in which the Group operates;
- The extent and timeliness of the national and local government's response to the pandemic, including but not limited to, quarantine restrictions as well as vaccination procurement and deployment programs;
- Restrictions on business operations, including complete or partial closure of the buildings;
- Economic measures, fiscal policy changes, or additional measures that have not yet been implemented;
- The health of, and effect of the pandemic on, the Group's personnel and the Group's ability to maintain staffing needs to effectively sustain its operations;
- Evolving macroeconomic factors, including general economic uncertainty, unemployment rates, and recessionary pressures;
- Volatility in the credit and financial markets during and after the pandemic; and
- The pace of recovery considering the rebound in consumer confidence, driven by government and economic response.

The extent to which the COVID-19 pandemic will impact the Group will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19, in the Philippines and internationally, by governments, central banks, healthcare providers, health system participants, other businesses, and individuals, all of which are highly uncertain and unpredictable. To the extent the COVID-19 pandemic adversely affects the Group's business and financial results, it may also have the effect of heightening many of the other risks described in this Prospectus.

Considering the evolving nature of the pandemic, the Group continues to follow the maximum health protocols imposed by the national government, as well as the relevant local government units, to continue performing the necessary works to deliver the projects on schedule. The Company implemented and continues to practice proactive measures to minimize, if not totally, eliminate health risks, such as extending assistance on the scheduling of COVID-19 vaccines and boosters to employees, adopting a hybrid work arrangement, providing shuttle service, weekly COVID-19 antigen testing, adequate supply of protective equipment, providing sanitizers and posting infographic materials in common areas of the office, plants and staff houses, and extending health maintenance organizations (HMO) coverage and a care package to employees who are confirmed COVID-19-positive.

Risks Relating to the Offer and the Offer Shares

Foreign Ownership Restrictions

The Constitution and other related statutes restrict the exploration, development, and utilization of natural resources, as well as ownership of private lands to Philippine Nationals. The term Philippine National as defined under RA No 7042, or the Foreign Investments Act of 1991, as amended means a citizen of the Philippines, or a domestic partnership or association wholly-owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the RCC, of which 100% of the capital stock outstanding and entitled to vote is wholly-owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals.

On September 29, 2022, the DOJ issued Opinion No. 21, series of 2022, where it opined that the exploration, development, and utilization of solar, wind, hydro, and ocean or tidal resources should not be subject to the forty percent (40%) foreign equity limitation under Section 2 of Article XII of the 1987 Constitution. The Opinion, however, is subject to Section 19 of the Implementing Rules and Regulations of Republic Act No. 9513, which provides that solar, wind, hydro, and ocean or tidal energy is subject to the 40% foreign equity limitation, unless this is amended. It is also subject to the Water Code of the Philippines and case law that limits the appropriation of water direct from the source to Filipino nationals. On November 15, 2022, the DOE issued Department Circular No. DC2022-11-0034 amending Section 19(B) of the Implementing Rules and Regulations of Republic Act No. 9513 to provide that the State may directly undertake the exploration, development, and utilization of RE resources or it may enter into RE Service or operating contracts with Filipino and/or foreign citizens and/or foreign-owned corporations or associations.

Pursuant to Philippine SEC Memorandum Circular No. 8, Series of 2013, which generally applies to all corporations engaged in identified areas of activities or enterprises specifically reserved, wholly or partly, to Philippine nationals by the Philippine Constitution, the Foreign Investments Act of 1991 and other existing laws, amendments thereto, and implementing rules and regulations of the said laws, for purposes of determining compliance with the constitutional or statutory ownership requirement, the required percentage of Filipino ownership shall be applied to both: (a) the total number of outstanding shares of stock entitled to vote in the election of directors; and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.

Foreign equity participation in entities such as the Company, where it is engaged in a controlled industry, is limited to a maximum of 40%. The Common Shares are subject to Philippine foreign ownership limitations. Therefore, to the extent that foreign investors' ability to buy the Offer Shares is limited, these restrictions may affect the liquidity of the Offer Shares.

As of date, the Company is 84.51% Filipino-owned and 15.49% foreign-owned.

Market Volatility

The market price of securities fluctuates, and it is impossible to predict whether the price of such securities will rise or fall. An individual security may experience upward or downward movements and may even lose its entire value. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. There may also be a substantial difference between the buying price and the selling price of each security.

Historical price performance is not a guide for future price performance and there may be a big difference between the purchase price of the securities and the eventual price at which these securities are sold. The market price of the Offer Shares will be influenced by, among other factors, the Company's financial position, results of operations, and overall stock market conditions, as well as Philippine economic, political, and other factors.

The price at which the Offer Shares will be traded on the PSE at any point in time may vary significantly from the Offer Price, and the Company cannot provide assurance of effective mitigation against such risk.

Effect of Future Sales of Shares in the Public Market

To finance the expansion of the Company's business and operations, the Board will consider the funding options available to them at the time, which may include the issuance of new Shares. If additional funds are raised through the issuance of new equity or equity-linked securities by the Company other than on a pro rata basis to existing stockholders, the percentage ownership of the stockholders may be reduced, stockholders may experience subsequent dilution and/or such securities may have rights, preferences, and privileges senior to those of the Offer Shares.

Further, the market price of the Shares could decline as a result of future sales of substantial amounts of the Shares in the public market or the issuance of new Shares, or the perception that such sales, transfers, or issuances may occur. This could also materially and adversely affect the prevailing market price of the Shares or the Company's ability to raise capital in the future at a time and at a price it deems appropriate.

Except for such restrictions and as provided under the RCC, there are no other restrictions on the Company's ability to issue Shares or the ability of its stockholders to dispose of, encumber or pledge, their Shares, and there can be no assurance that the Company will not issue Shares or that such stockholders will not dispose of, encumber, or pledge their Shares.

Dividend Declarations and Payout

If the Company does not generate sufficient net operating profit, its income and resulting ability to pay dividends will be adversely affected. There is no assurance as to the Company's ability to declare or maintain dividends on the Shares in the future. Future dividends, if any, will be at the discretion of the Board and will depend upon the Company's future results of operations and general financial condition, requirements of applicable laws and regulations, capital expenditure requirements, compliance with the loan covenants, if any, and other circumstances that may restrict the payment of dividends as the Board may deem relevant. Nor is there any assurance that the level of dividends will increase over time, or that the Company will generate adequate income available for dividends to shareholders.

Dilution

The Offer Price is substantially higher than the Company's Net Tangible Book Value per Share of ₱0.09 as of September 30, 2022. Thus, there will be an immediate and substantial dilution in the net asset value per Share to new investors. Please see section on Dilution.

There can be no guarantee that the Offer Shares will be listed on the PSE.

Subscribers of the Offer are required to pay the Offer Price of the Offer Shares so subscribed upon submission of their Applications during the Offer Period. Although the PSE has approved the Company's application to list the Offer Shares, because the Listing Date is scheduled after the Offer Period, there can be no guarantee that listing will occur on the anticipated Listing Date. Delays in the admission and the commencement of trading of shares on the PSE have occurred in the past. If the PSE does not admit the Offer Shares for listing on the PSE, the market for these will be illiquid and holders may not be able to trade the Offer Shares. However, they would be able to sell these by negotiated sale. This may materially and adversely affect the value of the Offer Shares.

There may be no liquidity in the market for the Offer Shares and the prices of these may fall.

The Shares will be listed and traded on the PSE. In general, transfers of the Offer Shares will be made solely through the PSE. The Philippines securities market is smaller and less liquid than the securities markets in the United States and in certain European and Asian countries. Although the Shares will be listed on the PSE, there is no assurance that an active trading market for the Offer Shares will be developed or sustained in the long run, or that the price per share will not decline less than the Offer Price. The market price of the common shares and Philippine securities may experience significant price fluctuations and volatility in general. Until the Listing Date, the listing and trading of the Offer Shares on the PSE will not commence. During this intervening period, the investment in the Offers Shares will be illiquid. While the Company does not have any guarantee on the share prices and its liquidity, it will follow transparent corporate practices to ensure that material information is available and delivered in a timely manner to all the relevant parties.

Risks Relating to the Presentation of Information in this Prospectus

Presentation of Financial Information in this Prospectus

The presentation of financial information in this Prospectus comprises consolidated historical information of the Group as of and for the calendar years ended December 31, 2019, 2020, and 2021 and as of September 30, 2022 and June 30, 2022 and for the three-month periods ended September 30, 2022 and 2021 and six-month periods ended June 30, 2022 and 2021 and pro forma financial information as of December 31, 2021 and for the calendar years ended December 31, 2019, 2020 and 2021 and the six-month period ended June 30, 2022. The historical financial disclosures and discussions incorporated in this Prospectus follow the requirements of Philippine laws and regulations.

The historical financial information for the Group and the pro forma financial information included in this Prospectus may not be representative of the Group's results in the future.

The pro forma financial information included in this Prospectus is based upon the historical audited consolidated financial statements as of December 31, 2021 and for the years ended December 31, 2019, 2020 and 2021 and six months ended June 30, 2022 of the Company and KSEC in each case subject to the adjustments set forth under "Selected Pro Forma Financial Information" section. The unaudited pro forma condensed consolidated profit or loss and other comprehensive income for the years ended December 31, 2019, 2020 and 2021 and six-month period ended June 30, 2022 give effect to the KSEC Acquisition further discussed in the Selected Pro Forma Financial Information section of this Prospectus as if it had occurred on January 1, the beginning of each year presented. Neither the underlying pro forma adjustments nor the resulting pro forma financial information have been audited in accordance with PSA.

The pro forma financial information included in this Prospectus has been prepared to illustrate the effects of consummation of the KSEC acquisition. The unaudited pro forma financial information presented in this Prospectus is based in part on certain assumptions regarding KSEC, the KSEC acquisition and intercompany eliminations. The Company cannot assure that the assumptions will prove to be accurate over time. The unaudited pro forma financial information included in this Prospectus is not necessarily indicative of the results that the Company would have achieved had the Company actually completed the KSEC acquisition as of January 1, 2019, the beginning of each year presented, or December 31, 2021, as the case may be.

The Company will follow the compliance requirements to further improve the effectiveness of its disclosure controls and procedures and maintain internal control over financial reporting, including keeping adequate records of daily transactions. The Company employs legal counsels and an accounting team that have the appropriate experience and technical knowledge to ensure that the Company complies with the disclosure and financial reporting standards required by the PSE and other government agencies.

Certain Information Derived from Unofficial Publications

Certain information in this Prospectus relating to the Philippines, the industries in which the Group competes, and the markets in which the Group develops its projects, including statistics relating to market size, is derived from various Government and private publications. The information contained in the Industry Overview may not be consistent with information found elsewhere regarding the Philippine power industry. Similarly, industry forecasts and market research data, including those contained or extracted herein, have not been independently verified by the Company, the Underwriters, nor any of their respective affiliates or advisors, and may not be accurate, complete, up-to-date, or consistent with other information compiled within or outside the Philippines. Prospective investors are cautioned accordingly.

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DIVIDENDS AND DIVIDEND POLICY

On June 10, 2022, the Board of Directors approved its dividend policy that gives the Board of Directors the discretion to declare dividends as they see fit after considering the funding requirements for future projects. The Company shall have a dividend policy of at least 10% of the prior fiscal year's net income after tax can be declared as dividends, subject to (i) the availability of unrestricted retained earnings, (ii) contractual obligations, (iii) implementation of expansion plans, (iv) special circumstances requiring the Company to create a special reserve for probable contingencies, (v) working capital requirements and (vi) approval of the Board. Dividends shall be payable in cash, property or stock, as often and at such times as the Board may determine in accordance with law. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC.

The Board is authorized to declare dividends only from the Company's unrestricted retained earnings, and the Board may not declare dividends which will impair the Company's capital. Dividends may be payable in cash, shares or property of the Company, or a combination thereof, as the Board determines.

Dividends to be paid in cash by the Company are subject to approval by a majority of the Board and no further approval from the Company's stockholders is required. Pursuant to existing SEC rules, cash dividends declared by the Company must have a record date that is neither less than 10 days nor more than 30 days from the date the cash dividends are declared, provided, however, that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of cash dividend. In case no record date is specified, it is deemed to be fixed at 15 days from the Company's declaration.

The declaration of stock dividends is subject to the approval of stockholders representing at least two-thirds of the outstanding capital stock. In cases where the stock dividends shall be sourced from an increase in the authorized capital stock of the Company, such increase shall be subject to the required approvals of the SEC for the same. The record date with respect to stock dividends is to be neither less than 10 days nor more than 30 days from the date of stockholders' approval, provided, however, that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend. In relation to foreign stockholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the BSP.

The Company's ability to declare and pay dividends to its shareholders will depend on whether it has earned sufficient income from its projects that can be distributed to the Company shareholders by way of dividend. As such, the Company's Board of Directors, may, at any time, evaluate whether the Company has sufficient cash available for distribution of cash dividends, although, subject to the requirements of the RCC, there is no legal or contractual obligation on the part of the Company to declare and pay cash dividends.

The Revised Corporation Code ("RCC") generally requires a Philippine corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: (a) when justified by definite expansion plans approved by the board of directors of the corporation; (b) when the required consent of any financing institution or creditor to such distribution has not been secured; (c) when retention is necessary under special circumstances, such as when there is a need for special reserves for probably contingencies; or (d) when the non-distribution of dividends is consistent with the policy or requirement of a Government office.

The Board may decide to declare dividends in the future after considering various factors, including:

- The level of the Company's cash, gearing, return on equity, and retained earnings;
- The Company's results for, and the Company's financial condition at the end of the year, the year in respect of which the dividend is to be paid and the Company's expected financial performance;
- The Company's projected levels of capital expenditure and other investment plans;
- Restrictions of payment of dividends that may be imposed on the Company by any of its financing arrangements and current and prospective debt service requirements; and
- Such other factors as the Board deems appropriate.

The Company, however, cannot provide the public any assurance that it will pay any dividends in the future.

Each of the subsidiaries adopted a uniform dividend policy whereby the subsidiaries will distribute Distributable Cash by way of dividends declared out of the unrestricted retained earnings in each fiscal year post-Commercial Operations Date. Distributable Cash refers to cash and cash equivalents available for distribution other than those required for working capital purposes and subject to restrictions under the financing documents, applicable law, and other agreements to which each subsidiary may be bound.

The Company has not declared any dividends since its incorporation.

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USE OF PROCEEDS

At the Offer Price of up to ₱1.48 per Offer Share, the Company expects to raise from the Offer of the Firm Shares gross proceeds of up to ₱1,702,000,000. After deducting fees, taxes, and other expenses related to the Offer and payable by the Company as set out below, the net proceeds of the Firm Offer will be approximately up to ₱1,621,652,481.

The fees, taxes, and other expenses expected to be incurred by the Company for the sale of the Firm Shares will be approximately up to ₱80,347,519.

	At the Offer Price of up to ₱1.48 (in ₱)
Gross Proceeds	**1,702,000,000**
LESS:	
PSE filing fees	6,520,734
SEC registration fees	1,047,594
Underwriting fees and selling commission*	51,656,000
Fees to be paid to the PSE Trading Participants	3,404,000
Fees of legal counsel to the Issuer	4,000,000
Fees of independent auditor	5,000,000
Fees of Stock Transfer Agent and Receiving Agent	1,010,000
Costs of printing and marketing	2,000,000
Documentary stamp tax	59,191
Miscellaneous expenses	5,650,000
Total Firm Offer Expenses	**80,347,519**
Estimated Net Proceeds	**1,621,652,481**

**The estimated underwriting fees and selling commission cover (i) the issue management fee amounting to ₱12.8 million, (ii) the underwriting fees of ₱21.3 million, (iii) selling commission amounting to ₱13.6 Million, and (iv) fees of legal counsel to the underwriters amounting to ₱4.0 million.*

The amount of expenses set forth in the table above are only estimates and are presented in this Prospectus for convenience only. The actual amount of expenses may vary from the estimated amounts in the foregoing table.

The actual underwriting fees may vary from the estimated underwriting fees stated above. As the underwriting fees are based on a percentage of the total Offer, the actual underwriting fees will adjust depending on the total Offer Shares sold in the Offer and the final Offer Price. At the maximum Offer Price of ₱1.48 per Offer Share, the Joint Issue Managers and Underwriters shall receive issue management fee and underwriting fee of up to ₱34,040,000 and selling fees of up to ₱13,616,000 assuming the Over-allotment Option is not fully exercised, or a total of ₱47,656,000 in fees.

The Company will deposit in escrow the net proceeds of the Offer to be released based on the schedule of disbursements in accordance with the work program disclosed herein.

The net proceeds from the sale of the Firm Shares are intended to be used in accordance with the following work program:

Use of Net Proceeds	**Estimated Amount (In ₱) at Offer Price of up to ₱1.48**	**% of Net Proceeds**	**Estimated Timing of Disbursement**
Development and Construction of the Projects under Development	564,000,000	35%	Q1 2023 – Q4 2023
Payment of accrued liabilities on the acquired Kirahon Solar Energy Corp. ("KSEC") shares	522,186,500	32%	March to April 2023
Pre-development Expenses of Pipeline of Projects	340,000,000	21%	By Q1 2023 – Q2 2024
General Corporate Requirements	155,465,981	9%	By Q1 2023 – Q4 2023
Working Capital to operationalize RES	40,000,000	3%	By Q1 2023 – Q4 2023
Total Proceeds	**1,621,652,481**	**100%**	

All the foregoing discussion represents a best estimate of the use of proceeds of the Firm Offer based on the Company's current plans and anticipated expenditures, and the actual amount and timing of disbursement of the net proceeds from the Firm Offer will depend on various factors which include, among others, changing market conditions or new information regarding the cost or feasibility of the Company's expansion plans and projects. Other than as described above, no part of the net proceeds from the sale of the Firm Shares shall be used to acquire assets outside of the ordinary course of business or finance the acquisition of other businesses, or to reimburse any officer, director, employee or shareholder of the Company for services rendered, assets previously transferred, money loaned or advanced, or otherwise. No amount of the net proceeds from the sale of the Firm Shares will be lent to any of the Company's affiliates. Actual allocation of net proceeds by the Company may vary from the foregoing discussion as the Company's management may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use such net proceeds for other corporate purposes. Likewise, it is possible that the timeline for the implementation of the projects or otherwise the use of the proceeds as discussed above may be delayed. In the event that there is any change in the Company's development plan, including force majeure and circumstances, such as (i) failure to obtain requisite approvals (ii) changes in government policies that would render any of the above plans not commercially viable, and (iii) changes in economic or market conditions, the Company will carefully evaluate the situation and may reallocate the proceeds for future investments and/or hold such funds on short term deposit or other alternatives, whichever is better for the Company's and its shareholders' collective interest. The Company's cost estimates may change as the Company develop their plans, and actual costs may be different from the Company's budgeted costs. In such event, the Company will issue a public disclosure if there is any change in the above proposed use of proceeds and shall accordingly inform the SEC, the PSE and its shareholders at least thirty (30) days prior to its implementation.

In the event that the actual expenses are more than the estimates, or the actual net proceeds are less than projected, the Company will utilize said net proceeds in the following order of priority:

1. Development and Construction
2. Payment of accrued liabilities on the acquired Kirahon Solar Energy Corp. ("KSEC") shares
3. Pre-development Expenses of Pipeline of Projects
4. General Corporate Purposes
5. Working Capital to operationalize RES

Development and Construction of the Projects under Development

The Company plans to allocate ₱564,000,000 of the proceeds from the IPO towards funding for the construction and development of projects. These include the following projects:

- Solana Hydro Project, which is expected to break ground in Q1 2023
- Lamut Hydro Project, with early works already and equity participation expected by Q1 2023.

The Company intends to begin construction in 2023. The planned allocation is as follows:

Construction and Development works	Estimated Timing of Disbursement	Amount (in ₱)
Projects covered:		
Solana Solar Project	Q1 2023 – Q4 2023	250,000,000
Lamut Hydro Project	Q1 2023 – Q4 2023	314,000,000
Total		**564,000,000**

Solana Solar Power Project

The Solana Solar Project, located in Barangay Balsik, Municipality of Hermosa, Province of Bataan, will be undertaken by Solana Solar Alpha, Inc. (SSAI). It has an estimated total project cost of ₱1.457 billion to be funded 70% by debt and 30% by equity. The ₱250 million allocated for the Solana Solar Project will be infused into SSAI in the form of equity. Construction is targeted to commence by Q1 2023 while target COD is Q4 2023. Pending permits for the Solana Solar Project are as follows:

Permits/Licenses	Status/Timeline
PSA Approval by the Energy Regulatory Commission (ERC)	PSA application to the ERC to be submitted within Q2 2023
DOE Certificate of Endorsement (COE) for Duty-Free Importation	To be filed upon NTP for construction
BOI Certificate of Availment of Duty-Free Importation	To be filed immediately upon issuance of DOE COE for DFI
LGU Building Permit	To be obtained by EPC Contractor prior to NTP
Registration at the Wholesale Electricity Spot Market (WESM)	Application to the WESM to be filed six months prior to COD
Certificate of Compliance (COC) at the ERC	Application to the ERC to be filed six months prior to COD

Lamut Hydro Project

The Lamut Hydro Project, located in Municipalities of Asipulo and Lamut, Ifugao, will be undertaken by Lamut-Asipulo Mini Hydro Corporation (LAMHC). It has an estimated total project cost of ₱1.761 billion to be funded 70% by debt and 30% by equity. The ₱314 million allocated for the Lamut-Asipulo Mini Hydro Project will be infused into LAMHC in the form of equity and the remaining equity requirement will be funded by a third-party investor. Construction is targeted to commence by Q4 2023 while target COD is Q2 2025. Pending permits for the Lamut-Asipulo Mini Hydro Project are as follows:

Permits/Licenses	Status/Timeline
DENR Special Land Use Permit	Application submitted on 1 December 2021 Ongoing review by the DENR, site validation by DENR technical team conducted on 17 June 2022
DENR Tree Cutting Permit	Application to be started upon DENR approval of the SLUP application
LGU/Community Land Rights and ROW Acquisition	Ongoing
NGCP Connection Agreement, Transmission Service Agreement. Metering Service Agreement	Ongoing
DOE Certificate of Endorsement (COE) for Duty-Free Importation	To be filed upon full NTP of Electromechanical (E&M) works and shipment of equipment and machineries
BOI Certificate of Availment of Duty-Free Importation	To be filed immediately upon issuance of DOE COE for DFI
Power Supply Agreement	Race for Feed-in-Tariff
Dedicated Point-to-Point Transmission Line Approval by ERC	To be started upon approval of the Facility Study
LGU Building Permit	To be obtained upon NTP for construct To be obtained by Civil Contractor
Registration at the Wholesale Electricity Spot Market (WESM)	Application to the WESM to be filed six months prior to COD
Certificate of Compliance (COC) at the ERC	Application to the ERC to be filed six months prior to COD

Payment of accrued liabilities on the acquired Kirahon Solar Energy Corp. (“KSEC”) shares

The Company intends to allocate ₱ 522,186,500 of the proceeds from the IPO towards the payment of accrued liabilities on the acquired Kirahon Solar Energy Corp. (“KSEC”) shares. The consideration for the acquisition of the KSEC shares remains unpaid as of December 31, 2022.

On June 10, 2022, Sant Charitable Foundation, Josan Farms, Inc., and QBL Eco Corporation, each as a seller, executed separate individual Share Purchase Agreements and Deeds of Sale of Shares of Stock with AHC, as the buyer, for the sale and purchase of the following shares in KSEC shares held by them:

Seller	No of Common Shares	No of Series A Preferred Shares	No of Series B Preferred Shares	Consideration (₱)
Sant Charitable Foundation	747,750	7,271	9,365	312,559,500
Josan Farms, Inc	250,750	2,438	3,140	104,813,500
QBL ECO Corporation	250,750	2,438	3,140	104,813,500
TOTAL*	**1,249,250**	**12,147**	**15,645**	**522,186,500**

*These shares constitute 49.97% of KSEC

**Book value per share is ₱115.00 for common shares and ₱0.01 for both Series A and Series B Preferred Shares.

Sant Charitable Foundation is a US-based private family foundation which was established in 2015 to support the philanthropic interests of Roger W and Victoria P Sant. It supports projects on oceans conservation, climate change, sustainability and gender equity.

Josan Farms, Inc. is a real estate development and management company involved in commercial and residential real estate projects in Metro Manila, Cebu and Leyte, Philippines. It also holds investments in companies in the energy sector.

QBL Eco Corporation is an investment holdings company with interest in energy, owned by Mr. Vicente S. Pérez Jr.

Description of the KSEC Shares

All common shares of KSEC have full voting rights, with the holder of such shares being entitled to one (1) vote per share on all matters upon which the shareholders are entitled to vote. Preferred shares shall have no voting rights except as may otherwise be provided by law, and shall have the following rights, privileges and restrictions:

1. Preferred shares shall be non-convertible to common shares or to any class of shares of stock of KSEC;
2. Preferred shares shall be non-participating in any residual dividends;
3. Preferred shares shall have no pre-emptive right to purchase or subscribe to common shares;
4. Preferred shares shall be redeemable per class at the option of the KSEC for such amount as may be determined by resolution of the Board, provided that the holders of the same class of Preferred Shares shall be redeemed upon the same terms and conditions;
5. In case of voluntary or involuntary liquidation, dissolution, receivership, bankruptcy or winding up of the affairs of the KSEC after settlement of liabilities shall be distributed first to the shareholders holding preferred shares, to the extent that any preferred shares remain outstanding in an amount as may be necessary to pay its par value and accumulated and unpaid dividends thereon up to the date of distribution in the same order as the order for declaration of dividends; and
6. Any assets of KSEC which shall remain after compliance with clause 5 above shall be distributed among the common shareholders pro-rate to their relative ownership.

The shareholders of KSEC shall have pre-emptive rights in proportion to their respective shareholdings and pertaining to the class of share held be each in SEC, provided that failure to exercise such pre-emptive right within twenty (20) business days from receipt of written notice issued by KSEC shall be deemed a waiver or relinquishment of such right.

The Company has acquired, through separate and individual Share Purchase Agreements, shares of stock in Kirahon Solar Energy Corp. ("KSEC") from the Sant Charitable Foundation, Josan Farms, Inc., and QBL Eco Corporation. The Share Purchase Agreements transferred absolutely and unconditionally to AHC, as of the date of execution of each of the agreements, Kirahon Solar Energy Corp. ("KSEC") shares. The maturity date is nine (9) months from the date of execution of each of the agreements. Subsequently, the Company and each seller also executed separate individual Amended and Restated Share Purchase Agreements and Deeds of Sale of Shares of Stock where the Company and each seller agreed that allowed the parties to negotiate an extension of the maturity date with the intent of preserving, to the maximum extent permitted by law, their respective rights under the original Share Purchase Agreements. This includes a situation where the consideration and accrued interest are not paid in full by the earlier of (i) 5 Banking Days after receipt of proceeds from the initial public offering in the relevant escrow account or (ii) the maturity date.

The Certificates Authorizing Registration (CARs) covering the transfers were issued on the following dates: (a) Josan Farms Inc. - October 24, 2022, (b) QBL Eco Corporation - October 25, 2022, and (c) Sant Charitable Foundation Inc. - October 26, 2022. The transfers were recorded in KSEC's stock and transfer book on October 26, 2022.

Until the consideration is fully paid, AHC is obligated to pay to each seller all accrued dividends pertaining to the shares as interest.

With such acquisition, AHC's direct and indirect economic interest in KSEC increased from 12.77%% to 64.99% representing 49.97% direct and 15.02% indirect economic interest in KSEC.

Pre-development Expenses of Pipeline of Projects

The Company intends to finance and complete the pre-development works for the following projects:

Project	Project Company	Location	Capacity	Estimated Commencement of Commercial Operations	Estimated Project Cost (₱)
Ibulao Hydro Project	IMHC	Ifugao	7.42 MW (estimate)	Q2 2026	1.65 billion
Tanay Wind Project	ATWC	Tanay, Rizal	99.20 MW (estimate)	Q4 2025	7.82 billion
Alabat Wind Project	ATWC	Alabat Island, Quezon	49.60 MW (estimate)	Q3 2026	4.98 billion
Offshore Wind Projects	CPWPC TSOWPC	Calavite Passage &/or Tablas Strait	~1,000MW (estimate)	TBD	TBD

Pre-development works for renewable energy projects generally consists of government permitting, technical studies, interconnection studies, market studies, community engagements, land rights and leases acquisition and contractor selection process. All of the above projects are still at the predevelopment stage.

The ₱340,000,000 proceeds will be infused into the relevant project companies which will use the additional capital to fund the expenses for pre-development works allocated as follows:

Predevelopment Expenses of Pipeline of Projects	Estimated Timing of Disbursement	Amount (in ₱)
Projects covered:		
Ibulao Hydro Project	Q1 - Q4 2023	30,000,000
Tanay Wind Project	Q1 -Q4 2023	130,000,000
Alabat Wind Project	Q3 2023 – Q2 2024	30,000,000
Offshore Wind Projects (Calavite and Tablas)	Q1 - Q4 2023	150,000,000
Total		**340,000,000**

The permits that have to be secured for each of the above projects are as follows:

Ibulao Hydro Project

Permits/Licenses	Status/Timeline
DENR Environment Compliance Certificate (ECC)	Application submitted online on 8 June 2022
NCIP Free and Prior Informed Consent (NCIP-FPIC)	Completed Field-based Investigation (FBI) FPIC process ongoing
Water Permit	Received Conditional Water Permit from the NWRB last January 18, 2023

BOI Registration	To be started after issuance of ECC and completion of DED
DENR Special Land Use Permit	To be started after completion of DED, parcellary survey and issuance of ECC
DENR Tree Cutting Permit	To be started upon approval of Special Land Use Permit and prior to NTP of construction
LGU/Community Land Rights and ROW Acquisition	To be started after completion of DED and parcellary survey
NGCP Approval of System Impact Study and Facility Study	To be obtained after completion of preliminary DED
NGCP Connection Agreement, Transmission Service Agreement and Metering Service Agreement	To be started after approval of System Impact Study and Facility Study
Power Supply Agreement	Negotiation with potential DU/Contestable Customer Market to be started after positive early DED works
Dedicated Point-to-Point Transmission Line by ERC	To be started upon completion of DED and upon approval of SIS and Facility Study
LGU Building Permit	To be obtained upon NTP for construction To be obtained by Civil Contractor
Registration at the Wholesale Electricity Spot Market (WESM)	Application to the WESM to be filed six months prior to COD
Certificate of Compliance (COC) at the ERC	Application to the ERC to be filed six months prior to COD

Tanay Wind Project

Permits/Licenses	Status
LGU/Community Land Rights and ROW Acquisition	Submitted proposal to secure possessory rights from RPG, being the registered owner of the project site
Height Clearance Permit by Civil Aviation Authority of the Philippines	Issued January 3, 2023 valid until January 3, 2025
NGCP Approval of System Impact Study and Facility Study Impact	To be obtained after completion of preliminary DED
NGCP Connection Agreement, Transmission Service Agreement and Metering Service Agreement	To be started after approval of System Impact Study and Facility Study
Dedicated Point-to-Point Transmission Line by ERC	To be started upon completion of DED and upon approval of SIS and Facility Study
DENR Tree Cutting Permit	To be started prior to NTP of construction
Power Supply Agreement	Negotiation with potential DU/Contestable Customer Market to be started after positive early DED works
LGU Building Permit	To be obtained upon NTP for construction To be obtained by Civil Contractor
Registration at the Wholesale Electricity Spot Market (WESM)	Application to the WESM to be filed six months prior to COD
Certificate of Compliance (COC) at the ERC	Application to the ERC to be filed six months prior to COD

Alabat Wind Project

Permits/Licenses	Status
DENR ECC	To be initiated after initial feasibility study
NGCP Approval of System Impact Study and Facility Study Impact	To be obtained after completion of preliminary DED
NGCP Connection Agreement, Transmission Service Agreement and Metering Service Agreement	To be started after approval of System Impact Study and Facility Study
Dedicated Point-to-Point Transmission Line by ERC	To be started upon completion of DED and upon approval of SIS and Facility Study
DENR Tree Cutting Permit	To be started prior to NTP of construction
Power Supply Agreement	Negotiation with potential DU/Contestable Customer Market to be started after positive early DED works
LGU Building Permit	To be obtained upon NTP for construction To be obtained by Civil Contractor
Registration at the Wholesale Electricity Spot Market (WESM)	Application to the WESM to be filed six months prior to COD
Certificate of Compliance (COC) at the ERC	Application to the ERC to be filed six months prior to COD

Calavite Offshore Wind Project

Permits/Licenses	Status
DENR ECC	WESC recently issued; still in early stages of development
NCIP Certificate of Non-Overlap (NCIP-CNO)	WESC recently issued; still in early stages of development
LGU Endorsements	WESC recently issued; still in early stages of development
Height Clearance Permit by Civil Aviation Authority of the Philippines	WESC recently issued; still in early stages of development
NGCP Approval of System Impact Study and Facility Study Impact	WESC recently issued; still in early stages of development
NGCP Connection Agreement, Transmission Service Agreement and Metering Service Agreement	WESC recently issued; still in early stages of development
Dedicated Point-to-Point Transmission Line by ERC	WESC recently issued; still in early stages of development
DENR Tree Cutting Permit	WESC recently issued; still in early stages of development
Power Supply Agreement	WESC recently issued; still in early stages of development
LGU Building Permit	WESC recently issued; still in early stages of development
Registration at the Wholesale Electricity Spot Market (WESM)	WESC recently issued; still in early stages of development
Certificate of Compliance (COC) at the ERC	WESC recently issued; still in early stages of development
Power Supply Agreement	WESC recently issued; still in early stages of development

LGU Building Permit	WESC recently issued; still in early stages of development
Registration at the Wholesale Electricity Spot Market (WESM)	WESC recently issued; still in early stages of development
Certificate of Compliance (COC) at the ERC	WESC recently issued; still in early stages of development

General Corporate Requirements

The balance of the proceeds from the Firm Offer of approximately ₱155,465,981 shall be used for general corporate purposes, including, but not limited to, general working capital requirements, corporate office overhead, administrative expenses, and other costs shouldered by the Company in the course of its normal business activities.

The Company will use internally-generated funds and bank loans to finance the shortfall, or delay or abandon one or more of the components of its plans. In such an event, the Company shall inform the SEC, the PSE, and its shareholders at least thirty (30) days prior to its implementation.

The Company undertakes that it will not use the net proceeds from the Offer for any purpose, other than as discussed in this Prospectus. The Company's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to alter its plans.

Working Capital to operationalize Retail Electricity Supply ("RES")

The Company intends to allocate ₱40,000,000 of the proceeds from the IPO towards funding the working capital to operationalize the RES business, which is key to secure long-term contracts. Green Energy Supply Solutions, Inc. (GESSI), AHC's RES subsidiary, already obtained a Retail Electricity Supplier license from the ERC on June 25, 2020. By virtue of this license, GESSI may enter into retail supply agreements with Contestable Customers.

Contestable Customers are commercial and industrial consumers with demand sizes of at least 500 kW. Under the Retail Competition and Open Access rule, these customers have the option to contract supply from licensed RES. As of September 2022, there are 3,037 Contestable Customers with aggregate demand of 5,183 MW.

GESSI will put together a team of marketing specialists, traders and analysts who will handle the contracting and marketing of supply with various Contestable Customers. This will enable the Group to market its triple play portfolio of RE Supply to "green" customers in compliance with their sustainability goals and corporate governance.

Debt Obligations

None of the proceeds from the Firm Offer will be used to repay any of the Company's debt obligations to Joint Issue Managers and any of the Underwriters.

Change in the Use of Proceeds

In the event of any significant deviation, material adjustment, or reallocation in the planned use of proceeds, the Company will secure the approval of its Board of Directors for such deviation, adjustment or reallocation and promptly make the appropriate disclosures to the SEC and the PSE. The Company shall regularly disclose to the PSE, through the PSE Electronic Disclosure Generation Technology ("PSE EDGE"), any disbursements from the proceeds generated from the Offer. In addition, the Company shall likewise submit via the PSE EDGE the following disclosures to ensure transparency in the use of proceeds:

1. Any disbursements made in connection with the planned use of proceeds from the Offer;
2. Quarterly Progress Report on the application of the proceeds from the Offer on or before the first fifteen (15) days of the following quarter. The quarterly progress report should be certified by the Company's Chief Financial Officer or Treasurer and external auditor;
3. Annual Summary of the application of proceeds on or before January 31 of the year following the initial public offering. The annual summary report should be certified by the Company's Chief Financial Officer or Treasurer and external auditor; and
4. Approval by the Company's Board of Directors of any reallocation on the planned use of proceeds; or of any change in the work program. The actual disbursement or implementation of such reallocation will be disclosed by the Company at least thirty (30) days prior to the said actual disbursement or implementation.

The quarterly and annual reports of the Company as required in items 2 and 3 above must include a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds section. Such detailed explanation will state the approval of the Board of Directors as required in item 4 above.

Except as otherwise disclosed in this Prospectus, none of the proceeds from the Firm Offer will be used to reimburse any officer, director, employee or shareholder of the Company for services, assets or money previously rendered, transferred, advanced or otherwise. Likewise, none of the proceeds from the Firm Offer will be used by the Company to prepay or repay any existing debt or liabilities of the Company to the Underwriters (save for fees and reimbursement of expenses relating to the Offer) or to banks which are under common control with any of the Underwriters.

Proceeds from the Sale of the Option Shares

Assuming full exercise of the Over-allotment Option at the Offer Price of ₱1.48, the total gross proceeds from the sale of Option Shares is estimated to be up to ₱170,200,000. The Company estimates that the net proceeds are estimated to approximately be ₱163,392,000 after deducting the applicable underwriting fees, costs and expenses pertaining to the sale of the Option Shares

The fees, taxes, and other expenses to be incurred for the sale of the Option Shares is estimated to be approximately up to ₱6,808,000.

	Estimated Amounts Assuming Full Exercise of the Over-allotment Option (in ₱)
Estimated gross proceeds from the sale of the Option Shares (assuming Over-allotment Option is fully exercised)	**170,200,000**
LESS:	
Selling fees for the Option Shares	5,106,000
Taxes to be paid (Stock Transaction Tax) and other Crossing Expenses	1,702,000
Total Estimated Expenses	**6,808,000**
Estimated Net Proceeds from the sale of the Option Shares (assuming Over-allotment Option is fully exercised)	**163,392,000**

To the extent the Over-allotment Option is not fully exercised by the Stabilizing Agent, the same shall be deemed cancelled and the relevant Option Shares shall be sold to the Employees' Incentive Plan and/or Vespers Holdings Corporation .

Crossing Expenses refer to commissions, Securities Clearing Corporation of the Philippines ("SCCP") fees, Securities Investors Protection Fund, SEC fees, and block sale fees in relation to the offer shares subject of the Over-allotment Option.

Any residual proceeds from the exercise of the Over-allotment Option shall be allocated for general working capital purposes.

DETERMINATION OF OFFER PRICE

The Offer Price is up to ₱1.48 per Offer Share, as determined through a book building process and discussions among the Company, the Joint Issue Managers, and Underwriters. Prior to the Offer, there has been no public trading market for the Common Shares and none of the Company's shares were listed on any stock exchange.

Various valuation methods typical for companies in the industry, such as Discounted Cash Flow ("DCF") and comparable analysis, were utilized to arrive at a price range of up to ₱1.48 per Offer Share.

The Offer Price of up to ₱1.48 per share is equivalent to the discounted share valuation of the Company per valuation study internally conducted. The factors considered in determining the Offer Price, among others, include the Company's ability to generate earnings, cash flow, and dividends, its prospects, the level of demand from institutional investors, overall market conditions at the time of the launch, and the market price of listed comparable companies. The Offer Price does not have any correlation to the actual Book Value of the Offer Shares.

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CAPITALIZATION AND INDEBTEDNESS

The following table sets out the Group's debt, shareholders' equity and capitalization as of September 30, 2022, as adjusted to give effect to the Offer of up to 1,265,000,000 Offer Shares at the Offer Price of up to ₱1.48 per Offer Share. The table should be read in conjunction with the Group's audited financial statements, unaudited pro forma financial information, and the notes thereto, included elsewhere in this Prospectus.

(in ₱)	**Actual as of September 30, 2022**	**Changes**	**As Adjusted to give effect to the Offer at up to Offer Price of ₱1.48**
	(Audited)	**(Unaudited)**	**(Unaudited)**
Total debt	**2,780,310,688**		**2,780,310,688**
Equity:			
Capital stock	36,349	126,500,000	126,536,349
Additional paid-in capital	315,802,592	1,658,544,481	1,974,347,073
Retained earnings	(116,254,677)		(116,254,677)
Share in remeasurement loss on retirement benefit obligation of an associate	(15,557)		(15,557)
Cumulative translation adjustment	8,298,666		8,298,666
Deposit for future stock subscription	329,718,858		329,718,858
Equity reserve	3,469,879		3,469,879
Non-controlling interests	462,667,970		462,667,970
Total equity	**1,003,724,080**	**1,785,044,481**	**2,788,768,561**
Total capitalization	**3,784,034,768**		**5,569,079,249**

Notes:

- Total capitalization is calculated as the sum of total indebtedness and total equity.
- Capital stock: 1,265,000,000 shares at ₱0.10 par value
- Additional paid-in capital: Total net proceeds less attributable to Capital stock (₱1,785,044,481 - ₱126,500,000)

On June 10, 2022, the Company's BOD and shareholders approved the increase in AHC's authorized capital stock from ₱100,000 comprising of 400,000 common shares with a par value of ₱0.10 per share and 60,000 preferred shares with a par value of ₱1.00 per share to ₱1,188,788,570.80, comprising of 10,406,291,160 common shares with a par value of ₱0.10 per share and 1,481,594,548 preferred shares with a par value of ₱0.10 per share. On November 16, 2022, the SEC approved the Company's application for said increase. Please refer to the section "Description of Shares."

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DILUTION

The Company will offer up to 1,150,000,000 Firm Shares and up to 115,000,000 Option Shares to the public at the Offer Price, which will be higher than or equal to the adjusted Book Value per share of the outstanding Common Shares and which will result in an immediate material dilution of new investors' equity interest in the Company. The Net Tangible Book Value of the Company, based on its audited financial statements as of September 30, 2022, is ₱238,315,153 or ₱0.09 per share. The Book Value represents the amount of the Company's total assets less the sum of its liabilities. The Company's Net Tangible Book Value per share is computed by dividing the Net Tangible Book Value by the 2,668,840,480 issued and outstanding Common Shares.

Dilution in Net Tangible Book Value per share to investors of the Offer Shares represents the difference between the Offer Price and the pro forma Net Tangible Book Value per Share immediately following the completion of the Offer.

After giving effect to an increase in the Company's total assets to reflect the receipt of the net Offer proceeds of approximately up to ₱1,785,044,481 from the sale of up to 1,265,000,000 Offer Shares at an Offer Price of up to ₱1.48 per share, the Company's Net Tangible Book Value will be approximately ₱2,023,359,634 or ₱0.51 per Common Share. This represents an immediate increase in the Net Tangible Book Value of ₱0.43 per share to existing shareholders.

The following tables illustrate dilution on a per Common Share basis, at the Offer Price of up to ₱1.48 per Offer Share:

Offer Price per Offer Share	₱1.48
Net Tangible Book Value per Share	₱ 0.09
Increase in Net Tangible Book Value per Share attributable to the Offer Shares[4]	₱0.43
Pro forma Net Tangible Book Value per Share after the Offer	₱ 0.51
Dilution in Net Tangible Book Value per share to investors of the Offer Shares	₱0.97

Before the Offer	At ₱1.48 per Offer Share
Net Tangible Book Value as of September 30, 2022	₱238,315,153
Total No. of Common Shares Issued and Outstanding[5]	2,668,840,480
Net Tangible Book Value Per Share	₱ 0.09
Net Proceeds	
Gross Proceeds	₱1,872,200,000
Less: Estimated Expenses	₱87,155,519
Net Proceeds	₱1,785,044,481
After the Offer	
Net Tangible Book Value plus Net Proceeds	₱2,023,359,634
Total No. of Common Shares Issued and Outstanding	3,933,840,480
Net Tangible Book Value Per Share	₱0.51

[4] Pro forma Net Tangible Book Value per Share after the Offer less Net Tangible Book Value per Share as of September 30, 2022

[5] Total No. of Common Shares Issued and Outstanding is inclusive of the effects of (1) additional shares from the decrease in the par value of the Company's common shares as approved by the SEC on June 21, 2022, (2) additional shares from the conversion of the Company's outstanding debt amounting to ₱260,147,279 into equity subject to the finalization of the number of shares to be issued to the Company's shareholders and the increase in authorized capital stock for the issuance of the said shares as approved by the SEC on November 16, 2022 and (3) additional 67,154,198 shares issued to (i) Michael Lichtenfeld 5,953,995 shares; (ii) BDO Trust 45,083,179 shares and (iii) Sant Charitable Foundation 16,117,024 shares after SEC approval of the increase.

The following tables set forth the shareholdings of existing and new shareholders of the Company immediately after completion of the Offer:

	Pre-Offer		Post – Offer	
	Common Shares	**%**	**Common Shares**	**%**
Existing shareholders	2,668,840,480	100.00%	2,668,840,480	67.84%
Public	-	-	1,265,000,000	32.16%
Total Common Shares	**2,668,840,480**	**100.00%**	**3,933,840,480**	**100.00%**

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TERMS OF THE OFFER

The following does not purport to be a complete listing of all the rights, obligations, and privileges attaching to or arising from the Offer Shares. Some rights, obligations, or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective investors are enjoined to perform their own independent investigation and analysis of the Company and the Offer Shares. Each prospective investor may rely on its own appraisal of the Company and the Offer Shares and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to invest in the Offer Shares and must not rely solely on any statement for the significance, adequacy, or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective investor's independent evaluation and analysis.

The Issuer	Alternergy Holdings Corporation
Sole Issue Coordinator	Investment & Capital Corporation of the Philippines
Joint Issue Managers and Joint Lead Underwriters	BDO Capital & Investment Corporation, Investment & Capital Corporation of the Philippines
Co-Lead Underwriter	Unicapital, Inc.
Underwriters	BDO Capital & Investment Corporation, Investment & Capital Corporation of the Philippines, Unicapital, Inc.
Selling Agents	PSE Trading Participants
The Offer	Offer of up to 1,150,000,000 Firm Shares to be issued by the Company and with an offer of up to 115,000,000 Option Shares pursuant to the Over-allotment Option (as described below)
Firm Shares	Up to 1,150,000,000 Primary Shares to be offered and to be issued by the Company
Option Shares	Up to 115,000,000 Primary Shares will be made available by the Company pursuant to the Over-allotment Option.
Offer Shares	The Firm Shares and the Option Shares
Offer Price	Up to ₱1.48 per Offer Share. The final Offer Price will be determined based on a book-building process and discussions amongst the Company, and the Underwriters.
Institutional Offer	At least 805,000,000 Firm Shares, or 70% of the Firm Shares (subject to reallocation as described below) (the "Institutional Offer Shares"), are being offered and sold to certain qualified buyers and other investors in the Philippines, by the Underwriters. The Option Shares will form part of the Institutional Offer.

Trading Participants and Retail Offer	Up to 345,000,000 Firm Shares are being offered at the Offer Price in the Trading Participants and Retail Offer (subject to reallocation as described below) (the "Trading Participants and Retail Offer Shares"). Out of the Trading Participants and Retail Offer Shares, up to 230,000,000 Firm Shares (or 20% of the Firm Shares) (the "Trading Participants Offer Shares") are being allocated to all of the PSE Trading Participants and up to 115,000,000 Firm Shares (or 10% of the Firm Shares) (the "Retail Offer Shares") are being allocated to local small investors ("LSIs"). Each PSE Trading Participant shall initially be allocated 1,854,000 Firm Shares, subject to reallocation as may be determined by the Joint Issue Managers. Based on the initial allocation for each PSE Trading Participant, there will be a total of [●] residual Firm Shares to be allocated as may be determined by the Joint Issue Managers. Each LSI applicant may subscribe up to a maximum of [67,000] Firm Shares or up to ₱[99,160] at the Offer Price. The Underwriters shall purchase the Trading Participants and Retail Offer Shares not reallocated to the Institutional Offer or otherwise not taken up by the PSE Trading Participants, LSIs or clients of the Underwriters or the general public in the Philippines pursuant to the terms and conditions of the Underwriting Agreement. LSIs shall subscribe through the PSE Electronic Allocation System ("PSE EASy"). An LSI is defined as a subscriber to the Offer who is willing to subscribe to a minimum board lot or whose subscription does not exceed ₱100,000.00. In the case of this Offer, the minimum subscription of LSIs shall be [10,000] Offer Shares or ₱[14,800], while the maximum subscription shall be [67,000] Offer Shares or up to ₱[99,160]. There will be no discount on the Offer Price. The procedure in subscribing to Offer Shares via PSE EASy is indicated in the Company's Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Joint Issue Managers shall prioritize the subscriptions of LSIs with amounts lower than the maximum subscription.
Stabilizing Agent	BDO Capital & Investment Corporation, whose trades will be executed and implemented on its behalf by its duly licensed stock brokerage firm in the Philippines, BDO Securities Corporation
Over-allotment Option	The Company has granted the Stabilizing Agent, BDO Capital & Investment Corporation, an option, exercisable in whole or in part, to purchase up to 115,000,000 Option Shares at the Offer Price, on the same terms and conditions as the Offer Shares as set out in this Prospectus, solely to cover Over-allotments, if any, and effect price stabilization transactions. The Over-allotment Option is exercisable from time to time for a period

	which shall not exceed thirty (30) calendar days from and including the Listing Date. See "Plan of Distribution – The Over-allotment Option."
Price Stabilization	The Option Shares may be over-allotted and the Stabilizing Agent may effect price stabilization transactions for a period beginning on or after the Listing Date, but extending no later than thirty (30) calendar days from and including the Listing Date. The Stabilizing Agent may purchase Shares in the open market only if the market price of the Shares falls below the Offer Price. Such activities may stabilize, maintain or otherwise affect the market price of the Shares, which may have the effect of preventing a decline in the market price of the Shares and may also cause the price of the Shares to be higher than the price that otherwise would exist in the open market in the absence of these transactions. If the Stabilizing Agent commences any of these transactions (which would include thereafter disposing of or selling the Shares purchased), it may discontinue them at any time. However, the Stabilizing Agent or any person acting on behalf of the Stabilizing Agent has the sole discretion whether to undertake stabilization activities, and there is no assurance that the same will be undertaken. There is also no assurance that the price of the Shares will not decline significantly before or after any such stabilizing activities end. Once the Over-allotment Option has been fully exercised by the Stabilizing Agent, it will no longer be allowed to purchase Shares in the open market for the conduct of stabilization activities. To the extent the Over-allotment Option is not fully exercised by the Stabilizing Agent, the same shall be deemed cancelled and the relevant Option Shares shall be sold to the Employees' Incentive Plan and/or Vespers Holdings Corporation. See "Plan of Distribution – The Over-allotment Option."
Eligible Investors	The Trading Participants and Retail Offer Shares may be purchased by any natural person of legal age regardless of nationality, or any corporation, association, partnership, trust account, fund or entity organized under the laws of the Philippines or licensed to do business in the Philippines, regardless of nationality, subject to the Company's right to reject an Application or reduce the number of the Firm Shares applied for subscription. The Institutional Offer Shares are being offered for sale to certain qualified buyers and other investors in the Philippines, by the Underwriters. Purchase of the Offer Shares in certain jurisdictions may be restricted by law. Foreign investors interested in purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and

	individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction.
Use of Proceeds	The gross proceeds from the Offer will amount to up to ₱1,702,000,000. The net proceeds from the Offer, after deducting the estimated related expenses to the Offer, will amount to ₱1,621,652,481 and will accrue to the Company. The proceeds shall be allocated to finance (i.) the development and construction of the projects under development, namely Solana Solar project, and Lamut Hydro project; (ii.) payment of accrued liabilities on the acquired Kirahon Solar Energy Corp. ("KSEC") shares; (iii.) pre-development expenses of pipeline projects, namely Ibulao Hydro project, Tanay Wind project, Alabat Wind project, Calavite Offshore Wind project and Tablas Strait Offshore Wind Project; (iv.) general corporate requirements, and (v.) working capital to operationalize Retail Electricity Supply ("RES").
Minimum Subscription	Each application must be for a minimum of [10,000] Offer Shares or ₱[14,800], and thereafter, in multiples of 1,000 Offer Shares. Applications for multiples of any other number of Shares may be rejected or adjusted to conform to the required multiple, at the Company's discretion.
Reallocation	The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as determined by the Underwriters. If there is an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Offer Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and a corresponding overapplication in the Institutional Offer, Offer Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer and the Institutional Offer. The Underwriters shall purchase the Trading Participants and Retail Offer Shares not reallocated to the Institutional Offer or otherwise not taken up by the Trading Participants, LSIs or clients of the Underwriters or the general public in the Philippines pursuant to the terms and conditions of the Underwriting Agreement.
Underwriter's Firm Commitment	The Underwriters will underwrite, on a firm commitment basis, the Firm Shares, to the extent of their respective underwriting commitments set out under the section "Plan of Distribution" in this Prospectus. After the commencement of the Offer Period, The Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer's or Underwriters' inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Underwriters, or

	any other entity/ person to take up any shares remaining after the Offer Period. In undertaking the Underwriter's Firm Commitment to Purchase, the Underwriters hereby manifest their conformity to comply with and be bound by all applicable listing and disclosure rules, requirements and policies of the PSE.
Lock-up	The PSE Consolidated Listing and Disclosure Rules (the "PSE Listing Rules") require an applicant company for the Main Board to cause its existing shareholders owning at least 10% of the outstanding shares of the company not to sell, assign or in any manner dispose of their shares for a period of 365 days after the Listing Date if the applicant company is exempt from the track record and operating history requirement of the PSE Listing Rules. In addition, if there is any issuance or transfer of Shares (i.e., private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of Shares (i.e., convertible bonds, warrants or a similar instrument) completed and fully paid for within 180 days prior to the start of the Offer, and the transaction price is lower than that of the Offer Price in the initial public offering, all such Shares issued or transferred shall be subject to a lock-up period of at least 365 days from full payment of such Shares. The following are covered by the 365-day lock-up from Listing Date requirement (whether or not the Over-allotment Option is exercised):

Shareholders	Number of shares
Vespers Holdings Corporation	1,587,651,338
Odin Holdings Corporation	366,812,285
Vespers Holdings Corporation (preferred shares)	370,398,637
Total	2,324,862,260

The following are covered by the 365-day lock-up from full payment requirement (whether or not the Over-allotment Option is exercised):

Shareholders	Number of shares
Penhurst Kinetic Corp	255,793,680
Marie Antonette De Guzman	172,438,338
Josan Farms Inc.	129,663,871
Michael James Lichtenfeld	48,119,129
BDO Unibank, Inc. Trust and Investments Group	45,083,179
Julius Sturm	39,727,847
Sant Charitable Foundation, Inc.	16,117,024
Annette M. Rafael	7,433,737
Vicente S. Pérez Jr.	20
Gerry P. Magbanua	10
Eduardo M. Miranda	10
Knud Hedeager	10
Maria Theresa Dela Peña Marcial	1

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<tr><td>Gregory L. Domingo</td><td>1</td></tr>
<tr><td>Total</td><td>714,376,857</td></tr>
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The Amended Articles of Incorporation of the Company provides that the Company shall comply with the lock-up requirements of the PSE Listing Rules, subject to any waiver or exemption as may be granted by the PSE.
To implement the lock-up requirement, Alternergy and the foregoing shareholders shall enter into an escrow agreement with Rizal Commercial Banking Corporation Trust and Investment Group ("RCBC Trust”).
The Company has agreed with the Underwriters that they will not, without the prior written consent of the Underwriters, issue, offer, sell, contract to sell, or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal of) any Shares or securities convertible into or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options for a period of 180 days after the Listing Date.
See “Ownership” and “Plan of Distribution – Lock-Up.”
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<td>Listing and Trading</td>
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The Company has filed an application with the SEC for the registration and an application with the PSE for the listing of all its issued and outstanding stock (including the Offer Shares). The SEC is expected to issue the Order of Effectivity and Permit to Sell on or about [March 9], 2023 and the PSE issued the Notice of Approval for the listing application on December 21, 2022 and February 14, 2023, subject to compliance with certain listing conditions.
All of the issued and outstanding common shares of the Company, including the Offer Shares to be issued, are expected to be listed on the Main Board of the PSE under the symbol “ALTER” on or about [March 24], 2023, or such other date that may be agreed by the Company and the Underwriters. Notice of any adjustment to the Listing Date shall be made by publication by the Company in two (2) newspapers of general circulation, provided that any adjustment to the Listing Date shall be subject to the approval of the PSE.
Trading of the Shares of the Company, excluding those subject to lock-up, is expected to commence on or about [March 24], 2023
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<td>Dividends and Dividend Policy</td>
<td>The Company is authorized to declare dividends. A cash dividend declaration requires approval from the Board. A stock dividend declaration requires the further approval of</td>
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	shareholders representing not less than two-thirds of the Company's outstanding capital stock. Dividends may be declared only from available unrestricted retained earnings. See "Dividends and Dividend Policy".
Restrictions on Ownership	The Offer Shares may be purchased and owned by any person or entity regardless of citizenship or nationality, subject to nationality requirements under Philippine law. In particular, the Philippine Constitution and other Philippine laws and regulations require that ownership of companies that own land be limited to citizens of the Philippines, or Philippine Nationals. The Company's direct subsidiary, KSEC, and indirect subsidiary, Solana Solar Alpha, Inc. ("SSAI") own parcels of land and may continue to acquire and own land for purposes of its business. The Philippine Constitution and related statutes also set forth restrictions on foreign ownership for companies engaged in certain activities, including those engaged in renewable energy. Moreover, the Implementing Rules and Regulations, or Department of Energy Circular No. DC2009-05-0008, to Republic Act No. 9513, or the Renewable Energy Act of 2008, provides that a foreign renewable energy developer may be allowed to undertake the development of renewable energy through a Renewable Energy Service Contract with the government, subject to the nationality limitations provided under the Philippine Constitution. Philippine Nationals include corporations or associations organized under the laws of the Philippines of which at least 60% of the capital stock outstanding is owned and held by citizens of the Philippines. To the extent that the Company or its subsidiaries own land in the Philippines or are holders of Service Contracts for Renewable Energy, foreign ownership in the Company's capital stock will be limited to a maximum of 40% of its issued and outstanding capital stock. Please refer to the discussion under the section on "*Philippine Foreign Investment, Exchange Controls, and Foreign Ownership*". As of the date of this Prospectus, the Group's Subsidiaries own land and/or are parties to RE Service Contracts. As such foreign shareholdings in the Company may not exceed (i) 40% of its issued and outstanding capital stock entitled to vote; and (ii) 40% of the Company's total issued and outstanding capital stock, whether or not entitled to vote. On September 29, 2022, the DOJ issued Opinion No. 21, series of 2022, where it opined that the exploration, development, and utilization of solar, wind, hydro, and ocean or tidal resources should not be subject to the forty percent (40%) foreign equity limitation under Section 2 of Article XII of the 1987 Constitution. The Opinion, however, is subject to Section 19 of the Implementing Rules and Regulations of Republic Act No. 9513, which provides that solar, wind, hydro, and ocean or tidal energy is subject to the 40% foreign equity limitation, unless this is amended. It is also subject to the Water Code of the Philippines and case law that limits the appropriation of water

	direct from the source to Filipino nationals. On November 15, 2022, the DOE issued Department Circular No. DC2022-11-0034 amending Section 19(B) of the Implementing Rules and Regulations of Republic Act No. 9513 to provide that the State may directly undertake the exploration, development, and utilization of RE resources or it may enter into RE Service or operating contracts with Filipino and/or foreign citizens and/or foreign-owned corporations or associations. For more information relating to restrictions on the ownership of the Shares, please see "Description of Shares" and "Regulatory and Environmental Matters – Foreign Investment Laws and Restrictions." In the event that foreign ownership of the Company's outstanding capital stock will exceed such allowable maximum percentage, the Company has the right to reject a transfer request by a stockholder to persons other than Philippine Nationals and the right not to record such purchases in the Company's books. Foreign investors interested in subscribing or purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence, or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, shall represent and warrant, through the Application, that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase, and hold the Offer Shares.
Registration of Foreign Investments	The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP only if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the Philippine banking system. The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor. See "Regulatory and Environmental Matters – Foreign Investment Laws and Restrictions – Registration of Foreign Investments and Exchange Controls."
Restriction on Issuance and Disposal of Shares	See "Lock-up" above
Tax Considerations	See "Taxation" for further information on the Philippine tax consequences of the purchase, ownership and disposal of the Offer Shares.
Offer Period	The Offer Period shall commence at 9:00 a.m. on March 13, 2023 and shall end at 12:00 noon on March 17,2023. If, for any reason, any day of the Offer Period is a non-Banking Day, then the Offer Period may be extended to the next immediately

	succeeding Banking Day, or such other date as may be agreed upon by the Company and the Underwriters. The Company and the Underwriters reserve the right to extend, shorten, or terminate the Offer Period, subject to the approval of the SEC and the PSE. Applications must be received by the Receiving Agent for PSE Trading Participant applications or through PSE EASy for LSI applications, as applicable, by 12:00 noon on March 17, 2023 and shall be subject to the terms and conditions of the Offer as stated in the Prospectus and in the Application. Applications received thereafter or without the required documents will be rejected. <u>For PSE Trading Participants:</u> Application forms to purchase the Trading Participants Offer Shares and signature cards may be obtained from the Underwriters or any participating PSE Trading Participant. Application forms will also be made available for download on the Company website. Applicants shall complete the application form, indicating all pertinent information, such as the applicant's name, address, contact number, taxpayer's identification number, citizenship and all other information required in the application form. Applicants shall undertake to sign all documents and to do all necessary acts to enable them to be registered as holders of the Trading Participants Offer Shares. Failure to complete the application form may result in the rejection of the application. Applications must be received by the Receiving Agent not later than 11:00 a.m. on March 15, 2023. Applications received thereafter or without the required documents will be rejected. Applications shall be considered irrevocable upon submission to a PSE Trading Participant, and shall be subject to the terms and conditions of the Offer as stated in this Prospectus and in the Application. All applications shall be evidenced by the application to purchase form, in quadruplicate, duly executed in each case by an authorized signatory of the applicant and accompanied by one completed signature card, which for applicants who are corporations, partnerships or trust accounts, should be authenticated by the corporate secretary or equivalent corporate officer (or managing partner in the case of a partnership), and the corresponding payment for the Trading Participants Offer Shares covered by the application and all other required documents. If the applicant is a corporation, partnership or trust account, the application must be accompanied by the following documents:

	● A certified true copy of the applicant's latest articles of incorporation and by-laws (or articles of partnership, in the case of a partnership) and other constitutive documents (each as amended to date) duly certified by its corporate secretary (or managing partner in the case of a partnership); ● A certified true copy of the applicant's SEC certificate of registration duly certified by its corporate secretary (or managing partner in the case of a partnership); and ● A duly notarized corporate secretary's certificate (or certificate of the managing partner in case of partnership) setting forth the resolution of the applicant's board of directors or equivalent body authorizing the purchase of the Offer Shares indicated in the application, identifying the designated signatories authorized for the purpose, including his or her specimen signature, and certifying to the percentage of the applicant's capital or capital stock held by Philippine nationals. Foreign corporate and institutional applicants who qualify as eligible investors, in addition to the documents listed above, are required to submit in quadruplicate, a representation and warranty stating that their purchase of the Trading Participants Offer Shares to which their application relates will not violate the laws of their jurisdictions of incorporation or organization, and that they are allowed, under such laws, to acquire, purchase and hold the Trading Participants Offer Shares. This should be read in conjunction with the Company's Implementing Guidelines for PSE Trading Participants which will be published on the PSE EDGE website prior to the start of the Offer Period. <u>For Local Small Investors:</u> With respect to the LSIs, applications to purchase the Retail Offer Shares must be done online through the PSE EASy. The system will generate a reference number and payment instruction. LSI applications and payments must be completed and settled, respectively, by 1:00 p.m. on March 17, 2023 ("Retail Settlement Date"). Further information about the Company, details about the Offer, instructions for subscribing through PSE EASy, payment terms and the list of PSE Trading Participants where LSI applicants may open trading accounts for the lodgment of the LSI applicant's Retail Offer Shares will be made available in the online IPO information center. The link to the online information center will be made available on the Company's website in due course and in the Company's Implementing Guidelines for LSIs which will be published on the PSE EDGE website prior to the start of the Trading Participants and Retail Offer.

	LSI applications will be processed on a first-come, first-served basis, while final allocation of the Retail Offer Shares will be determined pursuant to allocation mechanics. This section should be read in conjunction with the Company's Implementing Guidelines for LSIs which will be published on the PSE EDGE website prior to the start of the Offer Period.
Payment Terms for the Trading Participants Offer Shares Purchased through PSE Trading Participants	The purchase price must be paid in full in Philippine Pesos upon the submission of the duly completed and signed application form and signature card together with the requisite attachments. Payments for the Trading Participants Offer Shares must be cleared on or before 12 noon on March 17, 2023 ("Trading Participants Settlement Date"). The modes of payment and instructions will be specified in the Company's Implementing Guidelines for PSE Trading Participants which will be published on the PSE EDGE website prior to the start of the Offer Period.
Acceptance or Rejection of Applications for the Trading Participants and Retail Offer	Applications for the Trading Participants and Retail Offer Shares are subject to the confirmation of the Joint Issue Managers and the Company's final approval. We, in consultation with the Joint Issue Managers, reserve the right to accept, reject or scale down the number and amount of Trading Participants and Retail Offer Shares covered by any Application. We and the Underwriters have the right to reallocate available Trading Participants and Retail Offer Shares in the event that the Trading Participants and Retail Offer Shares are insufficient to satisfy the total Applications received. The Trading Participants and Retail Offer Shares will be allotted in such a manner as the Company and the Joint Issue Managers may, in the Company's sole discretion, deem appropriate, subject to distribution guidelines of the PSE. Applications with checks dishonored upon first presentation and Application which do not comply with the terms of the Trading Participants and Retail Offer will be automatically rejected.
Acceptance of Applications and Effect of Non-Listing on the Issuance of Offer Shares	Notwithstanding any provision to the contrary as may be found in the Application, Prospectus, and other offer-related document, an Application, when accepted, shall constitute a binding and effective agreement between the Applicant and the Issuer for the subscription to the Offer Shares. For the avoidance of doubt, notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an Applicant shall take place only upon the listing of the Offer Shares on the PSE. If the Company's shares, including the Offer Shares, are not listed on the PSE on Listing Date due to the cancellation or withdrawal of the offer by the Company at any time on or after the commencement of the Offer Period and prior to Listing due to the occurrence of any of the events under the section entitled Withdrawal of the Offer, the agreement between the Applicant and the Issuer for subscription to the Offer Shares shall be automatically cancelled and of no further force or effect. In such event, the Applicant shall be entitled to a refund following the same procedure outlined in the Refunds

	of the Trading Participants and Retail Offer provision of these Terms of the Offer.
Withdrawal of the Offer	The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, in which event the Issuer shall make the necessary disclosures to the SEC and PSE. The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of the Offer Period and prior to Listing, if there is a supervening force majeure or fortuitous event, such as: a. An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or occurrence of any change in local, national or international financial, political, economic or stock market conditions which renders it inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by the Prospectus, or would have a material adverse effect on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it inadvisable to proceed with the Offer in the manner contemplated by the Prospectus, or the Philippine economy or on the securities or other financial or currency markets of the Philippines, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer's or underwriters' inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the underwriter, or any other entity/ person to take up any shares remaining after the Offer Period; b. Issuance of an order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution or listing of the Offer Shares by any court or governmental agency or authority with jurisdiction on the matter, the SEC or the PSE; c. Cancellation, revocation or termination of the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration or the SEC Permit to Sell; d. Cancellation or suspension of trading in the PSE for at least three (3) consecutive trading days, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Listing Date or such other date as may be approved by PSE;

	e. A change or impending change in the law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; or (b) the capacity and due authorization of the Issuer to offer and issue the Offer Shares and enter into the transaction documents in connection with the Offer, or (ii) would render illegal the performance by any of the underwriters of its underwriting obligations hereunder; f. Any significant, adverse, and unforeseeable change or development in the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public; g. The Issuer decides to or is compelled to stop its operations which is not remedied within five (5) Business Days; h. The Issuer shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or assignment with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or (ii) the Issuer shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or (iii) such receiver, trustee or similar officer shall be appointed; or the Issuer shall initiate or institute (by petition, application or otherwise howsoever), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or (v) any such proceeding shall be instituted against the Issuer; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part thereof, of the Issuer; or (vi) any event occurs which under the laws of the Philippines or to other jurisdictions, or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing; i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines; j. Any court proceeding, litigation, arbitration or other similar proceeding is commenced or threatened against

the underwriters in connection with or with respect to the issuance or sale by the Issuer of the Offer Shares or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable;

k. Any event occurs which makes it impossible for the underwriters to perform their underwriting obligations due to conditions beyond their control, such as issuance by any court, arbitral tribunal, or government agency which has jurisdiction on the matter of an order restraining or prohibiting the underwriters, or directing the underwriters to cease, from performing their underwriting obligations;

l. Any representation, warranty or statement of the Issuer in the Prospectus shall prove to be untrue or misleading in any material respect or Issuer shall be proven to have omitted a material fact necessary in order to make the statements in the Prospectus not misleading, which untruth or omission: (a) was not known and could not have been known to the Underwriters on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability;

m. Unavailability of PDTC and PSE facilities used for the Offer and/or Listing and such unavailability impacts the ability of the Issuer and underwriters to fully comply with the listing requirements of PSE; and

n. Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Issuer's long- term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer’s or Underwriters’ inability to sell or market the Offer Shares, or the refusal or failure by the Issue, the Underwriters, or any other person/entity to comply with any undertaking or commitment by the Issuer, the underwriter, or any other entity/ person to take up any shares remaining after the Offer Period.

Notwithstanding the foregoing, the Company and each of the Underwriters acknowledge that the PSE is as a self-regulatory organization with a mandate to maintain a fair and orderly market. In this regard, the PSE may impose appropriate and reasonable sanctions and penalties on the relevant party, in accordance with applicable rules and regulations, if the PSE determines that the cancellation or termination of the

	underwriting commitment or the Underwriting Agreement was not warranted based on the facts gathered by PSE and as properly evaluated by the PSE after due and proper proceedings initiated by the PSE not later than five (5) Banking Days after such cancellation or termination. Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an Applicant shall take place only upon the listing of the Offer Shares on the PSE. The PSE issued its Notice of Approval on December 21, 2022 and February 14, 2023, subject to compliance by the Company with certain conditions. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to the Listing Date pursuant to this section and Section "Plan of Distribution - Withdrawal of the Offer" of the Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date. If the Offer Shares are not listed on the PSE on the Listing Date, all application payments will be returned to the Applicants without interest starting on the fifth (5th) Business Day after the end of the Offer Period or on [March 24], 2023.
Refunds of the Trading Participants and Retail Offer	In the event that the number of Trading Participants and Retail Offer Shares to be received by an applicant, as confirmed by us, the Receiving Agent and the Joint Issue Managers, is less than the number covered by the application, or if an Application is rejected, then the applicant is entitled to a refund, without interest, within five (5) banking days from the end of the Offer Period [until thirty (30) days from the end of the Offer Period], of all or a portion of the applicant's payment corresponding to the number of Trading Participants and Retail Offer Shares wholly or partially rejected. The refund mechanics will be specified in the Offer Implementing Guidelines which will be published on the PSE EDGE website prior to the start of the Trading Participants and Retail Offer. For LSIs, all refunds shall be made directly to the LSI Applicants unless respective LSI Applicants' nominated PSE Trading Participants consented to process LSI refunds. In that case, all refunds may be made through the nominated PSE Trading Participant, at the LSI Applicant's risk. The refunds will be processed by the Receiving Agent directly to the nominated PSE Trading Participant by transferring immediately available funds via check to, each relevant nominated PSE Trading Participant in such amount representing the total refund due to all the clients of the relevant PSE Trading Participant on or before the fifth (5^{th}) Banking Day after the end of the Offer Period or on [March 24], 2023. The affected LSI Applicants may

	coordinate directly with their respective nominated PSE Trading Participant, as indicated in the submitted LSI Application.
Registration and Lodgment of Shares with the PDTC	The Offer Shares will be in scripless form and are required to be lodged with the PDTC upon listing. The applicant must provide the information required for the PDTC lodgment of the Offer Shares. The Offer Shares shall be lodged with the PDTC on the Listing Date. The applicant may request to receive stock certificates evidencing such applicant's investment in the Offer Shares through his/her broker after the Listing Date. Any expense to be incurred for such issuance of certificates shall be borne by the applicant.
Expected Timetable	The tentative timetable of the Offer is scheduled as follows: Receipt of SEC Pre-effective clearance — November 8, 2022 and February 10, 2023 Date of PSE Notice of approval — December 21, 2022 and February 14, 2023 Bookbuilding Period — February 16, to March 6, 2023 Pricing — March 7, 2023 Notice of final Offer Price to the SEC and PSE — March 7, 2023 Offer Period — March 13 to March 17, 2023 PSE Trading Participants' Commitment Period — March 13 to March 15, 2023 Submission of Firm Order and Commitments by PSE Trading Participants — 11:00 am on March 15, 2023 Submission of Applications and Payments of Trading Participants and Institutional and Other Investors — 1:00 pm on March 17, 2023 Listing Date — March 24, 2023 The dates included above are subject to the approval of the PSE and the SEC, market and other conditions, and may be changed If, for any reason, any day of the above periods or dates is not a Banking Day, then such period or date may be extended or moved, as the case may be, to the immediately succeeding Banking Day, or such other date as may be agreed upon by the Company and the Underwriters. Notice of any adjustment to the Listing Date shall be made by publication by the Company in two (2) newspapers of general circulation, provided that any adjustment to the Listing Date shall be subject to the approval of the SEC and PSE.
Risks of Investing	In making an investment decision, investors are advised to carefully consider all the information contained in this Prospectus, including the risks associated with an investment in the Offer Shares. These risks include:

	• risks relating to the Company and the Business; • risks relating to the Philippines; • risks relating to the Offer and the Offer Shares; and • risks relating to the presentation of information in the Prospectus For a more detailed discussion on certain of these risks, see "Risk Factors", which while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the Offer Shares. The Offer Shares are offered solely on the basis of the information contained in the Prospectus.
Governing Law	Laws of the Republic of the Philippines
Stock Transfer Agent	Stock Transfer Service, Inc.
Receiving Agent	Stock Transfer Service, Inc.
Escrow Agent for the Lockup Shares	RCBC Trust and Investment Group
Escrow Agent for the Proceeds	RCBC Trust and Investment Group
Legal Counsel for the Underwriters	Romulo Mabanta Buenaventura Sayoc & de los Angeles
Legal Counsel to the Issuer	Martinez Vergara & Gonzalez Sociedad
Independent Legal Counsel to the Offer	Cayetano Sebastian Ata Dado & Cruz
Independent Auditor	SyCip Gorres Velayo & Co.

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PLAN OF DISTRIBUTION

Up to 345,000,000 Firm Shares (the Trading Participants and Retail Offer Shares), or 30% of the Firm Shares, are (subject to re-allocation as described below) being offered and sold by the Underwriters at the Offer Price to all of the PSE Trading Participants and local small investors (LSIs) in the Philippines (the Trading Participants and Retail Offer).

At least 805,000,000 Firm Shares, or 70% of the Firm Shares (the Institutional Offer Shares), are (subject to re-allocation as described below) being offered for sale to certain qualified buyers and other investors in the Philippines, by the Underwriters (the Institutional Offer). The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between the Company and the Underwriters.

The Underwriters will underwrite, on a firm commitment basis, the Institutional Offer Shares and Trading Participants and Retail Offer Shares

There is no arrangement for any of the Underwriters to return any of the Offer Shares relating to the Trading Participants and Retail Offer or the Institutional Offer to the Company.

THE TRADING PARTICIPANTS AND RETAIL OFFER

The Trading Participants and Retail Offer Shares shall (subject to re-allocation as described below) initially be offered by the Underwriters to the PSE Trading Participants and LSIs in the Philippines.

Up to 230,000,000 Firm Shares, or 20% of the Firm Shares, shall be allocated among the PSE Trading Participants. Each PSE Trading Participant shall initially be allocated 1,854,000 Firm Shares (computed by dividing the Trading Participants Offer Shares among the [124] PSE Trading Participants) and subject to reallocation as may be determined by the Joint Issue Managers. The balance of [●] Firm Shares shall be allocated by the Joint Issue Managers to the PSE Trading Participants. In addition, up to 115,000,000 Firm Shares, or 10% of the Firm Shares, shall be allocated to the LSIs. Upon closing of the Trading Participants and Retail Offer, any allocation of Trading Participants and Retail Offer Shares not taken up by the PSE Trading Participants and the LSIs shall be distributed by the Underwriters to its clients or the general public in the Philippines. Trading Participants and Retail Offer Shares not taken up by the PSE Trading Participants or the LSIs and which are not reallocated to the Institutional Offer, or taken up by the clients of the Underwriters, or the general public, shall be purchased by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement (as defined below).

LSI Subscription through PSE EASy

A total of up to 115,000,000 Firm Shares, or 10% of the Offer, shall be made available nationwide to LSIs through the PSE Electronic Allocation System or PSE EASy. An LSI is defined as a subscriber to the Offer who is willing to subscribe to a minimum board lot or whose subscription does not exceed ₱100,000.00. In the case of this Offer, the minimum subscription of LSIs shall be [10,000] Offer Shares or ₱[14,800], while the maximum subscription shall be [67,000] Offer Shares or up to [₱99,160]. There will be no discount on the Offer Price. The procedure in subscribing to Offer Shares via PSE EASy is indicated in the Company's Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Underwriters shall prioritize subscriptions of LSIs with amounts lower than the maximum subscription.

All Firm Shares not taken up by the QIBs, the PSE Trading Participants, the LSIs, the general public and the Underwriters' clients shall be purchased by the Underwriters on a firm commitment basis pursuant to the terms and conditions of the Underwriting Agreement. Nothing herein or in the Underwriting Agreement shall limit the rights of the Underwriters from purchasing the Offer Shares for its own account.

UNDERWRITERS

The Sole Issue Coordinator is responsible for the coordination of the various execution workstreams relating to the Offer.

The Joint Issue Managers and the Underwriters are assisting the Company in the book-building process, which includes marketing and allocation of the Offer to potential investors as described in this Plan of Distribution

To facilitate the Trading Participants and Retail Offer, the Company has appointed BDO Capital & Investment Corporation, Investment & Capital Corporation of the Philippines and Unicapital, Inc. to act as the Underwriters. The Company and the Underwriters entered into an Underwriting Agreement dated [●] 2023 (the Underwriting Agreement), whereby the Underwriters agreed to underwrite, on a firm commitment basis, the Institutional Offer Shares and the Trading Participants and Retail Offer Shares. The Trading Participants and Retail Offer Shares sold by the Underwriters as part of the Offer Shares are subject to agreement among the Underwriters on any clawback, clawforward, or other such mechanism relating to the reallocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer.

BDO Capital & Investment Corporation

BDO Capital is the wholly owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital commenced operations in March 1999. It obtained its license to operate as an investment house in 1998 and is licensed by the Philippine SEC to engage in underwriting and distribution of securities to the public. As of September 30, 2022, it had ₱4,996.85 Million and ₱4.692.65 Million in assets and capital, respectively. It has an authorized capital stock of ₱1.10 billion, of which approximately ₱1.00 billion represents its paid-up capital.

Investment & Capital Corporation of the Philippines

ICCP is an independent Investment House that provides a complete line and scope of investment banking services focused on debt capital market (DCM), and equity capital market (ECM), financial advisory, mergers& acquisitions, and project development. Development Bank of Singapore owns a 20% stake in ICCP. ICCP obtained its license to operate as an Investment House from the Philippine SEC in 1988, and is licensed to engage in underwriting and distribution of securities to the public.

Unicapital, Inc.

Unicapital, Inc. was incorporated in the Philippines on June 29,1994. It was duly licensed by the Philippine SEC to operate as an investment house and, as such, to engage in underwriting or distribution of securities to the public in 1994. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues, both locally and internationally. Unicapital, Inc.'s board of directors is chaired by Mr. Avelino J. Cruz, Jr.

The Underwriters and their affiliates have engaged in transactions with, and have performed various investment banking, commercial banking and other services for the Company in the past, and may do so for the Company and its respective subsidiaries and affiliates from time to time in the future. However, all services provided by the Underwriters, including in connection with the Offer, have been provided as an independent contractor and not as a fiduciary to the Company. The Underwriters do not have any right to designate or nominate a member of the Board. The Underwriters have no direct relationship with the Company in terms of share ownership and, other than as the Underwriters for the Offer, do not have any material relationship with the Company.

On or before 11:00 a.m. on [March 15], 2023, the PSE Trading Participants shall submit to the designated representatives of the Joint Issue Managers their respective firm orders and commitments to purchase Trading Participants Offer Shares.

The Joint Issue Managers will receive an issue management fee of up to 0.50% of the gross proceeds from the sale of the Offer Shares.

The Underwriters shall receive from the Company a fee equivalent to 1.25% of the gross proceeds of the sale of the Offer Shares, exclusive of the amounts to be paid to the PSE Trading Participants. The underwriting fees shall be withheld by the Underwriters from the proceeds of the Offer Shares.

The Underwriters will also receive selling commissions of 1.00% of the gross proceeds from the sale of the Offer Shares.

PSE Trading Participants who take up Trading Participants Offer Shares shall be entitled to a selling fee of 1.00%, inclusive of VAT, of the Trading Participants Offer Shares taken up and purchased by the relevant PSE Trading Participant. The selling fee, less a withholding tax of 10%, will be paid by the Joint Issue Managers to the PSE Trading Participants within ten (10) banking days from the Listing Date.

All of the Trading Participants and Retail Offer Shares are or shall be lodged with the PDTC and shall be issued to the PSE Trading Participants and LSIs in scripless form. Purchasers of the Trading Participants and Retail Offer Shares may maintain the Trading Participants and Retail Offer Shares in scripless form or opt to have the stock certificates issued to them by requesting an upliftment of the relevant Trading Participants and Retail Offer Shares from the PDTC's electronic system after the Listing Date.

THE INSTITUTIONAL OFFER

The Institutional Offer Shares will be offered for sale to certain qualified buyers and other investors in the Philippines, by the Underwriters. The allocation of the Firm Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to further adjustment as may be agreed between the Company and Underwriters. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Firm Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and if there is a corresponding over- application in the Institutional Offer, Firm Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of overapplication or under application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.

The Institutional Offer Shares are being offered solely to certain qualified buyers and other investors in the Philippines. None of the Offer Shares are designated to be sold to specified persons. The SEC shall be advised accordingly in the event that a portion of the Institutional Offer Shares are allocated to a cornerstone investor.

THE OVER-ALLOTMENT OPTION AND UNDERTAKING TO PURCHASE

In connection with the Offer, subject to the approval of the SEC, the Company has granted the Stabilizing Agent an Over-allotment Option, exercisable in whole or in part to purchase the Option Shares at the Offer Price and on the same terms and conditions as the Firm Shares, as set forth herein, from time to time for a period which shall not exceed thirty (30) calendar days from and including the Listing Date. In connection therewith, the Company and the Employees' Incentive Plan and/or Vespers Holdings Corporation have entered into a Greenshoe Agreement with the Stabilizing Agent to utilize up to an additional [115,000,000] Option Shares to cover over-allocations under the Institutional Offer.

Any Shares that may be delivered to the Stabilizing Agent under the Greenshoe Agreement will be sold to the Employees' Incentive Plan and/or Vespers Holdings Corporation either through the purchase of Shares in the open market by the Stabilizing Agent in the conduct of stabilization activities or through the exercise of the Over-allotment Option by the Stabilizing Agent. The Option Shares may be over-allotted and the Stabilizing Agent may effect price stabilization transactions for a period beginning on or after the Listing Date, but extending no later than thirty (30) calendar days from and including the Listing Date. The Stabilizing Agent may purchase Shares in the open market only if the market price of the Shares falls below the Offer Price. The initial stabilization action shall be at a price below the Offer Price. After the initial stabilization action, (i) if there has not been an independent trade (i.e., a trade made by a person other than the Stabilizing Agent for itself or on behalf of its clients) in the market at a higher price than the initial stabilization trade, the subsequent trade shall be below the initial stabilization price, or (ii) if there has been an independent trade in the market at a higher price than the initial stabilization trade, the subsequent trade shall be at the lower of the stabilizing action price or the independent trade price.

The Stabilizing Agent may use the proceeds from the sale of the Option Shares ("**Option Proceeds**") to effect price stabilization transactions by purchasing Common Shares in the open market for a period not exceeding thirty (30) calendar days from and including the Listing Date, with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail during such period (the "**Stabilization Activities**"). The Stabilizing Agent may conduct Stabilization Activities until the Option Proceeds are exhausted, subject to compliance with all applicable laws and regulation.

Such Stabilization Activities may stabilize, maintain or otherwise affect the market price of the Shares, which may have the effect of preventing a decline in the market price of the Shares and may also cause the price of the Shares to be higher than the price that otherwise would exist in the open market in the absence of these transactions. If the Stabilizing Agent commences any of these transactions (which would include thereafter disposing of or selling the Shares purchased), it may discontinue them at any time. However, the Stabilizing Agent or any person acting on behalf of the Stabilizing Agent has the sole discretion whether to undertake stabilization activities, and there is no assurance that the same will be undertaken. There is also no assurance that the price of the Shares will not decline significantly after any such stabilizing activities end.

Once the Over-allotment Option has been fully exercised by the Stabilizing Agent, it will no longer be allowed to purchase Shares in the open market for the conduct of stabilization activities and the Stabilizing Agent will remit the proceeds from the exercise of the Over-allotment Option to the Company. To the extent the Over-allotment Option is not fully exercised by the Stabilizing Agent, the same shall be deemed cancelled and the relevant Option Shares shall be sold to the Employees' Incentive Plan and/or Vespers Holdings Corporation.

LOCK-UP

The PSE rules require existing shareholders owning at least 10% of the outstanding shares of a company not to sell, assign or in any manner dispose of their shares for a period of 180 days after the listing of the shares. In addition, if there is any issuance or transfer of Shares (i.e., private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of Shares (i.e., convertible bonds, warrants or a similar instrument) done and fully paid for within 180 days prior to the start of the Offer, and the transaction price is lower than that of the Offer Price, all such Shares issued or transferred shall be subject to a lock-up period of at least 365 days from full payment of such Shares. See Principal Shareholders.

The Company has agreed with the Underwriters that they will not, without the prior written consent of the Underwriters , issue, offer, sell, contract to sell, or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal of) any Shares or securities convertible into or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options for a period of 180 days after the Listing Date.

SELLING RESTRICTIONS

The distribution of this Prospectus or any offering material and the offer, sale or delivery of the Offer Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Prospectus or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Prospectus may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized. No securities, except for a class exempt under Section 9 of the SRC or unless sold in any transaction exempt under Section 10 thereof, shall be sold or distributed by any person within the Philippines, unless such securities shall have been registered with the SEC on Form 12-1 and the registration statement has been declared effective by the SEC.

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DESCRIPTION OF SHARES

The following description of the Company's capital stock does not purport to be complete or to give full effect to the provisions of law and is in all respects qualified by reference to the applicable provisions of the Company's Amended Articles of Incorporation and Amended By-Laws.

Share Capital

A Philippine corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in its Articles of Incorporation and the By-laws.

The Company was registered with the SEC on June 18, 2009 under the name El Viento Partners Corporation, with an initial authorized capital stock of ₱100,000 divided into 40,000 common shares with par value of ₱1.00 and 60,000 preferred shares with par value of ₱1.00.

The Company changed its corporate name from El Viento Partners Corporation to Alternergy Viento Partners Corporation on May 27, 2010 and to the current Alternergy Holdings Corporation on April 24, 2018.

On March 31, 2022, the Company issued a total of 2,136 common shares to various shareholders resulting to a total of 213,490 issued and outstanding common shares and 15,000 issued and outstanding preferred shares.

On April 26, 2022, the Company's BOD and shareholders approved the decrease in the par value of the Company's common shares from ₱1.00 per share to ₱0.10 per share thereby increasing the authorized capital stock of the Company from 100,000 shares divided into 40,000 common shares and 60,000 preferred shares to 460,000 shares divided into 400,000 common shares and 60,000 preferred shares. On June 21, 2022, the SEC approved the decrease in the par value of the Company's common shares.

On April 26, 2022, the Company's BOD and shareholders approved the conversion of the Company's outstanding debt amounting to ₱260,147,279 into equity subject to the finalization of the number of shares to be issued to the Company's shareholders and SEC's approval of the increase in authorized capital stock for the issuance of the said shares. As of the date of this Prospectus, the SEC is yet to approve the application for the said conversion.

On June 10, 2022, the Company's BOD and shareholders approved (i) the decrease in the par value of the Company's preferred shares from ₱1.00 per share to ₱0.10 per share and (ii) the increase in AHC's authorized capital stock from ₱100,000 to ₱1,188,788,570.80, comprising of 10,406,291,160 common shares with a par value of ₱0.10 per share and 1,481,594,548 preferred shares with a par value of ₱0.10 per share. Subscription to the common shares were paid via conversion of advances into equity as discussed above while subscription to the preferred shares was paid in cash. On November 16, 2022, the SEC approved the application to (i) decrease the par value of the Company's preferred shares and (ii) increase the Company's authorized capital stock.

On August 26, 2022, the Company issued one (1) share to Maria Theresa Dela Peña Marcial and another to Gregory L. Domingo who will both sit as independent directors.

On November 18, 2022, the Company issued an additional 67,154,198 Common Shares to 3 subscribers as follows: (i) 5,953,995 Common Shares to Michael Lichtenfeld; (ii) 45,083,179 Common Shares to BDO Unibank, Inc. Trust and Investments Group Trust ("BDO Trust"); and (iii) 16,117,024 Common Shares to Sant Charitable Foundation. 45,083,179 Common Shares was issued at par value to BDO Trust as the trustee and funded by the Company for the select officers, employees and consultants (the “Beneficiaries”) of the Company who will be covered by the Employees’ Incentive Plan which is currently being formulated. Under the Trust Agreement between the Company and BDO Trust executed on September 1, 2022, the Company (through its Board of Directors or a third party administrator appointed by the Board) intends to grant or issue notional shares to the Beneficiaries which may be redeemed on the relevant vesting dates. BDO Trust, through the plan administrator, shall cause the sale of an equivalent number of shares in the stock exchange. The proceeds will thereafter be delivered to the Beneficiary.

As of the date of this Prospectus, the Company has a total of 2,668,840,480 issued and outstanding common shares, and 370,398,637 issued and outstanding preferred shares. The Company has no shares held in treasury.

Upon completion of the Offer, the Company will have a total of up to 3,933,840,480 Common Shares issued and outstanding, and 370,398,637 Preferred Shares issued and outstanding.

Prior to the Offer, there has been no public trading market for the Company’s Common Shares.

Effects of the changes in par value

	As of December 31, 2021				As of June 30, 2022		As of September 30, 2022	
	Pro Forma Before the Stock Split, Par Value of ₱1.00		Pro Forma As Adjusted to Give Effect to the Stock Split reducing the Par Value to ₱0.10		Actual As Further Adjusted to Give Effect to the Increase in Authorized Capital Stock		Actual As Further Adjusted to Give Effect to the Increase in Authorized Capital Stock	
	No. of Shares	Amount (₱)	No. of Shares	Amount (₱)	No. of Shares	Amount (₱)	No. of Shares	Amount (₱)
Authorized capital Stock……………………								
Common Shares…..	40,000	40,000	400,000	40,000	10,406,291,160	1,040,629,116	10,406,291,160	1,040,629,116
Preferred Shares…..	60,000	60,000	600,000	60,000	1,481,594,548	148,159,455	1,481,594,548	148,159,455
Issued and outstanding shares…………..								
Common Shares…..	21,349	21,349	213,490	21,349	2,601,686,280	260,168,628	2,668,840,480	266,884,048
Preferred Shares…..	15,000	15,000	150,000	15,000	370,398,637	37,039,864	370,398,637	37,039,864
Additional subscription………..								
Common Shares…..	-	-	-	-	-	-	-	-
Preferred Shares…..	-	-	-	-	-	-	-	-
Issued and outstanding shares………………								
Common Shares…..	21,349	21,349	213,490	21,349	2,601,686,280	260,168,628	2,668,840,480	266,884,048
Preferred Shares…..	15,000	15,000	150,000	15,000	370,398,637	37,039,864	370,398,637	37,039,864
Unissued shares…….								
Common Shares…..	18,651	18,651	186,510	18,651	7,804,604,880	780,460,488	7,737,450,680	773,745,068
Preferred Shares…..	45,000	45,000	450,000	45,000	1,111,195,911	111,119,591	1,111,195,911	111,119,591
Book value per share (₱)[1]………………….		30,333.84		3,033.38		0.38		0.38

Notes on the computation of the foregoing ratios:

	As of December 31, 2021		As of June 30, 2022	As of September 30, 2022
Formula	Pro Forma Before the Stock Split, Par Value of ₱1.00	Pro Forma As Adjusted to Give Effect to the Stock Split reducing the Par Value to ₱0.10	Actual As Further Adjusted to Give Effect to the Increase in Authorized Capital Stock	Actual As Further Adjusted to Give Effect to the Increase in Authorized Capital Stock
(1) Book value per share is computed by dividing net assets by the number of outstanding common shares……………………………………	30,333.84	3,033.38	0.38	0.38
Net assets………………………………………	647,597,063	647,597,063	978,275,037	1,003,724,079
No. of outstanding common shares…………………………………………..	21,349	213,490	2,601,686,280	2,668,840,480
(2) Earnings per share is computed by dividing net profit by outstanding common shares………………	7,528.09	752.81	(0.05)	0.01
Net Profit………………………………………	160,717,180	160,717,180	(138,115,158)	28,819,046
No. of outstanding common shares…………………………………………..	21,349	213,490	2,601,686,280	2,668,840,480

Rights Relating to the Common and Preferred Shares

Voting Rights

The Company has two classes of shares, Common Shares and Preferred Shares. Each Common Share is equal in all respects to every other Common Share. All the Common Shares have full voting and dividend rights. The rights of the Company's shareholders include the right to notice of shareholders' meetings, the right of inspection of the Company's corporate books and other shareholders' rights contained in the Revised Corporation Code.

The Company's Preferred Shares have the following features:

- Voting Rights – Preferred shares shall have full voting rights.

- Issuance of Preferred Shares – Preferred Shares may only be issued to Filipino citizens, or corporations or associations at least sixty percent per annum (60%) of whose capital is owned by Filipino citizens.

- Dividends - Holders of the Preferred Shares shall be entitled to receive a coupon at the rate of eight percent (8%) per annum of the par value of the Preferred Shares. Holders of the Preferred Shares shall not be entitled to participate with holders of the Common Shares in any dividends payable to the Corporation.

- Redemption - The Corporation may redeem the Preferred Shares at par value (i) when the foreign equity limits imposed by the Philippine Constitution on entities engaged in the exploration, development, utilization and operation of natural resources for renewable energy projects in the Philippines shall have been removed; and (ii) the Corporation is not engaged in any other activity likewise reserved exclusively to Filipino citizens, or corporations or associations at least sixty per centum (60%) of whose capital is owned by Filipino citizens that would otherwise require the Corporation to maintain the ownership of the Preferred Shares by such Filipino citizens.

- Preference in Liquidation - In the event of any dissolution or liquidation or winding up, whether voluntary or involuntary, the Corporation, except in connection with a merger or consolidation, holders of the Preferred Shares shall be entitled to be paid in full, or pro rata insofar as the assets and properties of the Corporation will permit, the par value of each Preferred Share before any distribution shall be made to holders of the Common Share, and shall not be entitled to be paid in full, or pro rata insofar as any remaining assets and properties of the Corporation will permit, the par value of each Common Share.

After the distributions pursuant to the above paragraph shall have been made, the remaining assets and properties of the Corporation shall be distributed pro rata to the holders of the Common Shares.

- Non-Convertible - The Preferred Shares shall not be convertible to any shares of stock of the Corporation of any class now or hereafter authorized.

- Transfer Restrictions

  - Preferred Shares may only be transferred to Filipino citizens, or corporations or associations at least sixty percent per annum (60%) of whose capital is owned by Filipino citizens.

  - After the issuance by original subscription, the Preferred Shares shall not be transferred, conveyed, or assigned except as follows:

    - Any holder of the Preferred Shares may sell his Preferred Shares back to the Corporation, which shall have the authority to redeem the Preferred Shares at par value within sixty (60) days following written notice from the selling holder of the Preferred Shares.

    - In case an individual holder of the Preferred Shares passes away, the Corporation shall have the first option to redeem the Preferred Shares at par value within sixty (60) days following written notice of the individual holder's death being given to the Corporation by his executor/administrator of heirs; falling which, the Preferred Shares of the deceased holder may be conveyed through hereditary succession to his compulsory heirs who must also be Philippine citizens.

  In all cases of redemption under the above paragraphs, the Corporation will only exercise its authority or option to redeem the Preferred Shares on the condition that the Corporation first pays in full all cumulative coupon payments then outstanding on the Preferred Shares, and on the further condition that the Corporation shall not, as a result of the redemption, reduce the ownership of Filipino citizens in the Corporation to less than the percentage of capital stock required by the law. For this purpose, the Corporation shall have the authority to designate qualified Philippine holders to purchase directly from the transferors the Preferred Shares subject to the Corporation's redemption right. Once redeemed by the Corporation, the Preferred Shares shall become treasury shares which may be reissued or resold by the Corporation on the same terms as their original issuance.

Fundamental Matters Requiring Stockholder Approval

The Revised Corporation Code considers certain matters as significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the articles of incorporation. These acts, which require Board approval and the approval of shareholders representing at least 2/3 of the issued and outstanding capital stock of the Company in a meeting duly called for the purpose (except for the amendment of By-Laws and approval of management contracts in general, which require approval of shareholders representing a majority of the Company's outstanding capital stock), include:

i. Amendment of the Articles;
ii. Extension or shortening of corporate term;

iii. An increase or decrease of capital stock and incurring, creating or increasing bonded indebtedness;
iv. Delegation to the Board of the power to amend or repeal or to adopt new By-Laws;
v. Sale, lease, exchange, mortgage, pledge or other disposition of all or a substantial part of the Company's assets;
vi. Merger or consolidation of the Company with another corporation or corporations;
vii. Investment of corporate funds in any other corporation or for a purpose other than the primary purpose for which the Company was organized;
viii. Dissolving the Company;
ix. Declaration or issuance of stock dividends;
x. Ratifying a contract between the Company and a Director or officer where the vote of such Director or officer was necessary for approval;
xi. Entering into a management contract where (a) a majority of Directors of the managing corporation constitutes the majority of the board of the managed company or (b) stockholders of both the managing and managed corporations represent the same interest and own or control more than one third of the outstanding capital stock entitled to vote;
xii. Removal of Directors;
xiii. Ratification of an act of disloyalty by a Director; and
xiv. Ratification of contracts with corporations in which a Director is also a member of the board, where the interest of the Directors is substantial in one corporation and nominal in the other.

Pre-emptive Rights

The Revised Corporation Code confers pre-emptive rights in shareholders of a Philippine corporation entitling such shareholders to subscribe to all issues or other dispositions of equity related securities by the corporation in proportion to their respective shareholdings, regardless of whether the equity related securities proposed to be issued or otherwise disposed of are identical to the shares held. A Philippine corporation may provide for the denial of these pre-emptive rights in its article of incorporation. The Company's Amended Articles of Incorporation currently contains such a denial of pre-emptive rights on all classes of shares issued by the Company and therefore further issues of shares (including treasury shares) can be made without offering such shares on a pre-emptive basis to the existing shareholders.

Derivative Suits

Philippine law recognizes the right of a shareholder to institute, under certain circumstances, proceedings on behalf of the corporation in a derivative action in circumstances where the corporation itself is unable or unwilling to institute the necessary proceedings to redress wrongs committed against the corporation or to vindicate corporate rights, as for example, where the directors themselves are the malefactors.

Appraisal Rights

The Revised Corporation Code grants a shareholder a right of appraisal in certain circumstances where he has dissented and voted against a proposed corporate action, including:

i. An amendment of the articles of incorporation which has the effect of adversely affecting the rights attached to his 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;
ii. The sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all the assets of the corporation;
iii. The investment of corporate funds in another corporation or business or for any purpose other than the primary purpose for which the corporation was organized; and
iv. A merger or consolidation.

In these circumstances, the dissenting shareholder may require the corporation to purchase his shares at a fair value which, in default, is determined by three disinterested persons, one of whom shall be named by the stockholder, one by the corporation, and the third by the two thus chosen. In the event of a dispute, the SEC will resolve any question relating to a dissenting shareholder's entitlement to exercise the appraisal rights. The dissenting shareholder will be paid if the corporate action in question is implemented and the corporation has unrestricted retained earnings sufficient to support the purchase of the shares of the dissenting shareholders.

Subject to the approval of the Board of Directors, a company may acquire its own common shares, provided that, it has unrestricted retained earnings to pay for the common shares and such acquisition was made for legitimate corporate purposes.

Common shares repurchased by the Company shall become treasury shares that may be disposed of at a price approved by the Board of Directors. These treasury shares have neither voting rights nor dividend rights but may be re-issued subject to the approval of the Board of Directors.

Dividends

Under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed earnings of the corporation which has not been allocated for any managerial, contractual or legal purposes and which are free for distribution to the shareholders as dividends. A corporation may pay dividends in cash, by the distribution of property, or by the issuance of shares. The Board of Directors' approval is required for the payment of cash and property dividends. Stock dividends may be paid and distributed only upon the approval of the shareholders representing at least two-thirds of the Company's outstanding capital stock. Holders of outstanding shares on a dividend record date for such shares will be entitled to the full dividend declared without regard to any subsequent transfer of shares.

The Revised Corporation Code generally requires a corporation with surplus profits in excess of 100% of its paid-in capital to declare and distribute such surplus to its shareholders in the form of dividends. Notwithstanding this general rule, a Philippine corporation may retain all or any portion of such surplus when: (i) justified by definite expansion plans approved by its Board of Directors; (ii) the required consent of any financing institution or creditor for the declaration of dividends pursuant to a loan agreement which prohibits such declaration without said creditor's consent has not yet been secured; (iii) it can be clearly shown that such retention is necessary under special circumstances; or (iv) when the non-distribution of dividends is consistent with the policy or requirement of a Government office.

Pursuant to a Board of Directors' approval on June 10, 2022, the Company intends to maintain an annual cash dividend payment ratio for Common Shares of at least 10% of the prior fiscal year's net income after tax can be declared as dividends, subject to (i) the availability of unrestricted retained earnings, (ii) contractual obligations, (iii) implementation of expansion plans, (iv) special circumstances requiring the Company to create a special reserve for probable contingencies, (v) working capital requirements and (vi) approval of the Board.

Disclosure Requirements / Right of Inspection

Philippine stock corporations are required to file a general information sheet which sets forth data on their board of directors, officers and capital structure, as well as the corporations' annual audited financial statements with the SEC. Aside from the SEC, corporations must also submit their annual financial statements to the BIR. Corporations whose shares are listed on the PSE are also required to file current, quarterly and annual reports with the SEC and the PSE. Shareholders are entitled to request copies of the most recent financial statements of the corporation, which include a balance sheet as of the end of the most recent tax year and a profit and loss statement for that year.

Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain.

The Board is required to present to shareholders at every annual meeting a financial report of the operations of the corporation for the preceding year.

Change in Control

The Company's Amended Articles of Incorporation provide that:

> After the issuance by original subscription, the Preferred Shares shall not be transferred, conveyed, or assigned except as follows:
>
> - Any holder of the Preferred Shares may sell his Preferred Shares back to the Corporation, which shall have the authority to redeem the Preferred Shares at par value within sixty (60) days following written notice from the selling holder of the Preferred Shares.
>
> In case an individual holder of the Preferred Shares passes away, the Corporation shall have the first option to redeem the Preferred Shares at par value within sixty (60) days following written notice of the individual holder's death being given to the Corporation by his executor/administrator of heirs; falling which, the Preferred Shares of the deceased holder may be conveyed through hereditary succession to his compulsory heirs who must also be Philippine citizens.
>
> In all cases of redemption under the above three paragraphs, the Corporation will only exercise its authority or option to redeem the Preferred Shares on the condition that the Corporation first pays in full all cumulative coupon payments then outstanding on the Preferred Shares, and on the further condition that the Corporation shall not, as a result of the redemption, reduce the ownership of Filipino citizens in the Corporation to less than the percentage of capital stock required by the law. For this purpose, the Corporation shall have the authority to designate qualified Philippine holders to purchase directly from the transferors the Preferred Shares subject to the Corporation's redemption right. Once redeemed by the Corporation, the Preferred Shares shall become treasury shares which may be reissued or resold by the Corporation on the same terms as their original issuance.

Other than the above, the Company's Amended Articles and By-laws do not contain any provision that will delay, deter or prevent a change in control of the Company.

Other Features and Characteristics of Common Shares

The Common Shares are neither convertible nor subject to mandatory redemption. All of the Company's issued Common Shares are fully paid and non-assessable and free and clear from any and all liens, claims and encumbrances. All documentary stamp tax due on the issuance of all Common Shares has been fully paid.

Instruments Defining The Rights of Security Holders, Including Indentures

The rights of the stockholders are defined under the Company's Amended Articles of Incorporation, By-laws, the provisions under the Revised Corporation Code, Securities Regulation Code, Manual of Corporate Governance, and other relevant issuances, including also the stock certificates representing their shares.

Stock Transfer Agent

Stock Transfer Service, Inc. shall act as the Stock Transfer Agent for the purpose of authenticating and registering transfer of the Offer Shares as set forth in the Stock Transfer Agreement.

Other Securities and Options

The Company has neither issued any other form of securities other than its Common Shares and Preferred Shares nor has it granted or issued any options to any person.

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RECENT ISSUANCE OF EXEMPT SECURITIES

In the past three (3) years, the Company entered into the following transactions exempt from the registration requirements of the SRC and therefore have not been registered with the Philippine SEC:

- On March 31, 2022, the Company issued a total of 2,136 common shares to various shareholders resulting to a total of 213,490 issued and outstanding common shares and 15,000 issued and outstanding preferred shares. Said issuance is considered an exempt transaction under SRC 10.1 (e) or the sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly in connection with the sale of such capital stock;

- On June 21, 2022, the Company obtained SEC approval to reduce its par value of its Common Shares from ₱1.00 to ₱0.10;

- On November 16, 2022, the Company obtained SEC approval to reduce its par value of its Preferred Shares from ₱1.00 to ₱0.10; and

- On November 16, 2022, the Company issued an additional 2,601,472,790 Common Shares and an additional 370,248,637 Preferred Shares upon approval by the SEC of its application for increase in authorized capital stock from ₱100,000 to ₱1,188,788,570.80. The Shares were issued by way of subscription to the increase in the authorized capital stock by the existing shareholders of the Company, fully paid by conversion of advances into equity and cash. Said issuance is considered an exempt transaction under SRC 10.1 (e) or the sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly in connection with the sale of such capital stock and (i) or the subscriptions for shares of the capital stock of a corporation prior to the incorporation thereof or in pursuance of an increase in its authorized capital stock under the Corporation Code, when no expense is incurred, or no commission, compensation or remuneration is paid or given in connection with the sale or disposition of such securities and only when the purpose for soliciting, giving or taking of such subscriptions is to comply with the requirements of such law as to the percentage of the capital stock of a corporation which should be subscribed before it can be registered and duly incorporated, or its authorized capital increased; and

- On August 26, 2022, the Company issued one (1) share to Maria Theresa Dela Peña Marcial and another to Gregory L. Domingo who will both sit as independent directors upon approval by the SEC of the Company's application for increase in the number of board seats. Said issuances are considered an exempt transaction under SRC 10.1 (k) or the sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any 12-month period

- On November 18, 2022, the Company issued an additional 67,154,198 Common Shares to 3 subscribers as follows: (i) 5,953,995 Common Shares to Michael Lichtenfeld; (ii) 45,083,179 Common Shares to BDO Unibank, Inc. Trust and Investments Group Trust; and (iii) 16,117,024 Common Shares to Sant Charitable Foundation. Said issuances are considered an exempt transaction under SRC 10.1 (k) or the sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any 12-month period,

Apart from the foregoing, there are no recent sales of unregistered or exempt securities.

SELECTED FINANCIAL INFORMATION

The selected historical consolidated statement of financial position data as of December 31, 2019, 2020, 2021, June 30, 2022 and, September 30, 2022 and selected consolidated statement of comprehensive income and cash flow data for the calendar years ended December 31, 2019, 2020, 2021, for the six (6) -month periods ended June 30, 2022 and 2021, and for the three (3) -month periods ended September 30, 2022 and 2021 set forth below have been derived from, and should be read in conjunction with, the audited consolidated financial statements and, including the notes thereto, included elsewhere in Prospectus. SGV & Co., a member firm of Ernst & Young Global Limited, has audited the consolidated financial statements in accordance with Philippine Standards on Auditing.

The summary financial information below is not necessarily indicative of the results of future operations.

Consolidated Statements of Comprehensive Income

Amounts in ₱'000	Calendar Years Ended December 31			For the Six-Month Periods ended June 30	
	2019	**2020**	**2021**	**2021**	**2022**
Revenues from sale of electricity	-	-	-	-	9,331
Cost of sale of electricity	-	-	-	-	3,002
Gross Profit	**-**	**-**	**-**	**-**	**6,329**
Equity in net earnings of associates	22,682	32,724	35,962	20,226	16,436
General and administrative expenses	63,584	53,428	54,118	21,359	53,238
Other Income (Charges)	(14,768)	(11,908)	135,951	(10,069)	(133,576)
Income (loss) before income tax	**(55,670)**	**(32,612)**	**117,795**	**(11,202)**	**(164,049)**
Provision for (benefit from) income tax	(4,614)	(1,142)	5,027	219	(5,942)
Net income (loss)	**(51,056)**	**(31,470)**	**112,768**	**(11,421)**	**(158,107)**
Other comprehensive income (loss)	-	(42)	20	-	19,992
Total comprehensive income (loss)	**(51,056)**	**(31,512)**	**112,788**	**(11,421)**	**(138,115)**

Amounts in ₱'000	Three month periods ended September 30	
	2022	**2021**
Revenues from sale of electricity	43,587	-
Cost of sale of electricity	12,778	-
Gross Profit	**30,810**	**-**
Equity in net earnings of associates	(3,347)	4,792
General and administrative expenses	10,554	9,410
Other Income (Charges)	(15,343)	(1,254)
Income (loss) before income tax	**1,564**	**(5,872)**
Provision for (benefit from) income tax	(95)	938
Net income (loss)	**1,660**	**(6,810)**
Other comprehensive income (loss)	27,160	18
Total comprehensive income (loss)	**28,819**	**(6,792)**

Consolidated Statements of Financial Position

Amounts in ₱'000	As of December 31			As of June 30 2022
	2019	2020	2021	
Assets				
Cash and cash equivalents – unrestricted	166,143	41,656	93,578	624,923
Trade and other receivables	811	1,887	990	19,254
Due from related parties	105,813	132,685	100,032	150,960
Derivative asset	–	3,578	–	–
Prepayments and other current assets	17,595	27,564	15,238	18,398
Current Assets	**290,362**	**207,370**	**209,838**	**813,535**
Property, plant and equipment	8,363	98,606	100,290	898,480
Contract asset	–	–	–	574,883
Investments in and advances to associates	153,787	166,990	179,161	150,793
Intangible assets	169,123	200,042	226,616	747,518
Right-of-use asset	1,603	321	–	59,345
Deferred tax assets - net	28	27	1	–
Other noncurrent assets	16,348	9,374	10,188	15,882
Derivative asset	14,394	–	–	–
Noncurrent Assets	**363,646**	**475,360**	**516,256**	**2,446,901**
Total Assets	**654,008**	**682,730**	**726,094**	**3,260,436**

Amounts in ₱'000	As of December 31			As of June 30 2022
	2019	2020	2021	
Liabilities and Equity				
Short-term loan	163,000	228,013	91,078	92,650
Current portions of long-term debt	–	100,117	–	57,810
Current portions of lease liability	1,206	371	–	2,884
Accounts payable and accrued expenses	32,714	44,159	16,444	108,261
Payable to a subsidiary's former shareholder	–	–	–	279,772
Advances to third parties	–	–	–	214,000
Dividend payable	–	–	–	18,750
Income tax payable	54	124	1,431	799
Due to related parties	7,686	8,438	50,635	194,496
Current Liabilities	**204,660**	**381,222**	**159,588**	**969,422**
Long-term debt - net of current portion	114,835	–	148,602	1,248,825
Lease liability - net of current portion	371	–	–	47,036
Asset retirement obligation	–	–	–	14,445
Deferred tax liabilities - net	6,472	5,131	8,738	2,433
Noncurrent Liabilities	**121,678**	**5,131**	**157,340**	**1,312,739**
Capital stock	34	34	34	36
Additional paid-in capital	440,865	440,865	440,865	440,865
Deposit for future stock subscription	–	–	–	297,880
Share in remeasurement loss on retirement benefit obligation of an associate	(16)	(16)	(16)	(16)
Cumulative translation adjustment	–	(22)	(11)	3,307
Equity reserve	–	–	–	13,019
Deficit	(159,102)	(196,914)	(82,926)	(240,277)
Equity Attributable to Equity Holders of the Parent Company	**281,781**	**243,947**	**357,946**	**514,814**
Non-controlling Interests	45,889	52,430	51,220	463,461
Equity	**327,670**	**296,377**	**409,166**	**978,275**
Total Liabilities and Equity	**654,008**	**682,730**	**726,094**	**3,260,436**

Amounts in ₱'000	As of September 30 2022
Assets	
Cash and cash equivalents	803,673
Trade and other receivables	21,336
Due from related parties	144,982
Prepayments and other current assets	27,564
Current Assets	**997,555**
Property, plant and equipment	890,841
Contract asset	908,598
Investments in and advances to associates	147,445
Intangible assets	765,409
Right-of-use asset	56,112
Other noncurrent assets	18,075
Noncurrent Assets	**2,786,480**
Total Assets	**3,784,035**
Liabilities and Equity	
Short-term loan	94,250
Current portions of long-term debt	59,396
Current portions of lease liability	3,075
Accounts payable and accrued expenses	63,167
Payable to a subsidiary's former shareholder	279,763
Advances from a third party	214,000
Dividend payable	-
Income tax payable	1,562
Due to related parties	195,584
Current Liabilities	**910,797**
Long-term debt - net of current portion	1,811,826
Lease liability - net of current portion	51,042
Asset retirement obligation	5,347
Deferred tax liabilities - net	1,298
Noncurrent Liabilities	**1,869,513**
Total Liabilities	**2,780,311**
Capital stock	36
Additional paid-in capital	315,803
Deposit for future stock subscription	329,719
Share in remeasurement loss on retirement benefit obligation of an associate	(16)
Cumulative translation adjustment	8,299
Equity reserve	3,470
Deficit	(116,255)
Equity Attributable to Equity Holders of the Parent Company	**541,056**
Non-controlling Interests	462,668
Equity	**1,003,724**
Total Liabilities and Equity	**3,784,035**

Statements of Cash Flow Information

Amounts in ₱'000	Calendar Years Ended December 31			For the Six-Month Periods ended June 30	
	2019	2020	2021	2021	2022
Net cash flows from (used in) operating activities	(97,586)	(78,027)	205,193	83,535	(27,977)
Net cash flows from (used in) investing activities	2,226	(101,821)	(31,966)	(4,906)	(594,223)
Net cash flows from (used in) financing activities	102,286	56,692	(121,286)	(107,645)	1,091,525
Effect of exchange rate changes on cash and cash equivalents	(5,169)	(1,331)	(19)	809	18,696
Net increase (decrease) in cash and cash equivalents	**1,757**	**(124,487)**	**51,922**	**(28,207)**	**488,021**
Cash and cash equivalents at beginning of period	164,386	166,143	41,656	41,656	93,578
Cash and cash equivalents at end of period	**166,143**	**41,656**	**93,578**	**13,449**	**581,599**

Amounts in ₱'000	For the Three-month periods ended September 30	
	2022	2021
Net cash flows from (used in) operating activities	(42,073)	(1,495)
Net cash flows from (used in) investing activities	(298,528)	64,311
Net cash flows from (used in) financing activities	517,722	101
Effect of exchange rate changes on cash and cash equivalents	1,629	957
Net increase (decrease) in cash and cash equivalents	**178,750**	**63,874**
Cash and cash equivalents at beginning of period	624,923	18,099
Cash and cash equivalents at end of period	**803,673**	**81,973**

Change in Fiscal Year End

On April 26, 2022, the Company's BOD and shareholders approved the change of the Company's fiscal year from the first day of January ending on the last day of December each year to the first day of July ending on the last day of June of the following year. On May 27, 2022, the SEC approved the change in the Company's fiscal year while the BIR approved the application on June 20, 2022.

Accordingly, as the fiscal year ended June 30, 2022 is a transitional period, the fiscal year ended June 30, 2022 for the Company comprised the six (6) months from January 1, 2022 to June 30, 2022 coming from a fiscal year/calendar year ending on December 31, 2021. In this Prospectus, such fiscal year ended June 30, 2022 of the Company is referred to as the six (6) months ended June 30, 2022. As the reporting of accounts for the six (6) months ended June 30, 2022 is irregular, the Company's results of operations, financial condition, and cash flows as of and for the six (6) months ended June 30, 2022 are not comparable to the Company's results of operations, financial condition, and cash flows as of and for the calendar year (12 months) ended December 31, 2021.

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SELECTED PRO FORMA FINANCIAL INFORMATION

The following tables present the summary of pro forma financial information of the Group based on the financial statements of the Group, adjusted to give pro forma effect to the acquisition of Kirahon Solar Energy Corp. ("KSEC") shares as if this occurred as of January 1, the beginning of each year presented, or December 31, 2021, as the case may be. This summary should be read in conjunction with the independent auditors' reports and the Group's audited consolidated financial statements and condensed consolidated pro forma financial information, including the notes thereto, included in Appendix [A] and [B] in this Prospectus.

The unaudited pro forma financial information has been prepared in accordance with Section 9, Part II of the Revised SRC Rule 68. The unaudited pro forma financial information has not been prepared in accordance with the requirements of Article 11 of the Recognition S-X under the U.S. Exchange Act.

The Group's historical financial information have been extracted by the Company's management from the audited consolidated financial statements as of and for the years ended December 31, 2019, 2020, and 2021, and for the six-month period ended June 30, 2022. The pro forma adjustments are based upon available information and certain assumptions that the Company believes are reasonable under the circumstances. The summary pro forma financial information does not purport to represent what the result of operations and financial position of the Group would actually have been had the acquisition of controlling stake in KSEC shares in fact occurred as of January 1, the beginning of the years presented, or December 31, 2021, as the case may be, of each period presented as applicable, nor do they purport to project results of operations or the financial position of the Group for any future period or date. The presentation of financial information, including of pro forma financial information, in this Prospectus may be of limited use to investors and may not accurately show the Group's financial position or be indicative of future results. SGV & Co. has expressed an opinion about whether the pro forma information has been compiled, in all material respects, by the management of the Group on the basis of the criteria as set out in Note 2 to the unaudited pro forma condensed consolidated financial information. SGV & Co. conducted the engagement in accordance with the Philippine Standard on Assurance Engagements (PSAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*.

Pro forma Summary of Consolidated Statements of Comprehensive Income

Amounts in ₱'000	**Calendar Years Ended December 31**			**For the Six Month Periods ended June 30**
	2019	**2020**	**2021**	**2022**
Revenues from sale of electricity	181,679	180,702	172,441	83,313
Cost of sale of electricity	50,147	50,255	49,016	26,576
Gross Profit	**131,532**	**130,447**	**123,425**	**56,737**
Equity in net earnings of associates	5,419	15,969	19,986	10,454
General and administrative expenses	69,398	57,779	58,314	54,570
Other Income (Charges)	(38,673)	(66,900)	84,597	(157,502)
Income (loss) before income tax	**28,880**	**21,737**	**169,694**	**(144,881)**
Provision for (benefit from) income tax	(569)	2,942	8,997	(4,201)
Net income (loss)	**29,449**	**18,795**	**160,697**	**(140,680)**
Other comprehensive income (loss)	-	(42)	20	19,992
Total comprehensive income (loss)	**29,449**	**18,753**	**160,717**	**(120,688)**

Pro forma Summary of Consolidated Statements of Financial Position*

Amounts in ₱'000	As of December 31, 2021
Assets	
Cash and cash equivalents - unrestricted	152,980
Cash and cash equivalents - restricted	47,789
Receivables	68,732
Due from related parties	136,288
Prepayments and other current assets	20,760
Current Assets	**426,549**
Property, plant and equipment	924,851
Investments in and advances to associates	100,329
Intangible assets	688,231
Deferred tax assets - net	1
Other noncurrent assets	10,332
Noncurrent Assets	**1,723,744**
Total Assets	**2,150,293**
Liabilities and Equity	
Short-term loan	91,078
Current portions of long-term debt	53,845
Accounts payable and accrued expenses	90,623
Payable to a subsidiary's former shareholder	279,772
Income tax payable	2,639
Due to related parties	238,271
Current Liabilities	**756,228**
Long-term debt - net of current portion	732,360
Asset retirement obligation	5,371
Deferred tax liabilities - net	8,737
Noncurrent Liabilities	**746,468**
Capital stock	34
Additional paid-in capital	440,865
Share in remeasurement loss on retirement benefit obligation of an associate	(16)
Cumulative translation adjustment	(11)
Deficit	48,408
Equity Attributable to Equity Holders of the Parent Company	**489,280**
Non-controlling Interests	158,317
Equity	**647,597**
Total Liabilities and Equity	**2,150,293**

** The Group is presenting only the Pro Forma Statement of Financial Position as of December 31, 2021 since the acquisition of KSEC transpired in June 2022. As such, the Group's financial condition after the KSEC acquisition is reflected in the audited Consolidated Statement of Financial Position as of June 30, 2022.*

Pro forma Summary of Consolidated Statements of Cash Flow Information

Amounts in ₱'000	Calendar Years Ended December 31			For the Six-Month Periods ended June 30
	2019	**2020**	**2021**	**2022**
Net cash flows from (used in) operating activities	33,295	52,043	310,322	35,638
Net cash flows from (used in) investing activities	(16,771)	(122,143)	(57,775)	(668,598)
Net cash flows from (used in) financing activities	(29,072)	(55,733)	(247,490)	1,041,735
Effect of exchange rate changes on cash and cash equivalents	(5,321)	(1,506)	(14)	19,844
Net increase (decrease) in cash and cash equivalents	**(17,869)**	**(127,339)**	**5,043**	**428,619**
Cash and cash equivalents at beginning of period	293,145	275,276	147,937	152,980
Cash and cash equivalents at end of period	**275,276**	**147,937**	**152,980**	**581,599**

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) AND PLAN OF OPERATION – HISTORICAL FINANCIAL INFORMATION

Prospective investors should read this discussion and analysis of the Group's financial condition and results of operations in conjunction with the section entitled "Selected Financial Information" and with the audited financial statements as of and for the calendar years ended December 31, 2019, 2020 and 2021, as of September 30, 2022 and June 30, 2022 and for the three-month periods ended September 30, 2022 and 2021 and six-month periods ended June 30, 2022 and 2021 ("Audited Financial Statements"), including the notes relating thereto, appearing in Annex A and of this Prospectus.

The Group's Audited Financial Statements included in this Prospectus were prepared in compliance with PFRS.

The Group operates as a project developer of renewable energy projects with a long lead time of obtaining regulatory approvals and government permits, resource assessment; conducting feasibility studies, technical, geotechnical and interconnection, detailed engineering design, environment and social impact, community engagements and public consultations; acquisition of land rights; securing of power supply agreements; selection of equipment supply, logistics and transport; negotiation and finalization construction contracts and equity and debt financing agreements.

Certain predevelopment costs are recognized as expenses during the periods these are incurred. Upon finalization of equity and debt financing (financial close), the Group is reimbursed for such project development costs and such reimbursement is recorded as project cost recovery income. In addition, the Group is entitled to a pre-negotiated free equity ownership in each project companies.

After the projects reached commercial operations, the Group is expected to recognize its attributable share in the operating results from the project companies.

For the last three years even during the COVID lockdown, the Company has focused considerably in developing its project pipeline to bring them to an advanced stage. The losses during 2019 and 2020 were related to predevelopment expenses. Despite the COVID lockdown, the Company reached financial close on its Kiangan Project in 2021 which led to a project cost recovery that generated positive net income for 2021.

In early 2022, the Company further reached financial close for the Palau Solar Project and Lamut Hydro Project. The Company also expects to roll out additional projects such as Tanay Wind Project, Ibulao Hydro Project and Solana Solar Project in the near future.

The discussion contains forward-looking statements and reflects the Group's current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled "Risk Factors" of this Prospectus. See "Forward-Looking Statements" of this Prospectus.

Summary of Consolidated Statements of Comprehensive Income

The tables below present the summary of financial operations of the Group for calendar years ended December 31, 2019, 2020 and 2021, for the six (6)-month periods ended June 30, 2021 and 2022 and for the three (3)-month periods ended September 30, 2021 and 2022 and its financial position as of December 31, 2019, 2020, and 2021, June 30, 2022, and September 30, 2022 based on the Group's Consolidated Financial Statements.

Amounts in ₱'000	Calendar Years Ended December 31			Six-Month Periods ended June 30	
	2019	**2020**	**2021**	**2021**	**2022**
Revenues from sale of electricity	-	-	-	-	9,331
Cost of sale of electricity	-	-	-	-	3,002
Gross Profit	**-**	**-**	**-**	**-**	**6,329**
Equity in net earnings of associates	22,682	32,724	35,962	20,226	16,436
General and administrative expenses	63,584	53,428	54,118	21,359	53,238
Other Income (Charges)	(14,768)	(11,908)	135,951	(10,069)	(133,576)
Income (loss) before income tax	**(55,670)**	**(32,612)**	**117,795**	**(11,202)**	**(164,049)**
Provision for (benefit from) income tax	(4,614)	(1,142)	5,027	219	(5,942)
Net income (loss)	**(51,056)**	**(31,470)**	**112,768**	**(11,421)**	**(158,107)**
Other comprehensive income (loss)	-	(42)	20	-	19,992
Total comprehensive income (loss)	**(51,056)**	**(31,512)**	**112,788**	**(11,421)**	**(138,115)**

Amounts in ₱'000	Three-Month Periods ended September 30	
	2021	**2022**
Revenues from sale of electricity	-	43,587
Cost of sale of electricity	-	12,778
Gross Profit	**-**	**30,810**
Equity in net earnings of associates	4,792	(3,347)
General and administrative expenses	9,410	10,554
Other Income (Charges)	(1,254)	(15,343)
Income (loss) before income tax	**(5,872)**	**1,565**
Provision for (benefit from) income tax	938	(95)
Net income (loss)	**(6,810)**	**1,660**
Other comprehensive income (loss)	18	27,160
Total comprehensive income (loss)	**(6,792)**	**28,820**

Three (3) -months ended September 30, 2022 compared to three (3)-months ended September 30, 2021

Amounts in ₱'000	**September 30, 2022**	**September 30, 2021**	**Increase/ (Decrease)**	**% Change**
Revenues from sale of electricity	43,587	-	43,587	100.00%
Cost of sale of electricity	12,778	-	12,778	100.00%
Gross Profit	**30,810**	**-**	**30,810**	**100.00%**
Equity in net earnings (losses) of associates	(3,347)	4,792	(8,139)	(169.85%)
General and administrative expenses	10,554	9,410	1,144	12.16%
Other Income (Charges)	(15,343)	(1,254)	14,089	1,123.52%
Income (loss) before income tax	**1,565**	**(5,872)**	**7,437**	**126.63%**
Provision for (benefit from) income tax	(95)	938	(1,033)	(110.13%)
Net income (loss)	**1,660**	**(6,810)**	**8,470**	**124.38%**
Other comprehensive income (loss)	27,160	18	27,142	150,789%
Total comprehensive income (loss)	**28,820**	**(6,792)**	**35,612**	**524.32%**

Revenues from sale of electricity and Cost of sale of electricity
On June 10, 2022 the Company acquired a 50% direct equity interest in KSEC. In August 2022, the Company increased its stake in SPEC to 60%. This effectively increased the Group's direct and indirect interest in KSEC to 65%. As a result of these acquisitions, the Group reflected a 100% increase in its revenues from the sale of electricity, contributed by KSEC, for the period ended

September 30, 2022 compared to September 30, 2021. Likewise, the Group posted a 100% increase in the cost of the sale of electricity, also attributable to KSEC.

Equity in net earnings of associates
The Group's equity in the net earnings (losses) of associates decreased by 170% for the three-month period ended September 30, 2022 compared to the same period in 2021. This was a result of the following factors: a) acquisition of 65% direct and indirect stake in KSEC in 2022, the income from KSEC was no longer accounted for as earnings from associates and b) net loss from AWOC due to lower wind output for the period.

General and administrative expenses
General and administrative expenses increased in the three-month period ended September 30, 2022 compared to the same period in 2021 due mainly to expenses incurred in relation to AHC's planned IPO listing.

Provision for (benefit from) income tax
The Group's Provision for income tax in 2021 became a benefit from income tax for the same period in 2022 due to reduction in deferred tax liability on unrealized foreign exchange gains and right-of-use asset.

Other Income (Charges)
Other charges recorded in the three month period ended September 2021 increased significantly for the same period in 2022 by ₱14.1 million. This was due mainly to the recognition of finance charges of KSEC in 2022, now a subsidiary of the Company.

Six (6) -months ended June 30, 2022 compared to Six (6)-months ended June 30, 2021

Amounts in ₱'000	June 30, 2022	June 30, 2021	Increase/ (Decrease)	% Change
Revenues from sale of electricity	9,331	–	9,331	100.00%
Cost of sale of electricity	3,002	–	3,002	100.00%
Gross Profit	**6,329**	**–**	**6,329**	**100.00%**
Equity in net earnings of associates	16,436	20,226	(3,790)	(18.74%)
General and administrative expenses	53,238	21,359	31,879	149.26%
Other Income (Charges)				
Construction revenue	574,883	–	574,883	100.00%
Construction costs	(574,883)	–	574,883	100.00%
Project cost recovery	36,587	–	36,587	100.00%
Finance costs	(11,685)	(10,016)	1,669	16.66%
Net foreign exchange gains (losses)	9,098	(5,174)	14,272	275.86%
Advisory fees	3,417	3,000	417	13.89%
Day 1 gain on short-term loan	1,600	–	1,600	100.00%
Interest income	442	22	420	1912.44%
Restructuring related charges[6] - net	(173,034)	2,099	(175,133)	(8343.10%)
Total other income (charges)	(133,576)	(10,069)	(123,507)	(1226.63%)
Income (loss) before income tax	**(164,049)**	**(11,202)**	**152,847**	**1364.46%**
Provision for (benefit from) income tax	(5,942)	219	(6,160)	(2817.55%)
Net income (loss)	**(158,107)**	**(11,421)**	**146,687**	**1284.40%**
Other comprehensive income (loss)	19,992	-	19,992	100.00%
Total comprehensive income (loss)	**(138,115)**	**(11,421)**	**126,695**	**1109.35%**

Revenues from sale of electricity and Cost of sale of electricity
On June 10, 2022, the Company acquired a 50% direct equity interest in KSEC. This effectively increased the Group's direct and indirect interest in KSEC to 63%, making it a subsidiary. As a result

[6] Refer to pages [128-129] for a more detailed discussion on the Restructuring Related Charges.

of this acquisition, the Group reflected a 100% increase in its revenues from the sale of electricity, contributed by KSEC, for the period ended June 30, 2022 compared to June 30, 2021. Likewise, the Group posted a 100% increase in the cost of the sale of electricity, also attributable to KSEC.

Equity in net earnings of associates
The Group's equity in the net earnings of associates amounting to ₱16.4 million for the six-month ended June 30, 2022 was 19% lower compared to ₱20.2 million recorded for the six-month ended June 30, 2021. As a result of the acquisition of a 50% direct interest in KSEC in 2022, the income from KSEC was no longer accounted for as earnings from associates.

General and administrative expenses
The Group's general and administrative expenses for the first half of 2022 amounting to ₱53.2 million was higher by 149% compared to ₱21.4 million recorded for first half of 2021. This was due to donors' taxes brought about by the Group's restructuring exercise as explained further in the discussion on Restructuring-related charges and various professional fees recorded in relation to the ongoing fundraising activities of the Group.

Construction revenue and construction costs
On April 14, 2021, SPEC, the immediate parent company of SPPP, signed a PPA with Palau Public Utilities Corporation (PPUC) for the offtake of all electrical energy to be produced from the solar photovoltaic electric energy generating and battery storage facility with a solar PV total AC output capacity of 13.2 MW, a battery energy storage system total output capacity of 10.2 MWAC, and a BESS total energy storage capacity of 12.9 MWh. The tariff is fixed for a period of 20 years.

On April 8, 2022, SPEC, SPPP and PPUC entered into a Novation Agreement where SPPP was substituted for SPEC under the PPA and other related agreements ("Project Agreements") and SPEC ceased to be entitled to and bound by its rights and obligations under the Project Agreements. However, SPEC shall remain responsible to PPUC in respect of any claims, cost and/or liabilities under the Project Agreements during the period up to the financial close of the PFA whether or not such claims or liabilities are known at that date.

In accordance with Philippine Interpretation IFRIC 12, Service Concession Arrangements, the Group recognized construction revenue and construction costs of the same amounts.

Project cost recovery
On March 15, 2022, the Parent Company, AMHHC, EXETER and LAMHC entered into an Investment Framework Agreement for the inclusion of EXETER as co-shareholder in the Lamut-Asipulo Mini Hydro Project. In accordance with the terms of the Investment Framework Agreement, AMHHC received a reimbursement amounting to ₱36.5 million for the pre-development costs incurred for the Lamut-Asipulo Mini Hydro Project.

Finance costs
The Group's finance costs increased by 17% from ₱10.0 million for the six-month ended June 30, 2021 to ₱11.7 million for the six-month ended June 30, 2022. This was due to accrued interest expenses from KSEC from its outstanding loan with RCBC.

Net foreign exchange gains (losses)
The Group's net foreign exchange position decreased by 276%, reversing the foreign exchange losses of ₱5.2 million for the six-month ended June 30, 2021 with foreign exchange gains of ₱9.1 million for the six-month ended June 30, 2022. This was due to the revaluation of the Group's US Dollar denominated receivables and liabilities done to properly reflect foreign exchange rate changes.

Advisory fees
The Group's advisory fees were higher by 14% from ₱3.0 million for the six-month ended June 30, 2021 compared to ₱3.4 million for the six-month ended June 30, 2022. The increase in the Group's advisory fee for the six-month ended June 30, 2022 was attributable to the escalation provisions in its existing agreement with SPCC.

Day 1 gain on short-term loan
In a letter from SSAI dated June 28, 2022, Renova approved the extension of the maturity date of the non-interest-bearing loan from June 30, 2022 to September 30, 2022. With this extension, SSAI recognized Day 1 gain on the said loan amounting to ₱1.6 million. This amount was the difference between the carrying amount of the loan payable and its fair value.

Interest income
Cash balances were higher in the first six months of 2022 compared to the first six months of 2021 due to the following: a) proceeds from the equity investment of EXETER into LAMHC received in March 2022 and b) proceeds from loan drawdown of SPPP received in April 2022 and c) increase in cash which contributed to higher interest income.

Restructuring related charges – net

In the development of the Pililla Project, two (2) sub-holding companies were created by 2 previous shareholders, Alternergy Philippine Investments Corporation ("APIC") and Alternergy Philippines Holdings Corporation ("APHC").

APIC funded certain development costs for the Pililla project in the amount of US$1.75 million, which APIC recognized as a receivable from the project company, Alternergy Wind One Corporation ("AWOC"), in 2014. APIC subsequently assigned these receivables on credit to AHC. AHC further transferred these receivables to its wind holding company, Pililla AVPC Corporation ("PACO").

This ultimately culminated in the conversion by PACO of such receivables into equity of AWOC in 2016.

Meantime, APHC also funded certain development costs for the Pililla project in the amount of US$2.5MM million, which was reimbursed by AWOC to APHC in 2014. Subsequently, APHC on-lent these funds to AHC.

In 2019, PACO received dividends from AWOC in the amount of Php24MM], a portion of which amounting to Php23.7 million was subsequently on-lent to AHC.

Between 2020 to 2021, APIC, PACO and APHC made additional cash advances to AHC totaling Php11.4 million.

By February 2022, APIC, APHC, and PACO held a total of Php260.1 million in receivables from AHC. These receivables were donated to the shareholders of AHC, on a pro rata basis, in connection with the restructuring or spin-off of APIC and APHC from AHC.

Finally, the shareholders of AHC subscribed to the increase in the capital stock of AHC in June 2022 by converting such donated receivables of Php260.1 million into equity of AHC.

Following implementation of the foregoing, a recognition of a one-time¬ loss of the same amount in the consolidated statement of comprehensive income was made. The restructuring charges are net of the gain on remeasurement of previously held interest in KSEC and gain on deconsolidation amounting to ₱41.28 million and ₱45.84 million, respectively.

Provision for (benefit from) income tax

The Group's provision for (benefit from) income tax reversed from provision for income tax of ₱0.2 million for the six-month ended June 30, 2021 to benefit from income tax of ₱5.9 million for the six-month ended June 30, 2022, due to the derecognition of deferred tax liabilities of APIC as a result of deconsolidation.

With respect to the former subsidiaries' receivables from the Company amounting to ₱260.15 million, these arose during the development of the Pililla Project whereby two (2) sub-holding companies were created by 2 previous shareholders, Alternergy Philippine Investments Corporation ("APIC") and Alternergy Philippines Holdings Corporation ("APHC"), as further explained below:

5. APIC funded certain development costs for the Pililla project in the amount of US$1.75 million, which APIC recognized as a receivable from the project company, Alternergy Wind One Corporation ("AWOC"), in 2014. APIC subsequently assigned these receivables on credit to AHC. AHC further transferred these receivables to its wind holding company, Pililla AVPC Corporation ("PACO").

This ultimately culminated in the conversion by PACO of such receivables into equity of AWOC in 2016.

2. Meantime, APHC funded certain development costs for the Pililla project in the amount of US$2.5MM million, which was reimbursed by AWOC to APHC in 2014. Subsequently, APHC on-lent these funds to AHC.

3. In 2019, PACO received dividends from AWOC in the amount of Php31 million, a portion of which amounting to Php23.7 million was subsequently on-lent to AHC.

6. Between 2020 to 2021, APIC, PACO and APHC made additional cash advances to AHC totaling Php11.4 million.

By February 2022, APIC, APHC, and PACO held a total of Php260.1 million in receivables from AHC. These receivables were donated to the shareholders of AHC, on a pro rata basis, in connection with the restructuring or spin-off of APIC and APHC from AHC.

Finally, the shareholders of AHC subscribed to the increase in the capital stock of AHC in June 2022 by converting such donated receivables of Php260.1 million into equity of AHC.

Net loss

As a result of the restructuring-related charges discussed in the previous paragraph, the Group's net loss was higher by 1284% from ₱11.4 million for the six-month ended June 30, 2021, to ₱158.1 million for the six-month ended June 30, 2022.

Other comprehensive income (loss)

For the six-month ended June 30, 2022, the Group recognized a cumulative translation adjustment amounting to ₱19.9 million. This adjustment was a brought about by having a subsidiary, SPPP, with a different functional currency from the Parent Company.

All subsidiaries are incorporated and registered with the Philippine Securities and Exchange Commission and operate in the Philippines except for SPPPI which is incorporated in the Republic of Palau. SPPPI's functional currency is the US Dollar.

Full-year ended December 31, 2021 compared with full-year ended December 31, 2020

Amounts in ₱'000	For the years ended December 31		Increase/ (Decrease)	
	2021	**2020**	**Amount**	**Percentage**
Revenues from sale of electricity	–	–	–	0.00%
Cost of sale of electricity	–	–	–	0.00%
Gross Profit	**–**	**–**	**–**	**0.00%**
Equity in net earnings of associates	35,962	32,724	3,238	9.89%
General and administrative expenses	54,118	53,428	689	1.29%
Other Income (Charges)				
Project cost recovery	133,613	–	133,613	100.00%
Finance costs	(17,871)	(23,064)	(5,193)	(22.51%)
Net foreign exchange gains (losses)	8,271	(1,745)	(10,016)	(574.03%)
Advisory fees	6,600	6,000	600	10.00%
Day 1 gain on short-term loan	3,172	6,237	(3,065)	(49.14%)
Interest income	67	664	(597)	(89.99%)
Restructuring related charges – net	2,099	–	2,099	100.00%
Total other income (charges)	135,951	(11,908)	(147,859)	(1241.68%)
Income (loss) before income tax	**117,795**	**(32,612)**	**(150,407)**	**(461.20%)**
Provision for (benefit from) income tax	5,027	(1,142)	(6,169)	(540.18%)
Net income (loss)	**112,768**	**(31,470)**	**(144,238)**	**(458.33%)**
Other comprehensive income (loss)	20	(42)	(63)	(147.91%)
Total comprehensive income (loss)	**112,788**	**(31,512)**	**(144,300)**	**(457.92%)**

Equity in net earnings of associates
The Group's equity in net earnings of associates increased by ₱3.2 million, or 10% from ₱32.7 million for the year ended December 31, 2020 to ₱36.0 million for the year ended December 31, 2021. The increase in equity in net earnings of associates were mainly due to a higher contribution from AWOC amounting to ₱7.0 million due to its reported higher revenues from increase in energy generation and lower costs and expenses. This was partially offset by the lower share in the net earnings of SPCC and KSEC amounting to ₱3.0 million

Project cost recovery
On April 23, 2021, the Parent Company, AMHHC, Renova Renewables Philippines Pte Ltd. (Renova), Sta. Clara International Corporation (SCIC) and KMHC entered into an Investment Framework Agreement for the inclusion of Renova and SCIC as co-shareholder in Kiangan Mini Hydro Corporation. In accordance with the terms of the Investment Framework Agreement, AMHHC received a reimbursement amounting to ₱133.6 million for the pre-development costs incurred for the Kiangan Mini Hydro Project.

Finance costs
The Group's finance costs dropped by ₱5.2 million upon full payment in May 2021 of AMHHC's loan to IAD amounting to US$2.0 million. The IAD loan to AMHHC in 2016 was used to fund the pre-development costs of AMHHC's portfolio of hydropower projects.

Net foreign exchange gains (losses)
The Group recognized net foreign exchange gains in 2021, equivalent to ₱8.3 million, substantially from the revaluation of the receivables from ASWC for expenditures in the development of the Sembrano Wind Project.

Advisory fees
The Group's advisory fees were higher by 10% from ₱6.0 million for the year ended December 31, 2020 compared to ₱6.6 million for the year ended December 31, 2021. The increase in the Group's advisory fee was attributable to the escalation provisions in its existing agreement with SPCC.

Day 1 gain on short-term loan
On December 31, 2021, SSAI and Renova approved the extension of the maturity date of the non-interest-bearing loan from December 31, 2021 to June 30, 2022. With this extension, SSAI recognized Day 1 gain on the said loan amounting to ₱3.2 million. This amount was the difference between the carrying amount of the loan payable and its fair value.

Interest income
The Group's interest income decreased by 90% from ₱0.6 million for the year ended December 31, 2020 to ₱0.06 million for the year ended December 31, 2021 as result of lower averages cash balances during the early part of 2021.

Restructuring related charges – net
In April 2021, KMHC issued additional shares to other investors resulting to the dilution of the Group's ownership interest to 30%. Consequently, KMHC ceased to be a subsidiary of AMHHC. As a result, the Group recognized a gain, amounting to ₱2.1 million, from the deconsolidation of KMHC, a subsidiary of AMHHC.

Provision for (benefit from) income tax
The Group's provision for (benefit from) income tax reversed from benefit from income tax of ₱1.1 million for the year ended December 31, 2020 to provision for income tax of ₱5.0 million for the for the year ended December 31, 2021, due to the receipt of project cost recovery from the Kiangan Mini Hydro Project.

Net income
As a result of the foregoing, the Group posted a net income of ₱112.8 million for the year ended December 31, 2021 as against a Net loss for the year ended December 31, 2020.

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Year ended December 31, 2020 compared with year ended December 31, 2019

Amounts in ₱'000	For the years ended December 31		Increase/ (Decrease)	
	2020	**2019**	**Amount**	**Percentage**
Revenues from sale of electricity	–	–	–	0.00%
Cost of sale of electricity	–	–	–	0.00%
Gross Profit	**–**	**–**	**–**	**0.00%**
Equity in net earnings of associates	**32,724**	**22,682**	**10,042**	**44.27%**
General and administrative expenses	**53,428**	**63,584**	**(10,156)**	**(15.97%)**
Other Income (Charges)				
Finance costs	(23,064)	(21,415)	1,649	7.70%
Net foreign exchange gains (losses)	(1,745)	(2,204)	(459)	(20.82%)
Advisory fees	6,000	4,704	1,296	27.55%
Day 1 gain on short-term loan	6,237	–	6,237	100.00%
Interest income	664	1,552	(888)	(57.19%)
Reversal of allowance for impairment losses	–	2,595	(2,595)	(100.00%)
Total other income (charges)	(11,908)	(14,768)	(2,860)	(19.37)%
Income (loss) before income tax	**(32,612)**	**(55,670)**	**(23,058)**	**(41.42%)**
Provision for (benefit from) income tax	(1,142)	(4,614)	(3,472)	(75.25%)
Net income (loss)	**(31,470)**	(51,056)	(19,586)	(38.36%)
Other comprehensive income (loss)	(42)	–	42	100.00%
Total comprehensive income (loss)	**(31,512)**	**(51,056)**	**(19,544)**	**(38.28%)**

Equity in net earnings of associates
The Group's equity in net earnings of associates increased by ₱10.0 million, or 44% from ₱22.7 million for the year ended December 31, 2019 to ₱32.7 million for the year ended December 31, 2020. AWOC's contribution in equity in net earnings of associates rose to ₱14.0 million from ₱0.7 million in 2019 due to higher electricity sales and lower financing cost following the refinancing in 2019.

General and administrative expenses
The Group's general and administrative decreased by 16% from ₱63.6 million for the year ended December 31, 2019 to ₱53.4 million for the year ended December 31, 2020, mainly driven by cost-saving measures across the Group due to the impact of the global COVID-19 pandemic.

Net foreign exchange gains (losses)
The Group's net foreign exchange losses decreased by 21% to ₱1.7 million for the year ended December 31, 2020 from ₱2.2 million for the year ended December 31, 2019. This was due to the revaluation of the Group's US Dollar denominated receivables and liabilities done to properly reflect foreign exchange rate changes.

Advisory fees
The Group's advisory fees increased by 28% to ₱6.0 million for the year ended December 31, 2020 from ₱4.7 million for the year ended December 31, 2019. The increase in the Group's advisory fee was attributable to the escalation provisions in its existing agreement with SPCC.

Day 1 gain on short-term loan
On December 23, 2020, SSAI entered into a noninterest-bearing loan agreement with Renova amounting to ₱94,250,000. The said loan was used for the acquisition of the solar project from original developers and purchase of the property as project site. SSAI recognized Day 1 gain on the said loan amounting to ₱6.2 million. This amount was the difference between the carrying amount of the loan payable and its fair value.

Interest income
The Group's interest income decreased by 57% from ₱1.6 million for the year ended December 31, 2019 to ₱0.6 million for the year ended December 31, 2020 as result of lower average cash balances in 2020.

Provision for (benefit from) income tax
The Group recorded benefits from income tax amounting to ₱1.1 million from ₱4.6 million as a result of lower losses before income tax.

Net income (loss)
For the year ended December 31, 2020, most of the Group's projects were in the pre-development to advanced development phase. As such, the Group recorded losses. However, for the same year, the net loss fell to ₱31.5 million from ₱51.6 million for the year ended December 31, 2019 due to lower general and administrative expenses from cost-saving measures, recognition of day 1 gain on short-term loans, and the reversal of allowance for impairment losses as previously explained.

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Year ended December 31, 2019 compared with year ended December 31, 2018

Amounts in ₱'000	For the years ended December 31		Increase/ (Decrease)	
	2019	**2018**	**Amount**	**Percentage**
Revenues from sale of electricity	–	–	–	0.00%
Cost of sale of electricity	–	–	–	0.00%
Gross Profit	**–**	**–**	**–**	**0.00%**
Equity in net earnings of associates	**22,682**	**18,596**	**4,086**	**21.97%**
General and administrative expenses	**63,584**	**48,688**	**14,896**	**30.59%**
Other Income (Charges)				
Finance costs	(21,415)	(9,722)	11,693	120.29%
Net foreign exchange gains (losses)	(2,204)	(14,938)	(12,734)	(85.24%)
Advisory fees	4,704	4,440	264	5.95%
Interest income	1,552	527	1,025	194.52%
Gain on deconsolidation	–	12,051	12,051	(100.00%)
Reversal of allowance for impairment losses	2,595	–	2,595	100.00%
Total other income (charges)	(14,768)	(7,642)	(7,126)	(93.25%)
Income (loss) before income tax	**(55,670)**	**(37,734)**	**(17,936)**	**47.53%**
Provision for (benefit from) income tax	(4,614)	4,551	(9,165)	(201.39%)
Net income (loss)	**(51,056)**	**(42,285)**	**(8,771)**	**(20.74%)**
Other comprehensive income (loss)	–	(10)	10	100.00%
Total comprehensive income (loss)	**(51,056)**	**(42,295)**	**(8,761)**	**(20.71%)**

Equity in net earnings of associates
The Group's equity in net earnings of associates increased by ₱4.1 million, or 22% to ₱22.7 million for the year ended December 31, 2019 from ₱18.6 million for the year ended December 31, 2018. In 2019, the Group recorded ₱4.8 million share in net earnings from SPCC due to the full commercial operations of its projects on the same year. Contributions from AWOC reduced to ₱0.7 million in 2019 from ₱2.2 million in 2018 as a result of its loan refinancing. The Group posted a total of ₱17.1 million income in 2019 from share in net earnings from other associates.

General and administrative expenses
The Group's general and administrative increased by 31% from ₱48.7 million for the year ended December 31, 2018 to ₱63.6 million for the year ended December 31, 2019, mainly driven by the increased cost for services rendered by third party consultants in relation to project development and recognition of loss on exclusivity fee by SPEC.

Finance costs
The Group's finance costs increased by 120% for the year ended December 31, 2019 over the same period in 2018 due mainly to higher availment of loan facilities.

Net foreign exchange gains (losses)
The Group's net foreign exchange losses improved to ₱2.2 million for the year ended December 31, 2019 from ₱14.9 million for the year ended December 31, 2018 upon full payment in 2018 of the loan amounting to US$2.2 million, equivalent to ₱105.6 million. Consequently, foreign exchange losses for the said loan were no longer incurred in 2019.

Interest income
The Group's interest income increased by 195% to ₱1.5 million for the year ended December 31, 2019 from ₱0.5 million for the year ended December 31, 2018 as result of higher averages cash balances in the later part 2019.

Gain on deconsolidation
In 2018, SPCC became an affiliate upon the participation of additional equity partners reducing the Group's ownership interest from 100% to 25%. This resulted in a recognition of ₱12.1 million of gain on deconsolidation.

Reversal of allowance for impairment losses
In 2019, the Group recognized a reversal of provision for impairment of loss on input VAT for SPEC~~,~~ amounting to ₱2.6 million.

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Summary of Consolidated Statements of Financial Position

The tables below present the summary of financial position of the Group as of December 31, 2019, 2020, and 2021, June 30, 2022, and September 30, 2022 based on the Group's Consolidated Financial Statements.

Amounts in ₱'000	As of December 31			As of June 30, 2022	As of September 30, 2022
	2019	**2020**	**2021**		
Assets					
Cash and cash equivalents	166,143	41,656	93,578	624,923	803,673
Trade and other receivables	811	1,887	990	19,254	21,336
Due from related parties	105,813	132,685	100,032	150,960	144,982
Derivative asset	–	3,578	–	–	–
Prepayments and other current assets	17,595	27,564	15,238	18,398	27,564
Current Assets	**290,362**	**207,370**	**209,838**	**813,535**	**997,555**
Property, plant and equipment	8,363	98,606	100,290	898,480	890,841
Contract asset	–	–	–	574,883	908,598
Investments in and advances to associates	153,787	166,990	179,161	150,793	147,445
Intangible assets	169,123	200,042	226,616	747,518	765,409
Right-of-use asset	1,603	321	–	59,345	56,112
Deferred tax assets – net	28	27	1	–	–
Other noncurrent assets	16,348	9,374	10,188	15,882	18,075
Derivative asset	14,394	–	–	–	–
Noncurrent Assets	**363,646**	**475,360**	**516,256**	**2,446,901**	**2,786,480**
Total Assets	**654,008**	**682,730**	**726,094**	**3,260,436**	**3,784,035**
Liabilities and Equity					
Short-term loan	163,000	228,013	91,078	92,650	94,250
Current portions of long-term debt	–	100,117	–	57,810	59,396
Current portions of lease liability	1,206	371	–	2,884	3,075
Accounts payable and accrued expenses	32,714	44,159	16,444	108,261	63,167
Payable to a subsidiary's former shareholder	–	–	–	279,772	279,763
Advances to third parties	–	–	–	214,000	214,000
Dividend payable	–	–	–	18,750	-
Income tax payable	54	124	1,431	799	1,562
Due to related parties	7,686	8,438	50,635	194,496	195,584
Current Liabilities	**204,660**	**381,222**	**159,588**	**969,422**	**910,797**
Long-term debt – net of current portion	114,835	–	148,602	1,248,825	1,811,826
Lease liability – net of current portion	371	–	–	47,036	51,042
Asset retirement obligation	–	–	–	14,445	5,347
Deferred tax liabilities – net	6,472	5,131	8,738	2,433	1,298
Noncurrent Liabilities	**121,678**	**5,131**	**157,340**	**1,312,739**	**1,869,513**
Capital stock	34	34	34	36	36
Additional paid-in capital	440,865	440,865	440,865	440,865	315,803
Deposit for future stock subscription	–	–	–	297,880	329,719
Share in remeasurement loss on retirement benefit obligation of an associate	(16)	(16)	(16)	(16)	(16)
Cumulative translation adjustment	–	(22)	(11)	3,307	8,299
Equity reserve	–	–	–	13,019	3,470
Deficit	(159,102)	(196,914)	(82,926)	(240,277)	(116,255)
Equity Attributable to Equity Holders of the Parent Company	**281,781**	**243,947**	**357,946**	**514,814**	**541,056**
Non-controlling Interests	45,889	52,430	51,220	463,461	462,668
Equity	**327,670**	**296,377**	**409,166**	**978,275**	**1,003,724**
Total Liabilities and Equity	**654,008**	**682,730**	**726,094**	**3,260,436**	**3,784,035**

Amounts in ₱'000	September 30, 2022	June 30, 2022	Increase/ (Decrease)	% Change
Assets				
Cash and cash equivalents	803,673	624,923	178,750	28.60%
Trade and other receivables	21,336	19,254	2,082	10.81%
Due from related parties	144,982	150,960	(5,978)	(3.96%)
Prepayments and other current assets	27,564	18,398	9,166	49.82%
Current Assets	**997,555**	**813,535**	**184,020**	**22.62%**
Property, plant and equipment	890,841	898,480	(7,639)	(0.85%)
Contract asset	908,598	574,883	333,715	58.05%
Investments in and advances to associates	147,445	150,793	(3,348)	(2.22%)
Intangible assets	765,409	747,518	17,891	2.39%
Right-of-use asset	56,112	59,345	(3,233)	(5.45%)
Other noncurrent assets	18,075	15,882	2,193	13.81%
Noncurrent Assets	**2,786,480**	**2,446,901**	**339,579**	**13.88%**
Total Assets	**3,784,035**	**3,260,436**	**523,599**	**16.06%**
Liabilities and Equity				
Short-term loan	94,250	92,650	1,600	1.73%
Current portions of long-term debt	59,396	57,810	1,586	2.74%
Current portions of lease liability	3,075	2,884	191	6.62%
Accounts payable and accrued expenses	63,167	108,261	(45,094)	(41.65%)
Payable to a subsidiary's former shareholder	279,763	279,772	(9)	0.00%
Advances from a third party	214,000	214,000	-	0.00%
Dividend payable	-	18,750	(18,750)	(100.00%)
Income tax payable	1,562	799	763	95.49%
Due to related parties	195,584	194,496	1,088	0.56%
Current Liabilities	**910,797**	**969,422**	**(58,625)**	**(6.05%)**
Long-term debt – net of current portion	1,811,826	1,248,825	563,001	45.08%
Lease liability – net of current portion	51,042	47,036	4,006	8.52%
Asset retirement obligation	5,347	14,445	(9,098)	(62.98%)
Deferred tax liabilities – net	1,298	2,433	(1,135)	(46.65%)
Noncurrent Liabilities	**1,869,513**	**1,312,739**	**556,774**	**42.41%**
Capital stock	36	36	0	0.00%
Additional paid-in capital	315,803	440,865	(125,062)	(28.37%)
Deposit for future stock subscription	329,719	297,880	31,839	10.69%
Share in remeasurement loss on retirement benefit obligation of an associate	(16)	(16)	0	0.00%
Cumulative translation adjustment	8,299	3,307	4,992	150.95%
Equity reserve	3,470	13,019	(9,549)	(73.35%)
Deficit	(116,255)	(240,277)	124,022	(51.62%)
Equity Attributable to Equity Holders of the Parent Company	**541,056**	**514,814**	**26,242**	**5.10%**
Non-controlling Interests	462,668	463,461	(793)	(0.17%)
Equity	**1,003,724**	**978,275**	**25,449**	**2.60%**
Total Liabilities and Equity	**3,784,035**	**3,260,436**	**523,599**	**16.06%**

Cash and cash equivalents

The Group's cash and cash equivalents increased by 29% from ₱624.9 million as of June 30, 2022 to ₱803.6 million as of September 30, 2022, due to 1) proceeds from the loan drawdown by SPPP from EFA amounting to US$9.0 million 2) proceeds of US$0.5 million from a loan drawdown by AHC from OCBC and 3) ₱31.8 million representing the equity infusion booked as deposit for future subscription in AHC. The increase was partially offset by net repayment of long-term loans and payment of cash dividends. Refer to the Consolidated Statements of Cash Flows for the detailed movement.

Trade and other receivables
The increase in trade and other receivables of 11% from ₱19.3 million as of June 30, 2022 to ₱21.3 million as of September 30, 2022, was largely due to KSEC's higher electricity sales to CEPALCO.

Prepayments and other current assets
The Group's prepayments and other current assets increased by close to 50% from ₱18.4 million as of June 30, 2022 to ₱27.6 million as of September 30, 2022. This increase was contributed mainly by the deferred transaction costs incurred in relation to the IPO activities of the Parent Company.

Contract asset
In accordance with Philippine Interpretation IFRIC 12, Service Concession Arrangements, the Group recognized additional contract asset amounting to ₱333.7 million representing the costs incurred in the ongoing construction activities of the Palau Solar Hybrid Project.

Other noncurrent assets
The Group's other noncurrent assets increased by 14% from ₱15.9 million as of June 30, 2022 to ₱18.1 million as of September 30, 2022. This was due mainly to the input VAT in relation to construction and maintenance of the Group's projects.

Accounts payable and accrued expenses
The Group's accounts payable and accrued expenses decreased by 42% from ₱108.3 million as of June 30, 2022 to ₱63.2 million as of September 30, 2022 mainly due to the full settlement of capital gains tax payable of ₱56.5 million in connection with the Group's restructuring related exercise.

Dividend payable
In June 2022, KSEC declared cash dividends amounting to ₱25.0 million to all stockholders as of record date of June 8, 2022, of which ₱18.8 million representing the share of non-controlling stockholders was paid on July 11, 2022.

Long-term debt - net of current portion
The Group's long-term debt - net of current portion increased by 45% from ₱1.2 billion as of June 30, 2022 to ₱1.8 billion as of September 30, 2022, due to the new loan drawdowns by SPPP and AHC amounting to US$9.0 million and US$0.5 million, respectively. The increase was partially offset by the principal payment made by KSEC amounting ₱29.5 million in September 2022.

Asset retirement obligation
The Group's asset retirement obligation decreased by 63% from ₱14.4 million as of June 30, 2022 to ₱5.3 million as of September 30, 2022 due to adjustments pertaining to changes in cost estimates resulting from the continuous evaluation of the Group's provision requirements including, but not limited to, expected costs to dismantle and remove the asset from the site and the expected timing of these costs.

Deferred tax liabilities – net
The Group's deferred tax liabilities – net decreased by 47% from ₱2.4 million as of June 30, 2022 to ₱1.3 million as of September 30, 2022 mainly due to the reduction in the tax effects of unrealized foreign exchange gains and right of use assets.

Additional paid-in capital
On June 10, 2022, the Parent Company's BOD approved the equity restructuring of the Parent Company by wiping out and eliminating its deficit amounting of ₱125.06 million as of December 31, 2021 by applying/reclassifying/offsetting the same against the Parent Company's additional paid-in capital of ₱440.87 million. The SEC approved the Parent Company's equity restructuring on August 26, 2022.

Deposit for future stock subscription
In August 2022, the Parent Company received deposits for additional share subscription amounting to ₱31.8 million. Pending approval from the SEC of the increase in authorized capital stock, deposits received are recognized as deposit for future stock subscription.

As of June 30, 2022 compared to December 31, 2021

Amounts in ₱'000	**June 30, 2022**	**December 31, 2021**	**Increase/ (Decrease)**	**% Change**
Assets				
Cash and cash equivalents - unrestricted	581,599	93,578	488,021	521.51%
Cash and cash equivalents - restricted	43,324	-	43,324	100.00%
Trade and other receivables	19,254	990	18,264	1844.85%
Due from related parties	150,960	100,032	50,928	50.91%
Prepayments and other current assets	18,398	15,238	3,160	20.74%
Current Assets	**813,535**	**209,838**	**603,697**	**287.70%**
Property, plant and equipment	898,480	100,290	798,190	795.88%
Contract asset	574,883	-	574,883	100.00%
Investments in and advances to associates	150,793	179,161	(28,368)	(15.83%)
Intangible assets	747,518	226,616	520,902	229.86%
Right-of-use asset	59,345	-	59,345	100.00%
Deferred tax assets - net	-	1	(1)	(100.00%)
Other noncurrent assets	15,882	10,188	5,694	55.89%
Noncurrent Assets	**2,446,901**	**516,256**	**1,930,645**	**373.97%**
Total Assets	**3,260,436**	**726,094**	**2,534,342**	**349.04%**
Liabilities and Equity				
Short-term loan	92,650	91,078	1,572	1.73%
Current portions of long-term debt	57,810	-	57,810	100.00%
Current portions of lease liability	2,884	-	2,884	100.00%
Accounts payable and accrued expenses	108,261	16,444	91,817	558.36%
Payable to a subsidiary's former shareholder	279,772	-	279,772	100.00%
Advances from a third party	214,000	-	214,000	100.00%
Dividend payable	18,750	-	18,750	100.00%
Income tax payable	799	1,431	(632)	(44.16%)
Due to related parties	194,496	50,635	143,861	284.11%
Current Liabilities	**969,422**	**159,588**	**809,834**	**507.45%**
Long-term debt - net of current portion	1,248,825	148,602	1,100,223	740.38%
Lease liability - net of current portion	47,036	-	47,036	100.00%
Asset retirement obligation	14,445	-	14,445	100.00%
Deferred tax liabilities - net	2,433	8,738	(6,304)	(72.14%)
Derivative liability - net of current portion	-	-	-	0.00%
Noncurrent Liabilities	**1,312,739**	**157,340**	**1,155,400**	**734.33%**
Capital stock	36	34	2	5.88%
Additional paid-in capital	440,865	440,865	-	0.00%
Deposit for future stock subscription	297,880	-	297,880	100.00%
Share in remeasurement loss on retirement benefit obligation of an associate	(16)	(16)	-	100.00%
Cumulative translation adjustment	3,307	(11)	3,318	(30163.64%)
Equity reserve	13,019	-	13,019	100.00%
Deficit	(240,277)	(82,926)	(157,352)	189.75%
Equity Attributable to Equity Holders of the Parent Company	**514,814**	**357,946**	**156,867**	**43.82%**
Non-controlling Interests	463,461	51,220	412,241	804.84%
Equity	**978,275**	**409,166**	**569,108**	**139.09%**

Total Liabilities and Equity	**3,260,436**	**726,094**	**2,534,342**	**349.04%**

Cash and cash equivalents
The Group's cash and cash equivalents posted a hefty 522% increase from ₱93.6 million as of year-end 2021 to ₱581.6 million as of June 30, 2022. This could be broken down into the following major inflows: 1) US$6.7 million representing the equity infusion into SPPP from its existing and new shareholders 2) proceeds from the loan drawdown by SPPP from EFA amounting to US$9.0 million 3) ₱37.7 million representing the equity infusion of Vespers Holdings Corporation booked as deposit for future subscription in AHC 4) proceeds of US$1.5 million from a loan drawdown by AHC from OCBC and lastly 5) ₱214.0 million from EXETER representing its equity infusion in LAMHC and booked as advances from third party. These inflows are vital in funding the Group's various project development and construction activities. Refer to the Consolidated Statements of Cash Flows for the detailed movement.

Restricted cash and cash equivalents
The Group's restricted cash and cash equivalents, usually deposited in banks and invested in money market placements, represents the funds in KSEC's Debt Service Reserve Account with RCBC. This Debt Service Reserve Account is periodically maintained to a minimum amount equivalent to the debt service due and payable on KSEC's existing loan for the next payment date.

Trade and other receivables
The significant increase in the Group's receivables, ₱0.9 million as of year-end 2021 to ₱19.3 million as of June 30, 2022, was largely due to the trade receivable from the sale of electricity to CEPALCO, the customer of KSEC.

Due from related parties
The Group's due from related parties increased by 51% from ₱100.0 million as of year-end 2021 to ₱151.0 million as of June 30, 2022. This was due mostly to cash advances and assignment of receivables from APIC amounting to ₱13.9 million and ₱28.3 million respectively.

Prepayments and other current assets
The Group's prepayments and other current assets increased by 21% from ₱15.2 million as of year-end 2021 to ₱18.4 million as of June 30, 2022. This increase was contributed by the inventory of spare parts and maintenance supplies of KSEC, which is now a subsidiary of AHC.

Property, plant and equipment
The Group's property, plant and equipment increased by 796%, from ₱100.0 million as of year-end 2021 to ₱899 million as of June 30, 2022. This significant increase was due to the acquisition of KSEC which allowed AHC to recognize the property, plant and equipment of the KSEC's solar plant amounting to ₱685.9 million.

Contract asset
In accordance with Philippine Interpretation IFRIC 12, Service Concession Arrangements, the Group recognized contract asset amounting to ₱574.9 million representing the costs incurred in the ongoing construction activities of the Palau Solar Hybrid Project.

Investments in and advances to associates
The Group's investments in and advances to associates decreased by 16% from ₱179.2 million as of year-end 2021 to ₱150.8 million as of June 30, 2022. While AHC, through AMHHC, advanced a ₱40.0 million remittance to KMHC representing its equity commitment, this inflow was offset by a reduction in investments in associates caused by the reclassification of KSEC from an affiliate to a subsidiary.

Intangible assets
The Group's intangible assets expanded by 230% from ₱226.6 million as of year-end 2021 to ₱747.5 million as of June 30, 2022. This was mainly due to goodwill arising from the acquisition of controlling interest in KSEC of ₱462.5 million and the capitalization of the development costs of the Group's wind, solar and hydro projects amounting to ₱58.4 million.

AHC acquired KSEC to be an anchor as it expands its investment portfolio in solar energy as a third leg in its "triple play" RE portfolio strategy. Goodwill may be attributable to the expected synergies arising from the acquisition of KSEC. However, as of June 30, 2022, the accounting for its acquisition of KSEC was determined provisionally based on the carrying amounts of the assets and liabilities of KSEC as the Group is still finalizing the fair valuation of the assets and liabilities acquired, including determination of the amount of excess purchase price that will be allocated to the final amount of goodwill and what it represents. In addition to the existing assets and liabilities of KSEC, the Group is in the process of determining whether there are intangible assets that should be separately recognized. This will be finalized within one year from acquisition date as allowed under paragraph 45 of PFRS 3, Business Combinations.

Right-of-use asset
In 2022, the Group entered into a land lease agreement and grant of right of way (GROW) easement with various landowners for the development, construction and operation of the Palau Solar Hybrid Project. The land lease agreement became effective in March 2022 and has a term of 27 years. In accordance with PFRS 16, the Group recognized the right-of-use asset on the leased property since the term of the land lease is longer than one year. Thus, for the period ended June 30, 2022, the Group booked the right-of-use asset of ₱60.0 million or the amount equivalent to the net present value of the land lease.

Other noncurrent assets
The Group's other noncurrent assets increased by 56% from ₱10.2 million as of year-end 2021 to ₱15.9 million as of June 30, 2022. This was due mainly to the security deposit on the property for the Palau Solar Hybrid Project that the Group paid amounting to ₱2.9 million.

Accounts payable and accrued expenses
The Group's accounts payable and accrued expenses increased by 558% from ₱16.4 million as of year-end 2021 to ₱108.3 million as of June 30, 2022. The reasons for this large increase are as follows: 1) accrued interest payable of ₱17.4 million, 2) accruals of various professional fees recorded in relation to the ongoing fund-raising activities of ₱15.6 million, and 3) capital gains tax payable of ₱56.5 million in connection with the Group's restructuring related exercise.

Payable to a subsidiary's former shareholder
This represents the amount payable to the Sant Foundation of ₱279.8 million for the purchase of KSEC shares by AHC.

Advances from a third party
The Group received ₱214.0 million from EXETER which was booked as advances representing deposit for future subscription of LAMHC shares.

Dividend payable
In June 2022, KSEC declared cash dividends amounting to ₱25.0 million to all stockholders as of record date of June 8, 2022. These dividends were paid on July 11, 2022. The amount of ₱18.8 million represents dividends due and payable to non-controlling stockholders.

Current portions of long-term debt
This represents the principal and interest portion of KSEC's loan due in the next twelve months.

Current portions of lease liability
This represents the lease payment due in the next twelve months in relation to the Palau Solar Hybrid Project.

Due to related parties
The Group's due to related parties increased by 284% from ₱50.6 million as of year-end 2021 to ₱194.5 million as of June 30, 2022. This increase was largely contributed by the following: 1) ₱187.6 million payable to QBL Eco Corporation and Josan Farms, Inc. due in nine months from June 10, 2022 but partially offset by 2) repayment to Vespers Holdings Corporation in the amount of ₱40.0 million for advances made in 2021.

Income tax payable
The Group's income tax payable decreased by 44% from ₱1.4 million as of year-end 2021 to ₱0.8 million as of June 30, 2022, due to lower taxable income as of June 30, 2022 compared to December 30, 2021.

Long-term debt - net of current portion
The Group's long-term debt - net of current portion increased by 740% from ₱148.6 million as of year-end 2021 to ₱1.2 billion as of June 30, 2022, due to the following transactions:

1. Rizal Commercial Banking Corporation (RCBC)
   On February 27, 2015, KSEC signed an Omnibus Agreement with RCBC for a lending facility of up to ₱786.1 million for the purpose of financing all project costs related to the construction of the Kirahon Solar Plant. As of June 30, 2022, the loan's outstanding balance was ₱555.1 million.

2. Export Finance Australia (EFA)
   On January 31, 2022, SPPP entered into a Project Facility Agreement with EFA, the Export Credit Agency of the Government of the Commonwealth of Australia. Under the terms of this Project Facility Agreement, EFA agreed to provide a loan to SPPP in an amount up to US$18.0 million. The first drawdown amounting to US$9.0 million was made on April 14, 2022.

3. Oversea-Chinese Banking Corporation Limited (OCBC)
   On June 28, 2022, AHC entered into a Treasury Advances Agreement (TAA) with OCBC the proceeds of which were used to fund working capital, investments, and general corporate funding purposes, including refinancing of existing debts. The first drawdown amounting to US$1.5 million was made on June 29, 2022.

Lease liability - net of current portion
As discussed previously, in 2022, the Group entered into a land lease agreement and grant of right of way (GROW) easement with various landowners for the development, construction and operation of the Palau Solar Hybrid Project. The land lease agreement became effective in March 2022 and has a term of 27 years. In accordance with PFRS 16, the Group recognized the right-of-use asset on the leased property since the term of the land lease is longer than one year. Thus, for the period ended June 30, 2022, the Group also recognized a lease liability - net of current portion in the amount of ₱47.0 million.

Asset retirement obligation
Under the land lease agreement of SPPP, it has a legal obligation to remove all project assets located on the leased property and return the leased property to its original state at the end of the term or no later than 12 months from the end of the term, provided that SPPP shall pay rent for each month required to perform the obligation. SPPP established the provision to recognize its estimated liability for the dismantling of the Palau Solar Hybrid Project. The liability recognized is equal to the expected

cost of retirement at current price levels as at June 30, 2022 projected using an average inflation rate of 2.10% and discounted using a risk-free rate of 6.75% for a 27-year period.

Deferred tax liabilities – net

The Group's deferred tax liabilities – net decreased by 72% from ₱8.7 million as of year-end 2021 to ₱2.4 million as of June 30, 2022, due to the derecognition of deferred tax liabilities of APIC as a result of deconsolidation.

Deposit for future stock subscription

On June 10, 2022, the Parent Company's BOD and shareholders approved the increase in the Parent Company's authorized capital stock from ₱100,000 divided into 400,000 common shares with a par value of ₱0.10 per share and 60,000 preferred shares with a par value of ₱1.00 per share to ₱1,188,788,570.80, divided into 10,406,291,160 common shares with a par value of ₱0.10 per share and 1,481,594,548 preferred shares with a par value of ₱0.10 per share. Of the 1,040,589,116 increase in authorized common shares, 260,147,279 have been actually subscribed and paid by way of conversion of outstanding debt to equity in June 2022. Of the 148,099,455 increase in authorized preferred shares, 37,024,864 have been actually subscribed and paid in cash by Vespers in June 2022. Pending approval from the SEC, the conversion of debt to equity and deposits received for the increase in authorized capital stock are recognized as deposit for future stock subscription.

As of December 31, 2021 compared with as of December 31, 2020

Amounts in ₱'000	**As of December 31**		**Increase/ (Decrease)**	
	2021	**2020**	**Amount**	**Percentage**
Assets				
Cash and cash equivalents - unrestricted	93,578	41,656	51,922	124.65%
Trade and other receivables	989	1,887	(898)	(47.57%)
Due from related parties	100,032	132,685	(32,653)	(24.61%)
Derivative asset	-	3,578	(3,578)	(100.00%)
Prepayments and other current assets	15,238	27,564	(12,326)	(44.72%)
Current Assets	**209,838**	**207,370**	**2,467**	**1.19%**
Property, plant and equipment	100,291	98,606	1,685	1.71%
Investments in and advances to associates	179,161	166,990	12,171	7.29%
Intangible assets	226,616	200,042	26,574	13.28%
Right-of-use asset	-	321	(321)	(100.00%)
Deferred tax assets - net	1	27	(26)	(95.15%)
Other noncurrent assets	10,188	9,374	814	8.68%
Noncurrent Assets	**516,257**	**475,360**	**40,896**	**8.60%**
Total Assets	**726,094**	**682,730**	**43,364**	**6.35%**
Liabilities and Equity				
Short-term loan	91,078	228,013	(136,935)	(60.06%)
Current portions of long-term debt	-	100,117	(100,117)	(100.00%)
Current portions of lease liability	-	371	(371)	(100.00%)
Accounts payable and accrued expenses	16,444	44,159	(27,715)	(62.76%)
Income tax payable	1,431	124	1,307	1055.80%
Due to related parties	50,635	8,438	42,197	500.05%
Current Liabilities	**159,588**	**381,222**	**(221,634)**	**(58.14%)**
Long-term debt - net of current portion	148,603	-	148,603	100.00%
Derivative liability - net of current portion	8,737	5,131	3,606	70.29%
Noncurrent Liabilities	**157,340**	**5,131**	**152,209**	**2966.58%**
Capital stock	34	34	-	0.00%
Additional paid-in capital	440,865	440,865	-	0.00%
Deposit for future stock subscription	-	-	-	0.00%
Share in remeasurement loss on retirement benefit obligation of an associate	(16)	(16)	-	0.00%
Cumulative translation adjustment	(11)	(22)	11	(47.91%)
Deficit	(82,926)	(196,914)	113,988	(57.89%)

Equity Attributable to Equity Holders of the Parent Company	**357,946**	**243,947**	**113,999**	**46.73%**
Non-controlling Interests	51,220	52,430	(1,210)	(2.31%)
Equity	**409,166**	**296,377**	**112,788**	**38.06%**
Total Liabilities and Equity	**726,094**	**682,730**	**43,364**	**6.35%**

Cash and cash equivalents
The Group's cash and cash equivalents increased by ₱52.0 million or 125% to ₱93.6 million as of year-end 2021, compared to ₱42.0 million as of year-end 2020, due to the proceeds from the availment of loan from China Banking Corporation amounting to ₱148.5 million (net of financing costs amounting to ₱1.5 million), advances from Vespers Holdings Corporation amounting to ₱40.0 million, redemption of preferred shares in KSEC amounting to ₱7.7 million and dividend from KSEC amounting to ₱16.3 million, receipt of reimbursements from KMHC amounting to ₱133.6 million, collection of receivable from KMHC amounting to ₱84.4 million, which were offset by loan repayment to BDO Private Bank and IAD totaling to ₱129.4 million (including the related interests), payment for additional expenditures related to project development and property, plant and equipment totaling to ₱50.6 million, and extension of additional cash advances to DMHC amounting to ₱18.0 million. Further reductions pertain to the general and administrative expenses incurred and paid by the Group in 2021.

Trade and other receivables
The Group's trade and other receivables decreased by ₱0.9 million or 48% to ₱0.9 million as of year-end 2021 from ₱1.9 million as of year-end 2020, are mainly related to deconsolidation of KMHC and various liquidation of personnel advances used for project developments. The consolidated receivables as of December 31, 2020 included KMHC's receivables amounting to ₱0.6 million which has been eliminated as a result of the deconsolidation.

Due from related parties
The Group's due from related parties decreased by ₱32.6 million or 25% to ₱100.0 million as of year-end 2021 from ₱132.7 million as of year-end 2020.

In 2021, AHC offset a portion of NAPI's outstanding advances in the amount of ₱17.5 million against project management services NAPI rendered to ATWC for the years 2018 to 2021 for the development of the Tanay Wind Project. By end 2021, NAPI fully paid outstanding advances amounting to ₱37.4 million.

In 2021, AMHHC made advances, amounting to ₱18.0 million, to DMHC for construction expenditure related to the development of the Dupinga Mini Hydro Project.

Prepayments and other current assets
The Group's prepayments and other current assets decreased by ₱12.3 million or 45% to ₱15.2 million as of year-end 2021 from ₱27.6 million as of year-end 2020 is largely related to a reclassification of deposits to intangible assets which amounts to ₱13.7 million.

Intangible assets
The Group's intangible assets increased by 13% from ₱200.0 million as of year-end 2020 to ₱226.6 million as of year-end 2021 due to the capitalization of development costs incurred by the Group's wind, solar and hydro projects amounting to ₱108.6 million including the reclassified deposits of ₱13.7 million and offset by the derecognition of KMHC as a subsidiary amounting to ₱82.1 million.

Right-of-use assets
As of year-end 2021, the Group had no right-of-use assets as compared to year-end 2020 which recognized a right-of-use assets of ₱0.3 million due to the full amortization of assets in 2021. Such leases were subsequently renewed as short-term leases.

Short-term loan
The decrease in the short-term loan by ₱136.9 million or 60% is due to the repayment of the short-term loan availed in 2020 from BDO Private Bank amounting to ₱140.0 million offset by the net effect of the interest expense accretion amounting to ₱6.2 million and day 1 gain amounting to ₱3.2 million on its loan from Renova obtained in 2020.

Current portions of long-term debt
The Group's current portions of long-term debt decreased by 100% from ₱100.1 million as of year-end 2020 due to the full payment by AMHHC of its loan amounting to US$2.0 million or ₱100.0 million to IAD in April and May 2021.

Current portions of lease liability
The Group's current portions of leased liability decreased by 100% from ₱0.4 million as of year-end 2020 due to payment of its office space lease.

Accounts payable and accrued expenses
The Group's accounts payable and accrued expenses decreased by ₱27.7 million to ₱16.4 million as of year-end 2021 from ₱44.1 million as of year-end 2020, mainly due to the payment of ₱21.6 million accrued interest payable to IAD and derecognition of KMHC's liability accounts due to deconsolidation.

Income tax payable
The Group's income tax payable increased by ₱1.3 million to ₱1.4 million as of year-end 2021 from ₱0.12 million as of year-end 2020, primarily due higher taxable income as a result of the project cost recovery recognized in 2021.

Due to related parties
The Group's due to related parties rose to ₱50.6 million as of year-end 2021 from ₱8.4 million as of year-end 2020 mainly from advances from shareholders in the amount of ₱40.0 million.

Long-term debt - net of current portion
On April 6, 2021, AHC entered a 5-year loan with CBC for the purpose of financing the Group's investments and development costs in various renewable energy projects amounting to ₱150.0 million. This is presented net of unamortized deferred financing costs amounting to ₱1.4 million.

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As of December 31, 2020 compared with as of December 31, 2019

Amounts in ₱'000	As of December 31,		Increase/ (Decrease)	
	2020	2019	Amount	Percentage
Assets				
Cash and cash equivalents - unrestricted	41,656	166,143	(124,487)	(74.93%)
Trade and other receivables	1,887	811	1,076	132.68%
Due from related parties	132,685	105,813	26,872	25.40%
Derivative asset	3,578	-	3,578	100.00%
Prepayments and other current assets	27,564	17,595	9,969	56.66%
Current Assets	**207,370**	**290,362**	**(82,992)**	**(28.58%)**
Property, plant and equipment	98,606	8,363	90,243	1079.07%
Investments in and advances to associates	166,990	153,787	13,203	8.59%
Intangible assets	200,042	169,123	30,919	18.28%
Right-of-use asset	321	1,603	(1,282)	(79.98%)
Deferred tax assets - net	27	28	(1)	(3.57%)
Derivative asset	-	14,394	(14,394)	(100.00%)
Other noncurrent assets	9,374	16,348	(6,974)	(42.66%)
Noncurrent Assets	**475,360**	**363,646**	**111,714**	**30.72%**
Total Assets	**682,730**	**654,008**	**28,722**	**4.39%**
Liabilities and Equity				
Short-term loan	228,013	163,000	65,013	39.89%
Current portions of long-term debt	100,117	-	100,117	100.00%
Current portions of lease liability	371	1,206	(835)	(69.24%)
Accounts payable and accrued expenses	44,159	32,714	11,445	34.99%
Income tax payable	124	54	70	129.63%
Due to related parties	8,438	7,686	752	9.78%
Current Liabilities	**381,222**	**204,660**	**176,562**	**86.27%**
Long-term debt - net of current portion	-	114,835	(114,835)	(100.00%)
Lease liability - net of current portion	-	371	(371)	(100.00%)
Deferred tax liabilities - net	5,131	6,472	(1,341)	0.00%
Noncurrent Liabilities	**5,131**	**121,678**	**(116,547)**	**(95.78%)**
Capital stock	34	34	-	0.00%
Additional paid-in capital	440,865	440,865	-	0.00%
Share in remeasurement loss on retirement benefit obligation of an associate	(16)	(16)	-	0.00%
Cumulative translation adjustment	(22)	-	(22)	(100.00%)
Deficit	(196,914)	(159,102)	(37,812)	23.77%
Equity Attributable to Equity Holders of the Parent Company	**243,947**	**281,781**	**(37,834)**	**(13.43%)**
Non-controlling Interests	52,430	45,889	6,541	14.25%
Equity	**296,377**	**327,670**	**(31,293)**	**(9.55%)**
Total Liabilities and Equity	**682,730**	**654,008**	**28,722**	**4.39%**

Cash and cash equivalents

The Group's cash and cash equivalents decreased by ₱124.5 million or 75% to ₱41.7 million as of year-end 2020 compared to ₱166.1 million as of year-end 2019, mainly due to increased project development expenditures and loan and interest repayment.

Trade and other receivables

The Group's trade and other receivables increased by ₱1.1 million or 133% to ₱1.9 million as of year-end 2020 compared to ₱0.8 million as of year-end 2019, mainly due to the increase in outstanding cash advances for project development expenses.

Due from related parties

The Group's due from related parties increased by 25.4% from ₱105.8 million as of year-end 2019 to ₱132.7 million as of year-end 2020 primarily due to additional accumulated development cost of a subsidiary that remained unbilled as of end December 2021.

Derivative asset

The convertible option of the loans with IAD were assessed to be embedded derivatives that are not clearly and closely related to the host contract, therefore, required to be bifurcated. The bifurcation resulted to a derivative asset amounting to ₱3.6 million and ₱14.4 million as of year-end 2020 and 2019, respectively.

Prepayments and other current assets

The Group's prepayments and other current assets increased by 57% from ₱17.6 million as of year-end 2019 to ₱27.6 million as of year-end 2020, mainly related to deposit made to the previous holder of hydro service contracts amounting to ₱12.7 million offset by the additional allowance for impairment loss on input VAT amounting to ₱2.7 million.

Property, plant and equipment

On December 29, 2020, SSAI purchased parcels of land in the Municipality of Hermosa, Province of Bataan for a total cost of ₱90.2 million. The parcels of land will be used for the development of a 28MW/20MW solar photo-voltaic generation project.

Intangible assets

The Group's intangible assets increased by 18% from ₱169.1 million as of year-end 2019 to ₱200.0 million as of year-end 2020, due to the capitalization of development costs incurred by the Group's wind, solar and hydro projects amounting to ₱30.9 million.

Right-of-use assets

In 2016, the Group, has entered into a lease agreement with NAPI for the rental of its office space. The Company recognized right-of-use assets, which declined by 80% in 2020 due to the amortization of the right-of-use assets for the year, from ₱1.6 million as of year-end 2019 to ₱0.32 million as of year-end 2020.

Other noncurrent assets

The Group's other noncurrent assets decreased by 42.7% during the year from ₱16.3 million as of year-end 2019 to ₱9.4 million as of year-end 2020. This was primarily due to reclassification of deposit from noncurrent to current amounting to ₱12.7 million partially offset by increase in Input VAT incurred in 2020.

Short-term loan

The Group's short-term loan increased by 40% from ₱163.0 million as of year-end 2019 to ₱228.0 million as of year-end 2020, due to the availment of a loan from Renova Renewable Asia Pte Ltd by SSAI amounting to ₱94.3 million with a carrying value of ₱88.0 million partially offset by the repayment of remaining ₱27.0 million loan of DMHC from AHPC.

Current portions of long-term debt

The current portions of long-term debt as of year-end 2020 of ₱100.1 million arose from the reclassification of the Group's existing long-term debt maturing within a year from end of 2020.

Current portions of lease liability

The Group's current lease liability decreased by 69% from ₱1.2 million as of year-end-2019 to ₱0.4 million as of year-end 2020 due to payment of its office space lease.

Accounts payable and accrued expenses
The Group's accounts payable and accrued expenses increased by 35.0% from ₱32.7 million as of year-end 2019 to ₱44.2 million as of year-end 2020, mainly due to the accrual of interest and accrual of costs related to technical studies.

Income tax payable
The Group's income tax payable increased by ₱0.07 million from ₱0.05 million as of year-end 2019 to ₱0.12 million as of year-end 2020, mainly to due to higher taxable income arising from MCIT due on realized foreign exchange gains.

Long-term debt - net of current portion
The Group's long-term debt - net of current portion decreased by 100% as of year-end 2020 due to the reclassification of long term debt to current portions of long-term debt.

Lease liability - net of current portion
The Group's lease liability - net of current portion decreased by 100% as of year-end 2020 due to the reclassification of lease liabilities to current portions of lease liability.

Deferred tax liabilities - net
The Group's deferred tax liabilities - net decreased by 21% from ₱6.5 million as of year-end 2019 to ₱5.1 million as of year-end 2020, arising from net unrealized foreign exchange gains from US dollar denominated receivables and liabilities.

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As of December 31, 2019 compared with as of December 31, 2018

	As of December 31		Increase/ (Decrease)	
	2019	2018	Amount	Percentage
Assets				
Cash and cash equivalents - unrestricted	166,143	164,386	1,757	1.07%
Receivables	811	7,290	(6,479)	(88.88%)
Due from related parties	105,813	88,159	17,654	20.03%
Prepayments and other current assets	17,595	470	17,125	3643.62%
Current Assets	**290,362**	**260,306**	**30,057**	**11.55%**
Property, plant and equipment	8,363	8,233	130	1.58%
Investments in and advances to associates	153,787	180,877	(27,090)	(14.98%)
Intangible assets	169,123	105,573	63,550	60.20%
Derivative asset	14,394	-	14,394	100.00%
Right-of-use asset	1,603	-	1,603	100.00%
Deferred tax assets - net	28	-	28	100.00%
Other noncurrent assets	16,348	28,532	(12,184)	(42.70%)
Noncurrent Assets	**363,646**	**323,215**	**40,431**	**12.51%**
Total Assets	**654,008**	**583,520**	**70,488**	**12.08%**
Liabilities and Equity				
Short-term loan	163,000	40,000	123,000	307.50%
Current portions of long-term debt	-	61,030	(61,030)	(100.00%)
Current portions of lease liability	1,206	-	1,206	100.00%
Current portions of derivative liability	-	4,485	(4,485)	(100.00%)
Accounts payable and accrued expenses	32,714	26,433	6,281	23.76%
Income tax payable	54	-	54	100.00%
Due to related parties	7,686	22,244	(14,558)	(65.45%)
Current Liabilities	**204,660**	**154,192**	**50,467**	**32.73%**
Long-term debt - net of current portion	114,835	28,016	86,819	309.89%
Lease liability - net of current portion	371	0	371	100.00%
Derivative liability - net of current portion	-	11,382	(11,382)	(100.00%)
Deferred tax liabilities - net	6,472	11,206	(4,734)	(42.25%)
Noncurrent Liabilities	**121,678**	**50,604**	**71,074**	**140.45%**
Capital stock	34	34	-	0.00%
Subscription receivable	-	(3)	3	100.00%
Additional paid-in capital	440,865	440,865	-	0.00%
Share in remeasurement loss on retirement benefit obligation of an associate	(16)	(16)	-	0.00%
Deficit	(159,102)	(118,189)	(40,913)	34.62%
Equity Attributable to Equity Holders of the Parent Company	**281,781**	**322,691**	**(40,910)**	**(12.68%)**
Non-controlling Interests	45,889	56,033	(10,144)	(18.10%)
Equity	**327,671**	**378,724**	**(51,054)**	**(13.48%)**
Total Liabilities and Equity	**654,008**	**583,520**	**70,488**	**12.08%**

Receivables
The Group's receivable decreased by 88.9% from ₱7.3 million as of year-end 2018 to ₱0.81 million as of year-end 2019. This is primarily due to cash dividends from KSEC declared in 2018 amounting to ₱6.2 million received in February 2019.

Due from related parties
The Group's due from related parties increased by 20% from ₱88.2 million as of year-end 2018 to ₱105.8 million as of year-end 2019 primarily due to advances made to fund development expenses of various RE projects.

Prepayments and other current assets
The Group's prepayments and other current assets significantly increased from ₱0.47 million as of year-end 2018 to ₱17.6 million as of year-end 2019. In September 2019, the Group opened time deposit account in RCBC amounting to US$0.25 million with a maturity in September 2020.

Investments in and advances to associates
In 2019, AWOC redeemed shares owned by the Group amounting to ₱31.0 million. Furthermore, the Group received ₱18.8 million cash dividends from KSEC. This resulted in the decrease in investment in associates by 15% from ₱180.9 million as of year-end 2018 to ₱153.8 million as of year-end 2019.

Intangible assets
During 2019, the Group project development expenses increased by ₱42.4 million for various project development expenditures and goodwill of ₱21.2 million from the acquisition of SSAI for a 100% ownership.

Derivative asset
The convertible option of the loans with IAD were assessed to be embedded derivatives that are not clearly and closely related to the host contract, therefore, required to be bifurcated. The bifurcation resulted to a derivative asset amounting to ₱14.4 million as of year-end 2019.

Right-of-use assets
In 2016, the Group, has entered into a lease agreement with NAPI for the rental of its office space. The Company recognized right-of-use assets for the year amounting to ₱1.6 million.

Other noncurrent assets
In 2019, there was a decrease in other noncurrent assets by 43% amounting to ₱12.2 million due to the exclusivity fee prepaid in 2018 and refunded in 2019. On August 29, 2018, for and in consideration of a grant of exclusivity for due diligence in relation to the proposed acquisition of shares of an entity currently holding investment in a solar power project in northern Luzon, SPEC paid an exclusivity fee amounting to $0.2 million equivalent to ₱13.4 million which can be applied and credited as part of the contract price to be paid by SPEC should SPEC proceed with the acquisition. In 2019, SPEC decided not to proceed with the project and was able to receive a refund of U$0.20 million or ₱10.5 million.

Short-term loan
On January 8, 2018, DMHC issued a noninterest-bearing note to AHPC amounting to ₱40.0 million. The note payable is due within 1 year from the date of the agreement. AHPC paid ₱27.0 million in 2019. AHPC is a 100% sub-holding subsidiary of AHC for its hydro projects.

On April 16, 2019, the Parent Company obtained a short-term loan from BDO amounting to ₱150.0 million to finance its future investing activities. The principal repayment shall be bullet payment at the end of twelve months from initial loan drawdown date. Interest is payable at the end of each interest period (3 months) at fixed interest rate.

As a result, the Group's short-term loan has increased by 307% from ₱40.0 million as of year-end 2018 to ₱163.0 million as of year-end 2019.

Accounts payable and accrued expenses
The increase in accounts payable and accrued expenses by 23.8% is mainly due to the acquisition of SSAI by the Group in 2019. This includes amounts due to SSAI's previous shareholders amounting to P13.9 million.

Income tax payable
In 2019, the Group posted income tax payable amounting to ₱0.05 million arising from MCIT due on realized foreign exchange gains.

Long-term debts
In April 2016, AMHHC entered into a two-year convertible loan agreement (CLA) and Joint Investor Rights and Project Development Agreement (JDA) with Infraco and AHPC amounting to $1.1 million with peso equivalent of ₱51.5 million

In June 2017, AMHHC, Infraco and AHPC entered into a second CLA and JDA amounting to $0.2 million with peso equivalent of ₱7.2 million for the same term as the first CLA and JDA. In 2018, AMHHC settled in full the first and second CLA amounting to $1.2 million with peso equivalent of ₱58.7 million and recognized loss on modification of terms of the loan payable amounting to ₱0.4 million.

On December 19, 2018, AMMHC, Infraco and AHPC entered into third CLA and JDA in the form of a 2-year convertible loan agreement with aggregate principal amount up to $2.0 million with peso equivalent of ₱106.1 million. On May 4, 2019, AMHHC settled in full the first tranche loan principal amounting to $1.2 million with peso equivalent of ₱60.2 million.

On May 24, 2019, AMHHC drew from the third CLA in the amount of $1.2 million with peso equivalent amounting to ₱65.4 million. As a result, the Group's long-term debts decreased by 29% from ₱89.0 million in 2018 to ₱114.8 million in 2019.

Lease liability
Lease liability relates to the Group's lease agreement with NAPI for the rental of its office space. The account increased by ₱1.6 million as of year-end 2019.

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Summary of Consolidated Statements of Cash Flows

The tables below present the summary of cash flow statements of the Group for calendar years ended December 31, 2019, 2020 and 2021, for the six (6)-month periods ended June 30, 2021 and 2022, and for the three (3) -month periods ended September 30, 2021 and 2022 based on the Group's Consolidated Financial Statements.

Amounts in ₱'000	Calendar Years Ended December 31			For the Six-Month Periods ended June 30	
	2019	**2020**	**2021**	**2021**	**2022**
Net cash flows from (used in) operating activities	(97,586)	(78,027)	205,193	83,535	(27,977)
Net cash flows from (used in) investing activities	2,226	(101,821)	(31,966)	(4,906)	(594,223)
Net cash flows from (used in) financing activities	102,287	56,692	(121,286)	(107,645)	1,091,525
Effect of exchange rate changes on cash and cash equivalents	(5,169)	(1,331)	(19)	809	18,696
Net increase (decrease) in cash and cash equivalents	**1,757**	**(124,487)**	**51,922**	**(28,207)**	**488,021**
Cash and cash equivalents at beginning of period	164,386	166,143	41,656	41,656	93,578
Cash and cash equivalents at end of period	**166,143**	**41,656**	**93,578**	**13,449**	**581,599**

Amounts in ₱'000	For the Three-month periods ended September 30	
	2022	**2021**
Net cash flows from (used in) operating activities	(42,073)	(1,495)
Net cash flows from (used in) investing activities	(298,528)	64,311
Net cash flows from (used in) financing activities	517,722	101
Effect of exchange rate changes on cash and cash equivalents	1,629	957
Net increase (decrease) in cash and cash equivalents	**178,750**	**63,874**
Cash and cash equivalents at beginning of period	624,923	18,099
Cash and cash equivalents at end of period	**803,673**	**81,973**

Three (3) -months ended September 30, 2022 compared to Three (3) -months ended September 30, 2021

Amounts in ₱'000	**September 30, 2022**	**September 30, 2021**	**Increase/ (Decrease)**	**% Change**
Net cash flows from (used in) operating activities	(42,073)	(1,495)	(40,578)	2,714.25%
Net cash flows from (used in) investing activities	(298,528)	64,311	(362,839)	(564.19%)
Net cash flows from (used in) financing activities	517,722	101	517,621	512,496.04%
Effect of exchange rate changes on cash and cash equivalents	1,629	957	672	70.22%

Net increase (decrease) in cash and cash equivalents	**178,750**	**63,874**	114,876	179.85%
Cash and cash equivalents at beginning of period	624,923	18,099	606,824	3352.80%
Cash and cash equivalents at end of period	**803,673**	**81,973**	721,700	880.41%

Cash flows used in operating activities
The Group's net cash flow used from operating activities for the three (3)-months ended September 30, 2022 amounting to ₱42.1 million significantly increased compared to the same period in 2021. This was driven mainly by higher payments of accounts payable and lower collection of trade receivables for the period.

Cash flows from (used in) investing activities
For the three (3)-months ended September 30, 2022, the Group posted a net cash flow used in investing activities of ₱298.5 million versus a net cash flow from investing activities of ₱64.3 million for the same period in 2021. This was driven mainly by the ongoing construction of the Palau Solar Hybrid Project, continuing expenditures of the Group's various renewable energy projects under development, and AHC's additional investment in SPEC.

Cash flows from (used in) financing activities
Net cash flow from financing activities increased by ₱517.6 million for the three (3)-months ended September 30, 2022 compared to the same period in 2021 mainly due to additional loan drawdowns availed by SPPPI and AHC and proceeds received for new share subscriptions. This was partially offset by loan payments of and payment of dividends by KSEC.

Six (6) -months ended June 30, 2022 compared to Six (6) -months ended June 30, 2021

Amounts in ₱'000	**June 30, 2022**	**June 30, 2021**	**Increase/ (Decrease)**	**% Change**
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax	(164,049)	(11,202)	152,847	1364.46%
Adjustments for:				
Restructuring related charges[7] - net	173,034	(2,099)	175,133	8343.64%
Equity in net earnings of associates	(16,436)	(20,226)	(3,790)	(18.74%)
Finance costs	11,685	10,016	1,669	16.66%
Net unrealized foreign exchange losses (gains)	(6,500)	(809)	5,691	703.46%
Depreciation and amortization	2,659	390	2,269	581.79%
Day 1 gain on short-term loan	(1,600)	–	1,600	100.00%
Provision for impairment losses	1,230	810	420	51.85%
Interest income	(442)	(22)	420	1909.09%
Income (loss) before working capital changes	(419)	(23,142)	(22,723)	(98.19%)
Decrease (increase) in:				
Trade and other receivables	(10,495)	1,342	(11,837)	(882.04%)
Prepayments and other current assets	2,352	11,957	(9,605)	(80.33%)
Other noncurrent assets	(6,838)	5,583	(12,421)	(222.48%)
Increase (decrease) in accounts payable and accrued expenses	34,875	(5,397)	40,272	746.19%
Net change in accounts with related parties	(46,419)	93,256	(139,675)	(149.78%)
Cash generated from (used in) operations	(26,944)	83,599	(110,543)	(132.23%)

[7] Refer to page [128] for a more detailed discussion on Restructuring Related Charges.

Income tax paid	(1,349)	(87)	1,262	1450.57%
Interest received	314	22	292	1327.27%
Net cash flows from (used in) operating activities	**(27,979)**	**83,534**	**(111,513)**	**(133.49%)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Contract asset	(574,883)	–	574,883	100.00%
Project development costs	(58,432)	(2,663)	55,769	2094.22%
Investments in and advances to associates	(40,010)	–	40,010	100.00%
Property, plant and equipment	(221)	(2,093)	(1,872)	(89.44%)
Net cash inflow (outflow) from:				
Acquisition of a subsidiary	79,261	–	79,261	100.00%
Deconsolidated subsidiaries	63	(149)	212	142.28%
Net cash flows used in investing activities	**(594,222)**	**(4,905)**	**589,317**	**12014.62%**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Long-term debt	577,365	–	577,365	100.00%
Issuance of shares by a subsidiary to non-controlling interest	299,686	–	299,686	100.00%
Advances from a third party	214,000	–	214,000	100.00%
Deposit for future stock subscription	37,733	–	37,733	100.00%
Short-term loans	2	–	2	100.00%
Payments of:				
Deferred financing charges	(32,668)	–	32,668	100%
Interest	(4,592)	(10,127)	(5,535)	(54.66%)
Long-term debt	–	(97,518)	(97,518)	(100.00%)
Net cash flows from (used in) financing activities	**1,091,526**	**(107,645)**	**1,199,171**	**1114.01%**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	18,696	809	17,887	2211.00%
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**488,021**	**(28,207)**	**516,228**	**1830.14%**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	93,578	41,656	51,922	124.64%
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**581,599**	**13,449**	**568,150**	**4224.48%**

Cash flows from operating activities
For the six (6)-months ended June 30, 2022, the Group posted a net cash flow used in operating activities amounting to ₱27.9 million compared with a net cash flow from operating activities of ₱83.5 million for same period in 2021. This was driven mainly by higher loss before income tax during the period ended June 2022 as against the same period in 2021.

Cash flows used in investing activities
The Group's net cash flow used in investing activities significantly increased for the Six (6) -months ended June 30, 2022 compared to the same period in 2021 due to the ongoing construction of the Palau Solar Hybrid Project, continuing expenditures of the Group's various renewable energy projects under development, and the Group's investment in KMHC.

Cash flows from (used in) financing activities

The Group's net cash flow from financing activities increased by ₱1.2 billion for the Six (6) -months ended June 30, 2022 compared to the same period in 2021 due to the new loans availed by AHC and SPPPI, advances from a third party, share issuance by SPPPI to non-controlling shareholders, and deposit for future subscription in the Parent Company.

December 31, 2021 compared to December 31, 2020

Cash flows from (used in) operating activities
For the period ended December 31, 2021, the Group realized a net cash flows from operating activities of ₱205.2 million from a net cash flows used in operating activities for the same period ended December 31, 2020 of ₱78.0 million. This was driven by a project cost recovery from the financial close of KMHC in 2021 and availment of shareholder advances.

Cash flows from (used in) investing activities
The Group's net cash flows used in investing activities decreased to ₱32.0 million in 2021 from ₱101.8 million in 2020 mainly due to the acquisition of land for SSAI in 2020.

Cash flows from (used in) financing activities
For the period ended December 31, 2021, the Group paid its outstanding debt with Infraco amounting to ₱100.2 million causing a decrease in Group's net cash flows from financing.

December 31, 2020 compared to December 31, 2019

Cash flows from (used in) operating activities
For the period ended December 31, 2020, the Group net cash flows used in operating activities went down by ₱78.0 million from ₱97.6 million driven by cost-saving measures due to the impact of the global COVID-19 pandemic.

Cash flows from (used in) investing activities
From ₱2.2 million net cash flows from investing activities in 2019, it reversed into a net cash flows used in investing activities amounting to ₱101.8 million in 2020. This was due to the Group's acquisition of land for SSAI in 2020.

Cash flows from (used in) financing activities
The Group's net cash from financing activities for the year ended December 31, 2020 was lower than the previous year due to higher debt service payments.

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Key Performance Indicators

The Group's key performance indicators include the following:

Key Financial Ratios	For the month ended September 30 2022	For the month ended September 30 2021	For the months ended June 30 2022	For the months ended June 30 2021	For years ended December 31 2021	For years ended December 31 2020	For years ended December 31 2019
EBITDA margin[1]………………….	67.81%	-65.42%	-227.62%	-3.43%	77.27%	-20.88%	-119.40%
Adjusted EBITDA margin[2]………...	67.81%	-65.42%	35.47%	-12.46%	76.08%	-20.88%	-119.40%
Net Debt to EBITDA Ratio[3]……..	38.42x	19.45x	-4.84x	n/a	0.40x	-7.23x	1.57x
Net Debt to Adj EBITDA Ratio[4]……..	38.42x	19.45x	31.08x	4.65x	0.41x	-7.23x	1.57x
Current Ratio[5]…………………….	1.10x	n/a	0.84x	n/a	1.31x	0.54x	1.42x
Debt Service Coverage Ratio[6]….	0.54x	n/a	-32.60x	-0.01x	1.05x	-0.60x	-0.39x
Adjusted Debt Service Coverage Ratio[7]……................................... .	0.54x	n/a	5.08x	-0.03x	1.04x	-0.60x	-0.39x
EBITDA per Share to Price per Share[8]……………………………..	0.01	(0.00)	(0.04)	(0.00)	0.04	(0.00)	(0.01)
Adjusted EBITDA per Share to Price per Share[9]……………………………..	0.01	(0.00)	0.01	(0.00)	0.03	(0.00)	(0.01)

Notes:

(1) EBITDA margin is derived by dividing the EBITDA by the Revenue and Other Income. Adjusted EBITDA margin is derived by dividing the Adjusted EBITDA by the Revenue and Other Income. Revenue and Other Income include Revenue from sale of electricity, Equity in net earnings of associates, Project cost recovery and Advisory fees. This measures the ability of the project to generate cash that will be used to service debt and provide returns to investors. The following table presents a reconciliation of EBITDA and Adjusted EBITDA to Net Income for each of the years indicated.

	For the months ended Sep 30 2022	For the months ended Sep 30 2021	For the months ended Jun 30 2022	For the months ended Jun 30 2021	For Year ended December 31 2021	For Year ended December 31 2020	For Year ended December 31 2019
Net Income	1,659,725	(6,809,952)	(158,107,345)	(11,420,651)	112,768,082	(31,469,346)	(51,056,418)
Add:							
Financing Costs	16,769,187	1,635,563	11,684,885	10,016,450	17,871,124	23,063,768	21,415,043
Depreciation and Amortizatio	9,453,016	22,389	2,659,494	389,712	458,775	1,462,058	1,557,442
Income Taxes	(95,176)	937,542	(5,941,796)	218,645	5,026,914	(1,142,025)	(4,614,052)
EBITDA	**27,786,752**	**(4,214,458)**	**(149,704,762)**	**(795,844)**	**136,124,895**	**(8,085,545)**	**(32,697,985)**
Add:							
Restructuring related costs	-	-	173,034,032	(2,099,138)	(2,099,138)	-	-
Adjusted EBITDA	**27,786,752**	**(4,214,458)**	**23,329,270**	**(2,894,982)**	**134,025,757**	**(8,085,545)**	**(32,697,985)**

(2) Net debt to EBITDA Ratio is derived by dividing the net debt by EBITDA whereby net debt is determined by deducting cash ending balance from outstanding debt. Net debt to Adjusted EBITDA Ratio is derived by dividing the net debt by Adjusted EBITDA. The Company and its majority-owned subsidiaries use Net Debt to EBITDA ratio and Net Debt to Adjusted EBITDA to measure the amount of leverage (net of cash balance) supported by annual cashflow.

(3) Current ratio is derived by dividing current assets by current liabilities at the end of a given period. The Company and its majority-owned subsidiaries use current ratio to measure liquidity and ability to pay short-term obligations.

(4) Debt Service Coverage Ratio is derived by dividing EBITDA by debt service which consists of principal and interest payments on long-term debt. Adjusted Debt Service Coverage Ratio is derived by dividing debt service by Adjusted EBITDA. The Company and its majority-owned subsidiaries use Debt Service Coverage Ratio and Adjusted Debt Service Coverage Ratio to determine how well the Company and its majority-owned subsidiaries can service its debt.

(5) EBITDA per Share to Price per Share is derived by dividing EBITDA per share by price per share. Adjusted EBITDA per Share to Price per Share is derived by dividing Adjusted EBITDA per share by price per share. The Company and its majority-owned subsidiaries use EBITDA per Share to Price per Share and Adjusted EBITDA per Share to Price per Share as a measure of cashflow profitability.

Aside from the disclosures above, as of December 31, 2019, 2020, and 2021, June 30, 2022 and September 30, 2022 and for the years ended December 31, 2019, 2020, 2021, and the six-month periods ended June 30, 2021 and 2022, and the three-month periods ended September 30, 2021 and 2022:

- There are no other material changes in the Group's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion.
- The Group is not aware of any known trends, or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way.
- It is not aware of any event that would trigger a direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation
- There are no known trends, events, or uncertainties that have had or that are reasonably expected to have materially favorable or unfavorable impact on net revenues or profit from continuing operations.
- The Group is not aware of any significant elements of profit and loss that did not arise from the Group's continuing operations.
- The Group is not aware of any seasonal aspects that had a material effect on its financial obligation or results of operations.

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Changes in and Disagreements with Auditors on Accounting and Financial Disclosures

SGV & Co. has acted as the Company's external auditors since its incorporation.

The audited consolidated financial statements of the Group as of December 31, 2019, 2020, and 2021, June 30, 2022 and September 30, 2022 and for the years ended December 31, 2019, 2020, 2021, and for the six (6)-month periods ended June 30, 2022 and 2021, and for the three (3)-month periods ended September 30, 2022 and 2021, as included elsewhere in the Prospectus, have been audited by SGV, a member firm of Ernst & Young Global Limited, independent auditors, as set forth in their report appearing herein.

The Company 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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) AND PLAN OF OPERATION – PRO FORMA FINANCIAL INFORMATION

Prospective investors should read this discussion and analysis of the Group's financial condition and results of operations in conjunction the section entitled "Selected Financial Information" and with the unaudited pro forma financial information as of December 31, 2021 and for the years ended December 31, 2019, 2020, 2021 and six-month period ended June 30, 2022 (collectively, the "Pro Forma Financial Statements"), in each case, including the notes relating thereto, included elsewhere in this Prospectus. The Pro Forma Financial Statements were prepared in accordance with Section 9, Part II of the Revised Philippine Securities Regulation Code Rule 68, as amended ("SRC Rule 68"). Unless otherwise stated, the financial information of the Group used in this section has been derived from the Pro Forma Financial Statements included elsewhere in this Prospectus.

The objective of this unaudited pro forma financial information is to show what the significant effects on the historical financial information might have been had the acquisition of Kirahon Solar Energy Corp. ("KSEC") shares and the transactions described in the Pro Forma Financial Statements occurred at an earlier date. However, the unaudited pro forma financial information is not necessarily indicative of the result of operations or related effects on the financial statements that would have been attained, had the acquisition of Kirahon Solar Energy Corp. ("KSEC") shares described in the Pro Forma Financial Statements actually occurred at an earlier date nor do they purport to project the results of operations of the Group for any future period or date. The unaudited pro forma financial information is not intended to be considered in isolation from, or as a substitute for, financial position or results of operations prepared in PFRS.

See "Risk Factors—Risks Relating to the Presentation of Financial Information in this Prospectus — The presentation of financial information, including of pro forma financial information, in this Prospectus may be of limited use to investors and may not accurately show the Group's financial position or be indicative of future results." The following discussion contains forward-looking statements and reflects the Company's current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements (see the section entitled "Forward-Looking Statements" in this Prospectus) as a result of certain factors such as those set out in "Risk Factors" and elsewhere in this Prospectus.

Key Performance Indicators

The Group's key performance indicators based on pro forma financial information include the following:

	For the Three-Month Periods Ended September 30		For the Six-Month Period Ended June 30		For Years Ended December 31		
Key Financial Ratios	**2022**	**2021**	**2022**	**2021**	**2021**	**2020**	**2019**
EBITDA margin[1]…………………	67.81%	-65.42%	-227.62%	-3.43%	77.27%	- 20.88%	- 119.40%
Adjusted EBITDA margin[2]….........	67.81%	-65.42%	35.47%	-12.46%	76.08%	- 20.88%	- 119.40%
Net Debt to EBITDA Ratio[3]……..	38.42x	n/a	-4.84x	n/a	0.40x	-7.23x	1.57x
Net Debt to Adj EBITDA Ratio[4]……..	38.42x	n/a	31.08x	n/a	0.41x	-7.23x	1.57x
Current Ratio[5]……………………	1.10x	n/a	0.84x	n/a	1.31x	0.54x	1.42x
Debt Service Coverage Ratio[6]….	0.54x	n/a	-32.60x	n/a	1.05x	-0.60x	-0.39x
Adjusted Debt Service Coverage Ratio[7]……..................................	0.54x	n/a	5.08x	n/a	1.04x	-0.60x	-0.39x
EBITDA per Share to Price per Share[8]……………………………..	0.01	(0.00)	(0.04)	(0.00)	0.04	(0.00)	(0.01)
Adjusted EBITDA per Share to Price per Share[9]……………………………..	0.01	(0.00)	0.01	(0.00)	0.03	(0.00)	(0.01)

Notes:

(1) EBITDA margin is derived by dividing the EBITDA by the revenue. Adjusted EBITDA margin is derived by dividing the Adjusted EBITDA by the revenue plus other income. Other income includes Equity in net earnings of associates, Project cost recovery and Advisory fees. This measures the ability of the project to generate cash that will be used to service debt and provide returns to investors. The following table presents a reconciliation of EBITDA to Net Income for each of the years indicated.

	For the months ended Sep 30		For the months ended Jun 30		For Year ended December 31		
	2022	2021	2022	2021	2021	2020	2019
Net Income	1,659,725	(6,809,952)	(158,107,345)	(11,420,651)	112,768,082	(31,469,346)	(51,056,418)
Add:							
Financing Costs	16,769,187	1,635,563	11,684,885	10,016,450	17,871,124	23,063,768	21,415,043
Depreciation and Amortization	9,453,016	22,389	2,659,494	389,712	458,775	1,462,058	1,557,442
Income Taxes	(95,176)	937,542	(5,941,796)	218,645	5,026,914	(1,142,025)	(4,614,052)
EBITDA	**27,786,752**	**(4,214,458)**	**(149,704,762)**	**(795,844)**	**136,124,895**	**(8,085,545)**	**(32,697,985)**
Add:							
Restructuring related costs	-	-	173,034,032	(2,099,138)	(2,099,138)	-	-
Adjusted EBITDA	**27,786,752**	**(4,214,458)**	**23,329,270**	**(2,894,982)**	**134,025,757**	**(8,085,545)**	**(32,697,985)**

(2) Net debt to EBITDA Ratio is derived by dividing the net debt by EBITDA whereby net debt is determined by deducting cash ending balance from outstanding debt. Net debt to Adjusted EBITDA Ratio is derived by dividing the net debt by Adjusted EBITDA. The Company and its majority-owned subsidiaries use Net Debt to EBITDA ratio and Net Debt to Adjusted EBITDA to measure the amount of leverage (net of cash balance) supported by annual cashflow.

(3) Current ratio is derived by dividing current assets by current liabilities at the end of a given period. The Company and its majority-owned subsidiaries use current ratio to measure liquidity and ability to pay short-term obligations.

(4) Debt Service Coverage Ratio is derived by dividing EBITDA by debt service which consists of principal and interest payments on long-term debt. Adjusted Debt Service Coverage Ratio is derived by dividing debt service by Adjusted EBITDA. The Company and its majority-owned subsidiaries use Debt Service Coverage Ratio and Adjusted Debt Service Coverage Ratio to determine how well the Company and its majority-owned subsidiaries can service its debt.

(5) EBITDA per Share to Price per Share is derived by dividing EBITDA per share by price per share. Adjusted EBITDA per Share to Price per Share is derived by dividing Adjusted EBITDA per share by price per share. The Company and its majority-owned subsidiaries use EBITDA per Share to Price per Share and Adjusted EBITDA per Share to Price per Share as a measure of cashflow profitability.

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THE COMPANY

The following discussion of the Company's business contains forward-looking statements, which involve risks and uncertainties. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth under Investment Considerations and Risks Factors and elsewhere in this Prospectus.

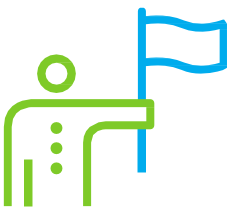
History and Development

Alternergy Holdings Corporation, ("**AHC**", "**Alternergy**", or the "**Company**") formerly Alternergy Viento Partners Corporation is a renewable energy holding company that has a portfolio of investee companies which embarked on different renewable energy projects such as wind, solar, hydro, floating solar and battery storage power projects. Its vision is to be a leading renewable energy firm in the Philippines and strive to create a more sustainable future for the next generation.

Alternergy was founded by a management team led by former Philippine Energy Secretary Vicente Pérez (2001–2005), key members of which were involved in the 33 MW Bangui Bay wind farm in North Luzon, the first commercial wind farm in Southeast Asia. Three of Alternergy's founding partners were involved in the development of Bangui Bay wind farm. After the project's completion, these partners, Knud Hedeager (2005), Vicente Pérez (2007), and Gerry Magbanua (2008) came together to create Alternergy, applying what they learned at Bangui Bay to break new ground on more renewable energy projects. Knud Hedeager likewise developed the Commonal-Uddiawan 1.8 MW run-of-the-river Mini-Hydro Project in Solano Nueva Vizcaya in December 2010, before the creation of Alternergy's mini hydro portfolio. Michael Lichtenfeld was a former Director of Utility Project Development at SunEdison in San Francisco, responsible for the entire western US focused on Nevada and California solar markets. He led the development the 24.8MW$_p$ Apex Solar Project, the 25.0MW$_p$ Vega Solar Project, and the 38.5MW$_p$ Spectrum Solar Project. Janina C. Arriola, a member of Alternergy senior management team, co-founded Winnergy Holdings, the renewable energy company that built the first ever pilot floating solar farm in the Philippines.

Alternergy's management team has extensive background in power development, energy policy, and emerging markets and has pioneering experience in wind power in Southeast Asia. Since 2008, Alternergy has served as a clean energy pioneer in the Philippines and has developed 67.24 MW of operating assets in wind and solar. Alternergy is anticipating rapid growth with a pipeline of assets in hydro, wind, and solar under development, with potential installed capacity of up to 1,369 MW of renewable energy.

The Three P's of Alternergy



Pioneering

Alternergy is a company of 'firsts', driven to establish new precedents that drive the development of clean energy in the Philippines. Our early experience has given us an edge in navigating the complex permitting process.

Proven

We demonstrate proven capability to deliver well-planned and cost-effective projects. From securing power supply agreements with local utilities and private commercial customers, to working with permitting agencies, lenders and equity partners find comfort with our track record.

Partnerships

We see our work through the lens of partnerships: We find the people and organizations who will complement our efforts and support our vision to make the Philippines a leader in clean energy. As a trusted partner, we have developed long term partnerships.

Alternergy is a company of 'firsts', driven to establish new precedents that drive the development of clean energy in the Philippines. Alternergy's history includes an extensive list of 'Firsts'. Select examples include:

- Recipient of some of the first contracts from the Philippines Department of Energy for wind power: The first of Alternergy's DOE service contracts was awarded in 2008 and allowed Alternergy to start conducting wind resource assessment studies in six potential sites.
- First non-recourse project financing for a wind project without corporate guarantee: For Alternergy Wind One Corporation's Pililla Rizal wind farm, three domestic banks extended an innovative non-recourse financing without a corporative guarantee, which was recognized with a Sustainable Finance award by International Finance Corporation.
- First bilateral solar contract approved by ERC: For the Kirahon Solar project, Alternergy actively engaged in familiarizing the regulators on the unique attributes of solar power, thus paving the way for an appropriate approval process for future bilateral solar contracts, as solar projects become more prevalent.
- First multi-site solar rooftop portfolio under one project financing facility: For Solar Pacific CitySun Corporation, a commercial bank extended financing for eight commercial mall solar rooftops under a single facility.
- First battery energy storage in western Pacific. Alternergy is developing the first solar PV and battery energy storage hybrid project in the Republic of Palau, the largest solar hybrid project in the western Pacific.

With a proven track record of developing, building, and operating ground-breaking renewable energy projects in the country, Alternergy's vision is to be a leading renewable energy firm in the Philippines and strive to create a more sustainable future for the next generation. Developing projects across the country, the Group is focused on helping the Philippines achieve its renewable energy potential through the development of wind, solar, and run-of-river hydro power projects.

Consistent with Alternergy's commitment to environmental sustainability, Alternergy has modeled the tons of carbon dioxide equivalent (tCO_2e) mitigated through the installation of renewable energy, against a business as usual projection for the power mix. The tCO_2e mitigated are estimated using the Alternergy's conservative grid emissions factor of 50%, i.e., one MWh of electrical output is equivalent to 0.5 tCO_2e mitigated. Alternergy estimates that its best case pipeline portfolio could result in a maximum 547,935 tCO_2e mitigated.

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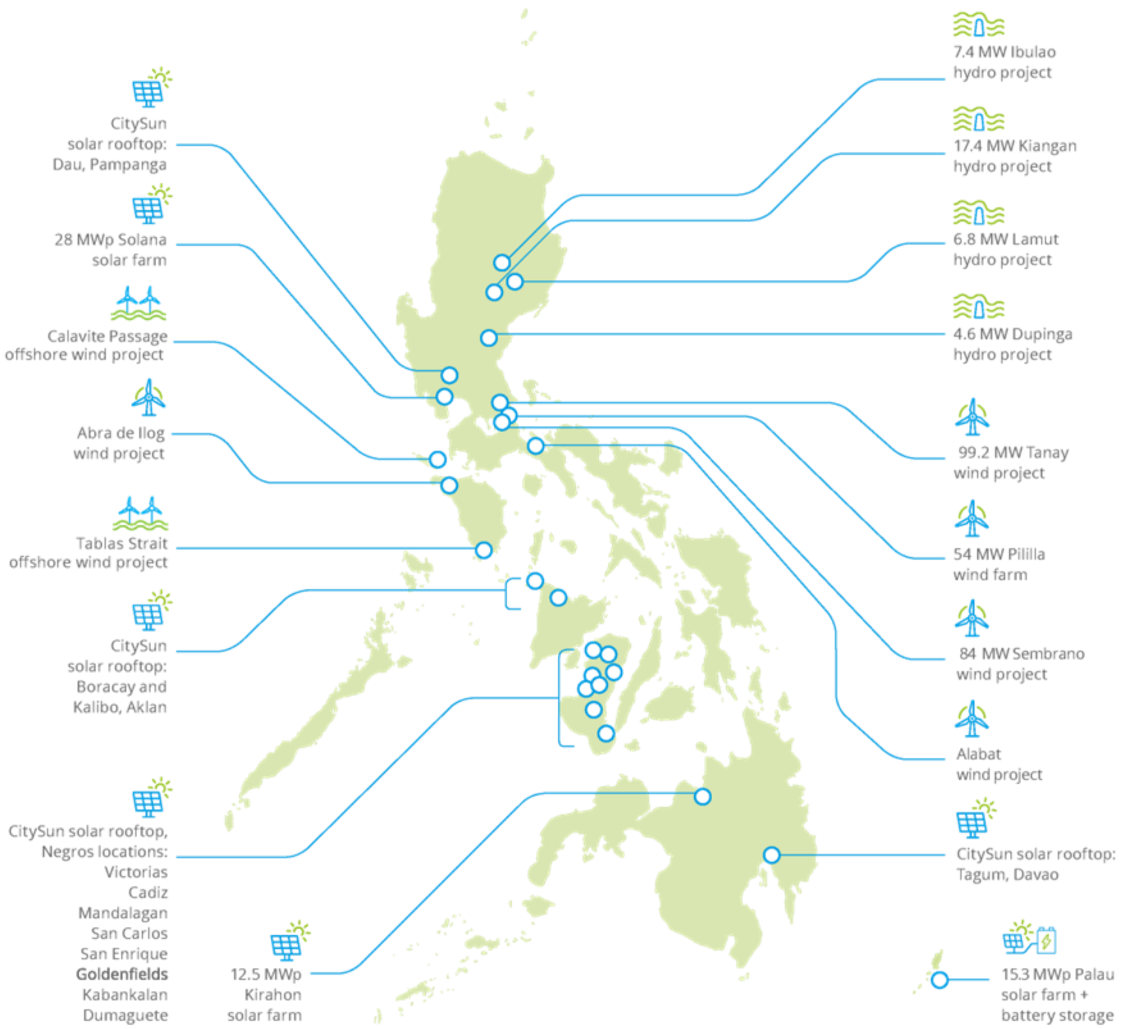
Location of Renewable Energy Projects of Alternergy



Source: Information provided by Alternergy

The following table outlines the Group's pipeline of operating and potential renewable energy projects. The ownership percentages are subject to change in the near term, as Alternergy is in the process of securing project equity from a number of interested co-investing partners.

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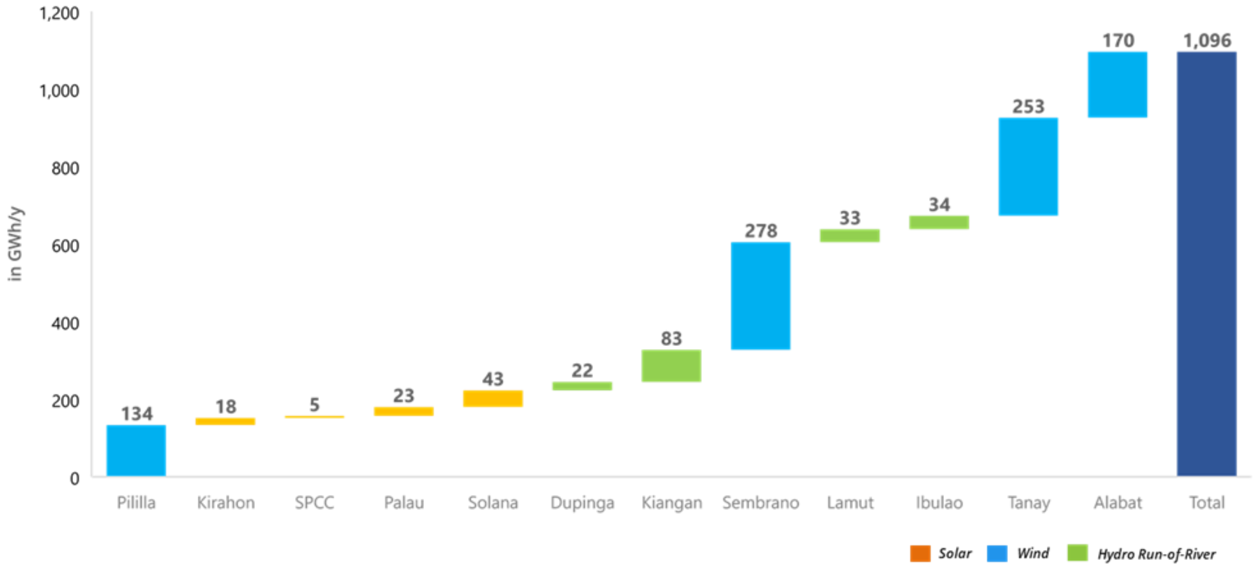
Pipeline of Operating and Future Alternergy Renewable Energy Projects

Project Co	Project Status	Economic Interest (direct + indirect)	Control/ Voting (direct + indirect)	Capacity (MW)	Net Generation (MWh/year)	Start of Commercial Operations	Target Start of Commercial Operations
SOLAR ENERGY							
Solar Pacific Energy Corp. (Sub-Holding Company, 60.00% economic interest and 77.76% voting interest owned by AHC)							
Subsidiaries:							
Kirahon Solar Energy Corporation	Operating	64.99%	69.43%	10.00	18,125	October 2015	
Solana Solar Alpha, Inc	Finance Close	60.00%	77.76%	20.00	42,800		Q4 2023
Solar Pacific Pristine Power, Inc	Constructing	17.60%	45.27%	13.20	23,137		Q1 2023
WIND ENERGY							
Pililla AVPC Corporation (Sub-Holding, 100.00% owned by AHC)							
Subsidiary:							
Calavite Passage Wind Power Corp.	Early Stage	16.00%	60.00%	~1000.00	-		TBD
Tablas Strait Wind Power Corporation	Early Stage	16.00%	60.00%				TBD
Alternergy Tanay Wind Corporation (100.00% owned by AHC)							
Tanay Wind Power Project	Developing	100.00%	100.00%	99.20	252,983		Q4 2025
Alabat Island Wind Power Project	Early Stage	100.00%	100.00%	49.60	169,920		Q3 2026
Abra de Ilog Wind Project	Early Stage	100.00%	100.00%	-	-		TBD
MINI HYDRO ENERGY							
Alternergy Mini Hydro Holdings Corporation (Sub-Holding, 100.00% owned by AHC)							
Subsidiaries:							
Lamut Asipulo Mini Hydro Corp.	Finance Close	100.00%	100.00%	6.80	33,270		Q2 2025
Ibulao Mini Hydro Corporation	Early Stage	100.00%	100.00%	7.42	34,441		Q2 2026
SOLAR ENERGY							
Solar Pacific Energy Corp.							
Affiliates:							
Solar Pacific CitySun Corporation	Operating	15.00%	19.44%	3.24	5,452	Phase 1 Batch 1 (6 Projects): September 2018 Phase 1 Batch 2 (2 Projects): May 2019	
WIND ENERGY							
Pililla AVPC Corporation							
Affiliates:							
Alternergy Wind One Corporation	Operating	5.00%	5.00%	54.00	133,500	June 2015	
Alternergy Sembrano Wind Corp.	Developing	5.00%	5.00%	84.00	277,529		Q3 2024
MINI HYDRO ENERGY							
Alternergy Mini Hydro Holdings Corporation							
Affiliates:							
Kiangan Mini Hydro Corporation	Constructing	15.00%	30.00%	17.40	83,000		Q4 2024
Dupinga Mini Hydro Corporation	Constructing	4.00%	4.00%	4.60	21,712		Q2 2024
TOTAL				**1,369.46**	**1,095,869**		

Source: Information provided by Alternergy

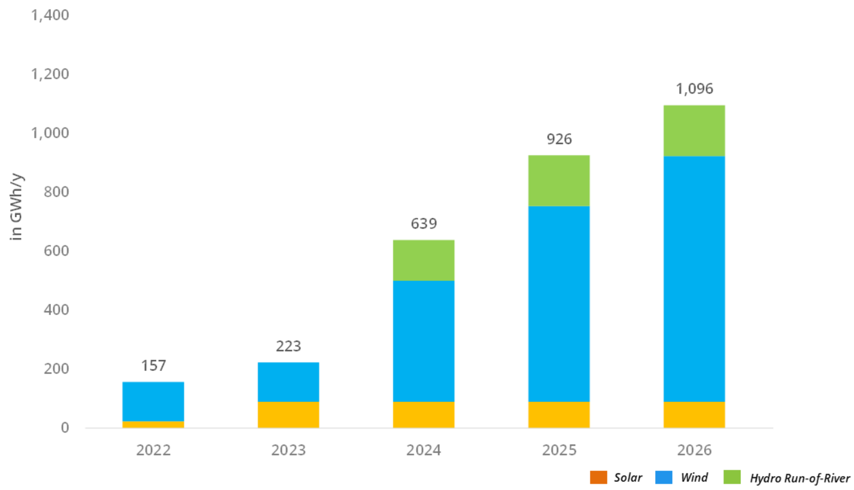
These projects are currently in various stages of development. Alternergy has developed 67.24 MW[8] of ten operating assets in wind and solar, and an additional 62.00 MW[9] of hydro and solar projects that have reached financial close. Alternergy's projects under early stage and development phases has a potential capacity of up to 1,240.22 MW[10]. It may also acquire other renewable energy projects.

Project Pipeline Estimated Gross Energy Generation (GWh) – per project



Source: Information provided by Alternergy

Project Pipeline Estimated Gross Annual Generation (GWh) – per resource



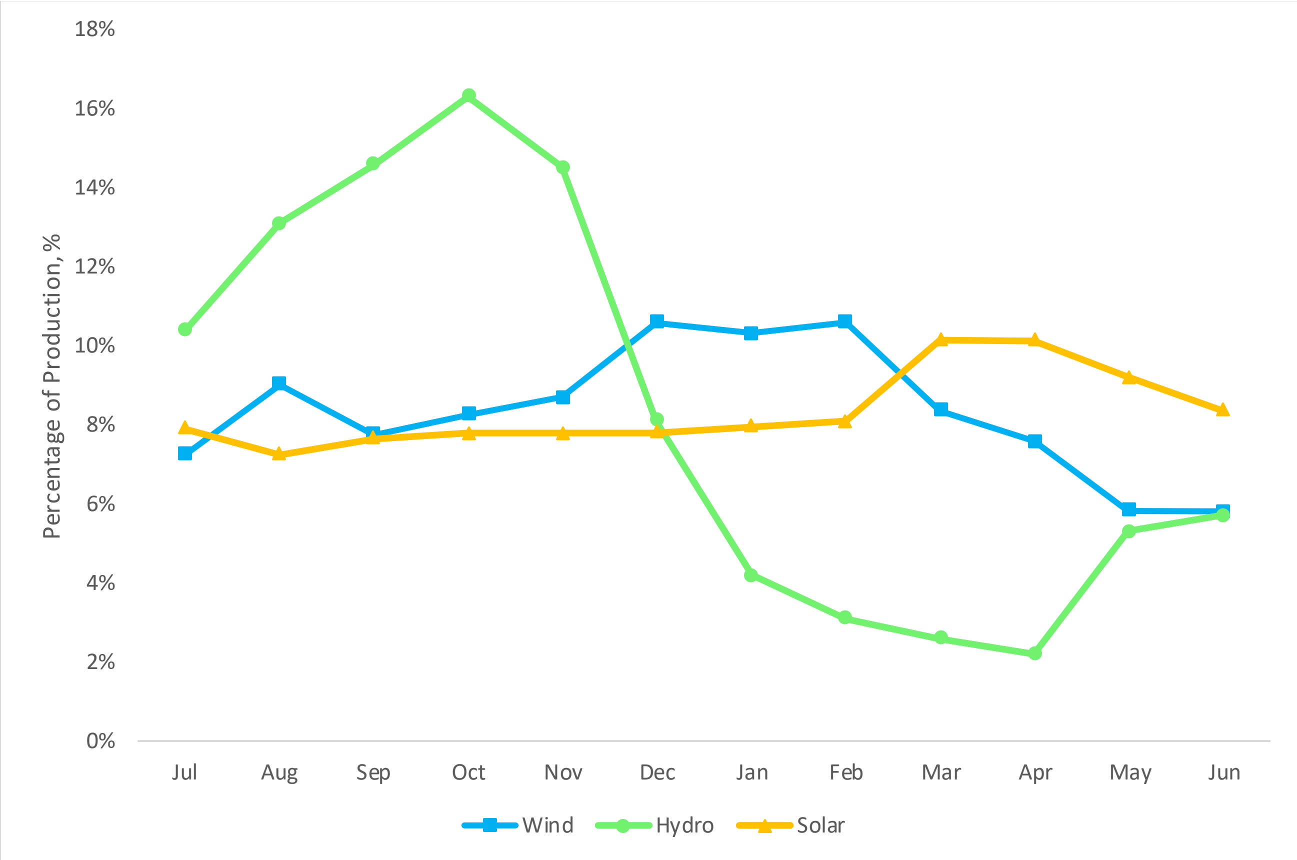
Source: Information provided by Alternergy

[8] Operating assets consist of 54.00 MW AWOC, 10.00 MW_{AC} KSEC, and eight commercial solar roof tops with an aggregate capacity of 3.24 MW_{AC} SPCC.
[9] Projects that have reached financial close consist of 4.60 MW DMHC, 17.40 MW KMHC, 6.80 MW LAMHC, 13.20 MW_{AC} SPPPI, and 20.00 MW_{AC} SSAI.
[10] The project pipeline consists of 84.00 MW ASWC, 99.20 MW ATWC, 7.42 MW IMHC, 49.60 MW Alabat, ~1,000 MW Calavite and Tablas.

Diversified "Triple Play" Portfolio of Hydro, Wind and Solar

The Group is one of a few RE developers with a diversified "Triple Play" renewable energy portfolio that currently covers most of the key RE resources, particularly in solar, wind, and run-of-river hydro and battery storage plants. This allows for a diversified mix of complementary power generation revenues.

The following chart presents the complementary seasonal generation of the "Triple Play" renewable energy portfolio.



Source: Information provided by Alternergy

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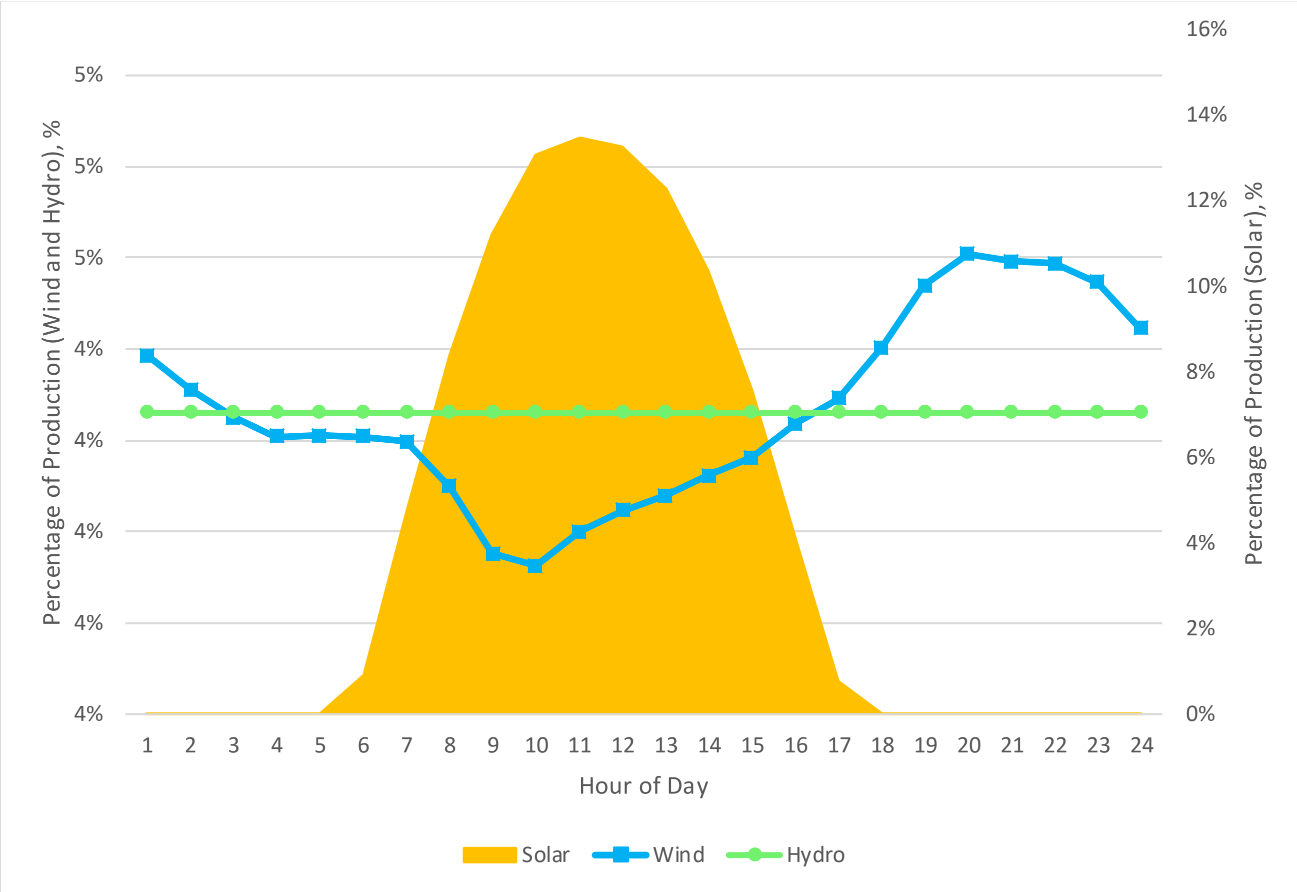
The chart below shows the comparison of the three renewable energy resources daily production.



Source: Information provided by Alternergy

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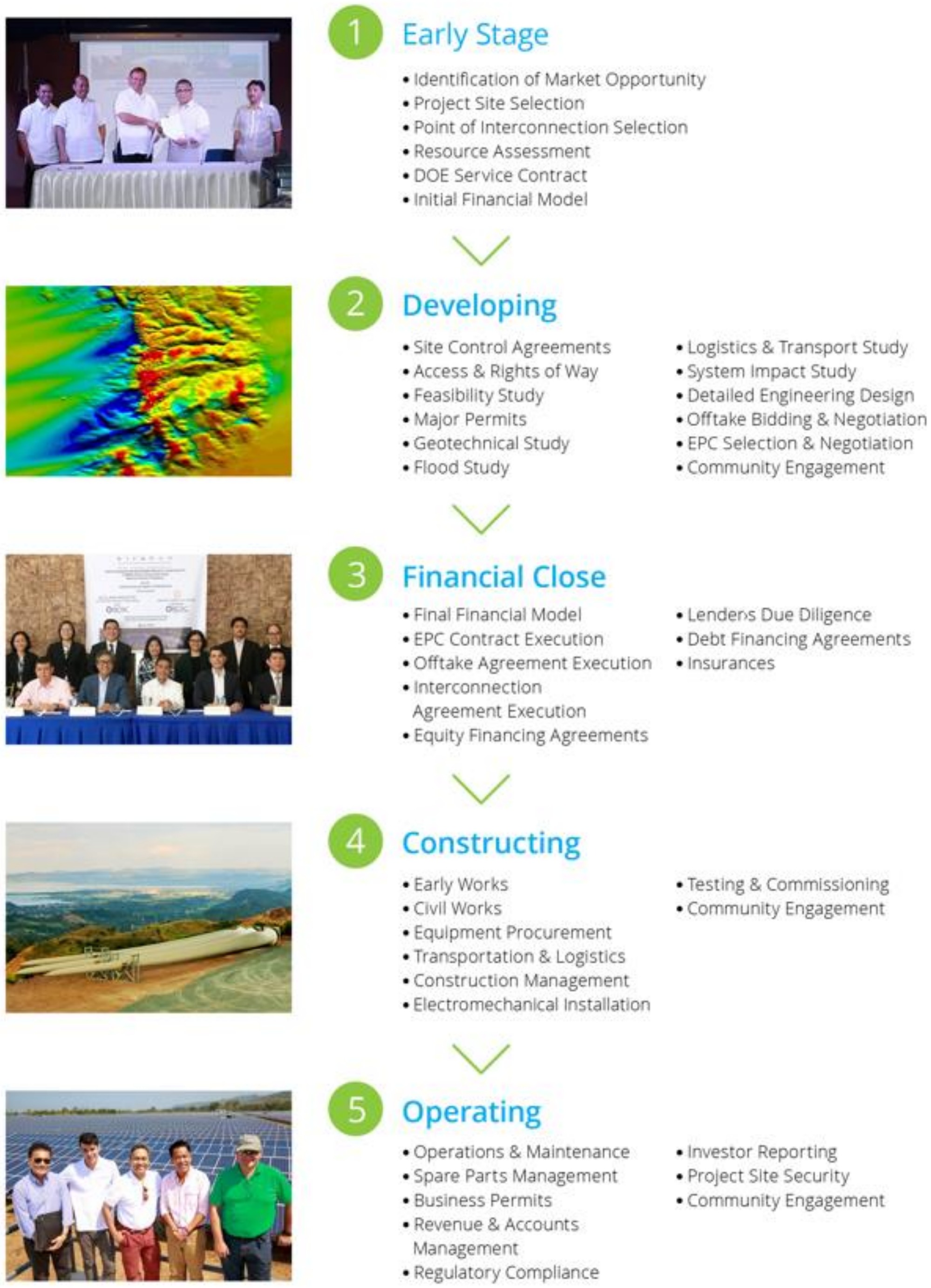
The figure below depicts the development timeline of the Group's renewable energy portfolio.

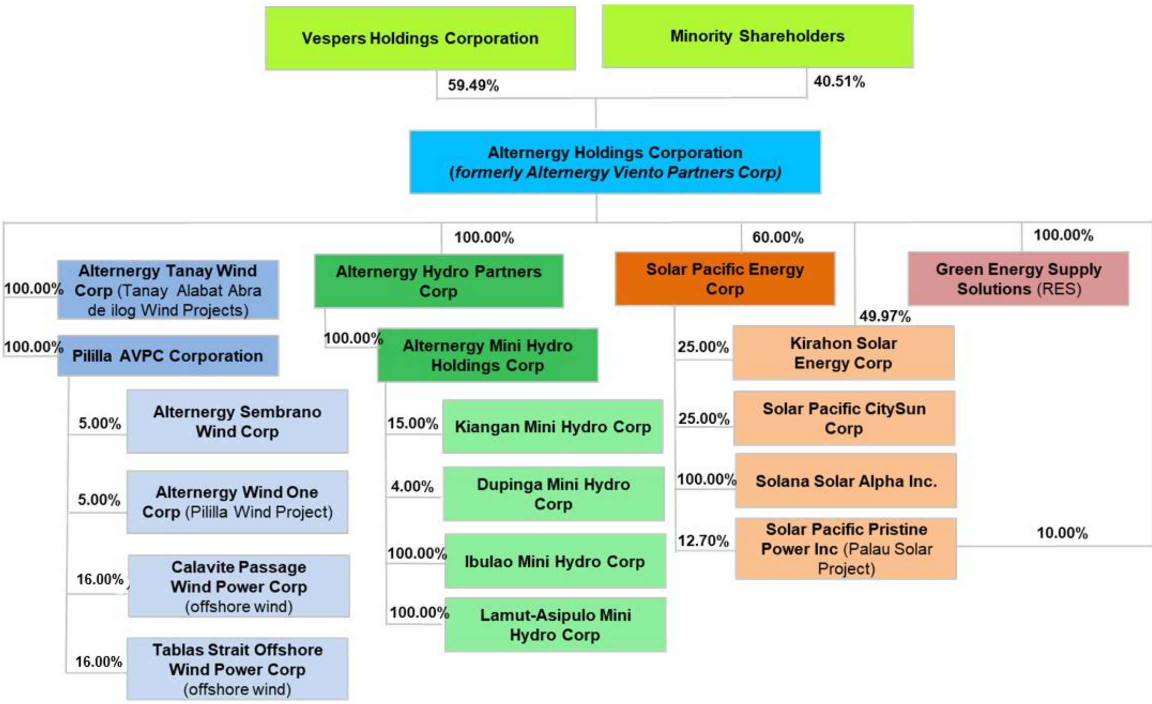
Alternergy Renewable Energy Development Timeline



Source: Information provided by Alternergy

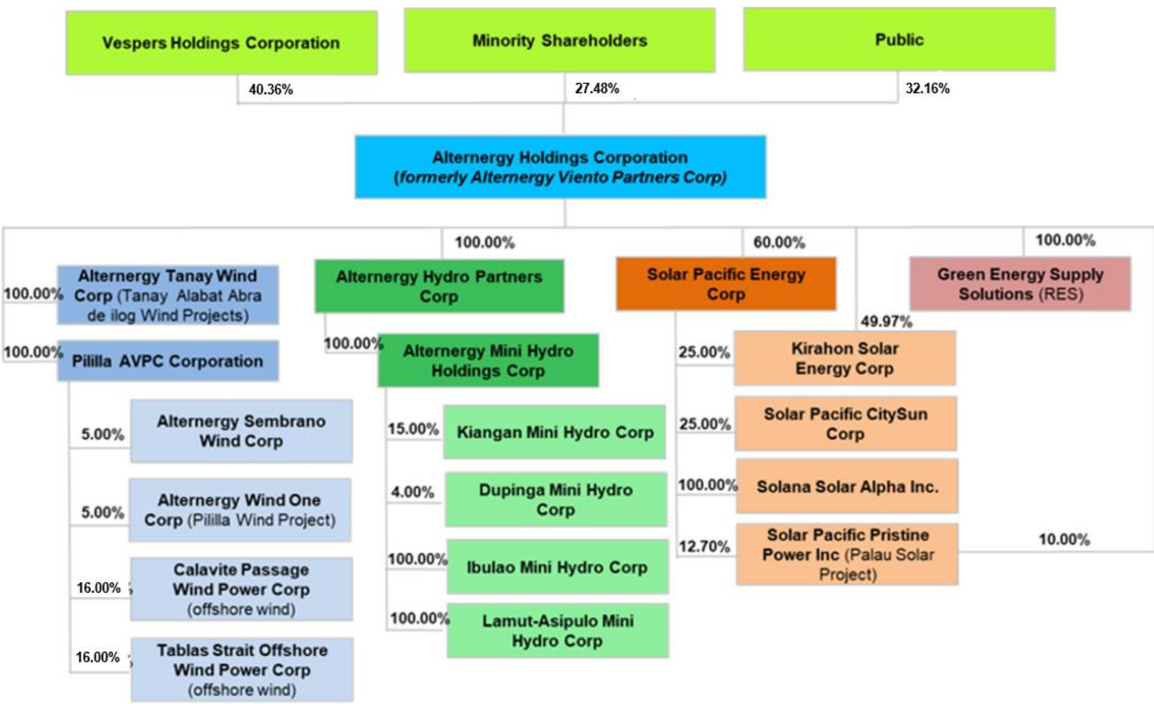
The following charts present the Company's corporate structure based on economic interest, pre- and post-IPO.

Alternergy Corporate Structure Pre-IPO



Source: Based on AHC's Economic Interest; Information provided by Alternergy

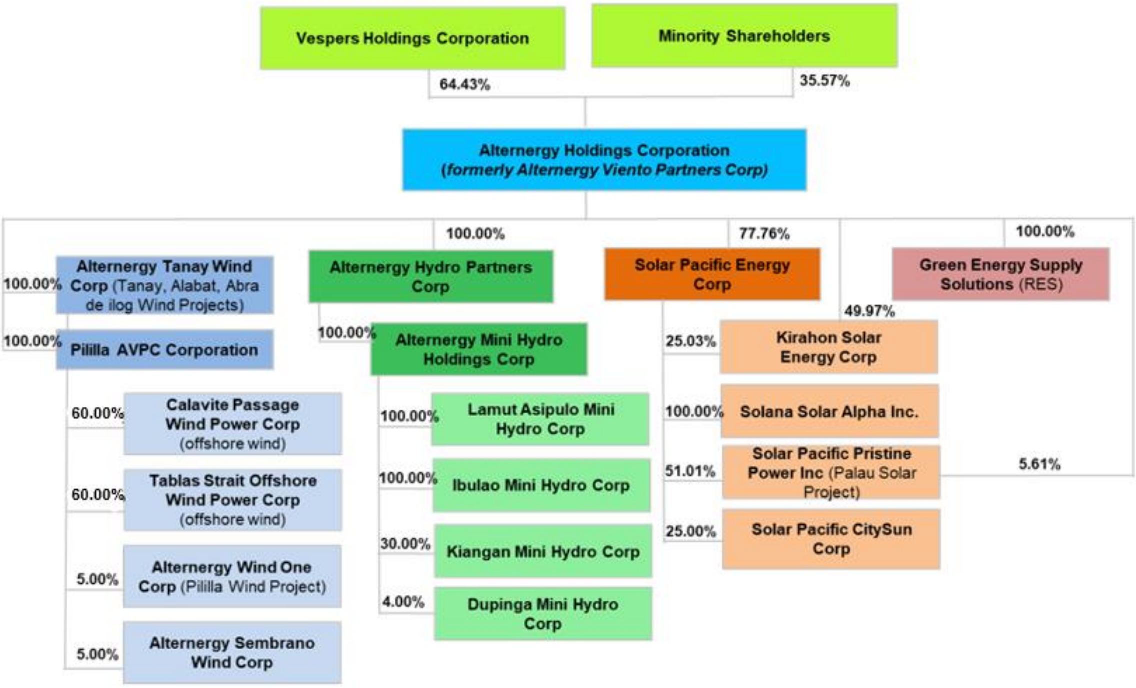
Alternergy Corporate Structure Post-IPO



Source: Based on AHC's Economic Interest; Information provided by Alternergy

The following chart presents the Company's corporate structure based on voting control.

Alternergy Corporate Structure (Based on Voting Control)

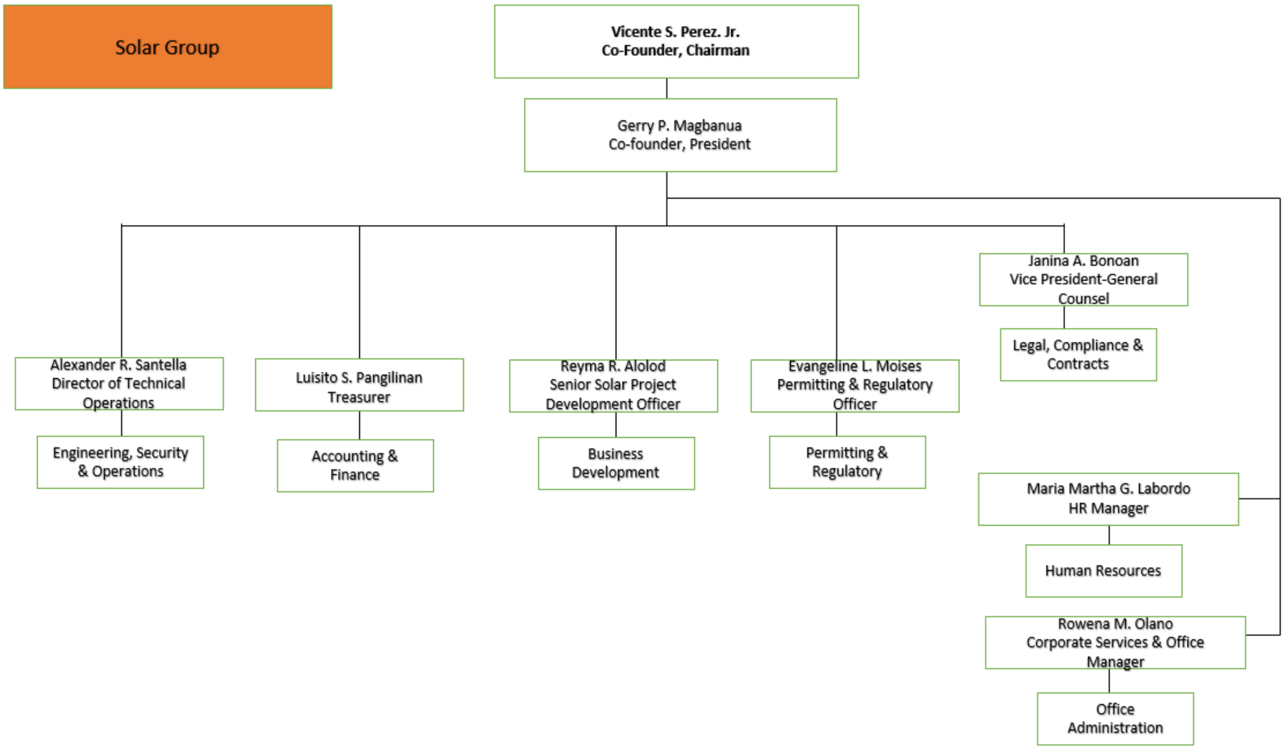


Source: Based on AHC's Voting Control; Information provided by Alternergy

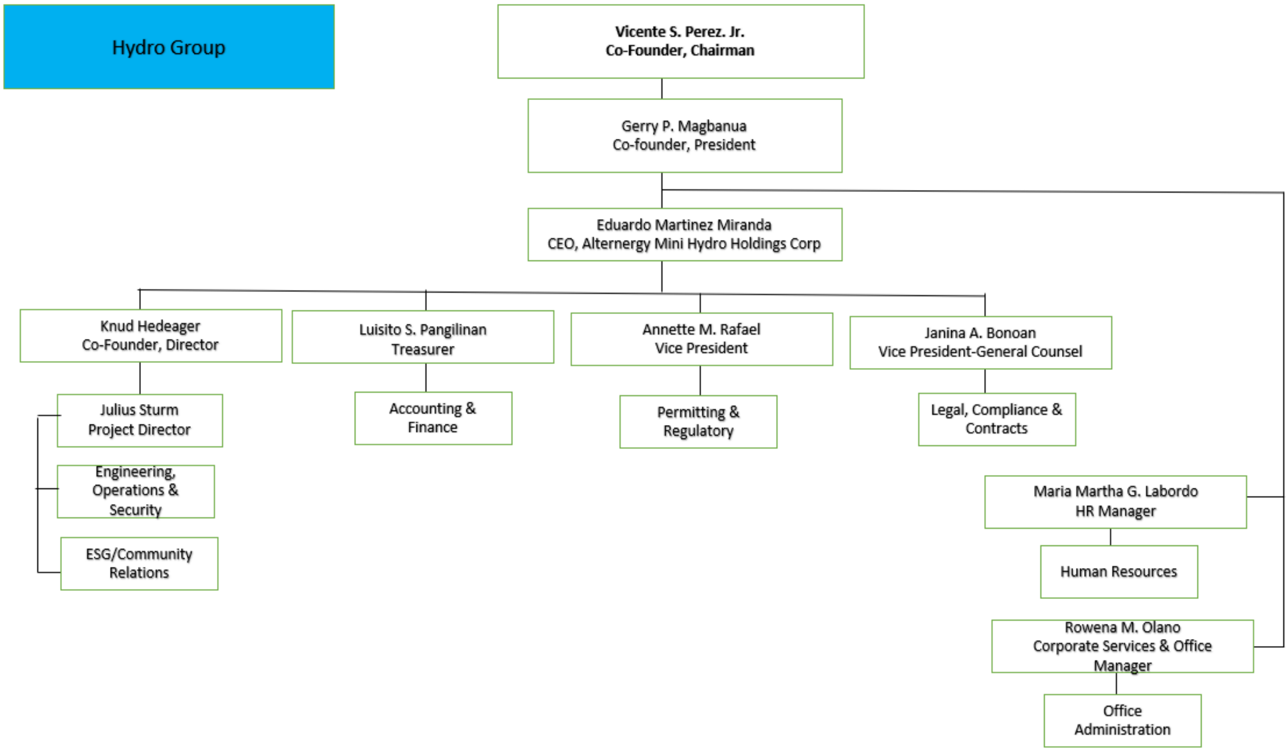
As of June 2022, AHC's 69.51% control of SPEC is based on AHC's direct ownership of 31.73% of the total issued and outstanding capital stock of SPEC and by virtue of the proxy for 37.78% of the total issued and outstanding capital stock held by NCP Advisors Philippines, Inc. The proxy was issued on June 15, 2022 and shall remain valid and effective until revoked.

In August 2022, AHC acquired an additional stake in SPEC which brings its control of SPEC to 77.76% including all the shares held under proxy from NCP Advisors Philippines, Inc.

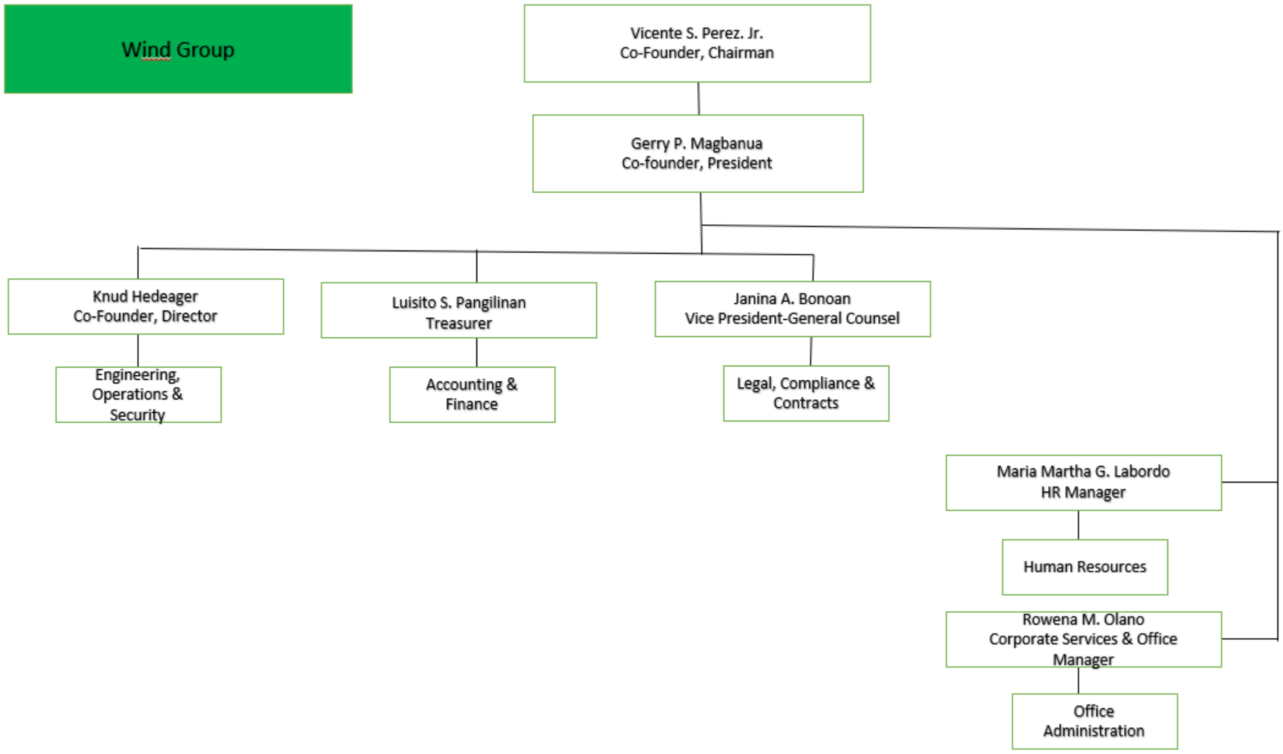
The following chart sets forth an overview of the organizational chart and reporting structure of the Group:



Source: Information provided by Alternergy



Source: Information provided by Alternergy



Source: Information provided by Alternergy

Alternergy Corporate Restructuring Activities

In contemplation of the Offer, the Company undertook the following activities:

- **Change in Fiscal Year and Accounting Period**. On April 26, 2022, AHC's BOD and shareholders approved the change of the Company's fiscal year from the first day of January ending on the last day of December each year to the first day of July ending on the last day of June of the following year. On May 27, 2022, the SEC approved the change in the Company's fiscal year while the BIR approved the application on June 20, 2022.

- **Change in Par Value**. On April 26, 2022, the Company's BOD and shareholders approved the decrease in the par value of the Company's common shares from ₱1.00 per share to ₱0.10 per share thereby increasing the authorized capital stock of the Company from 100,000 common shares divided into 40,000 common shares and 60,000 preferred shares to 460,000 shares divided into 400,000 common shares and 60,000 preferred shares. The SEC approved the application to decrease said par value on June 21, 2022.

- **Conversion of Debt to Equity**. On April 26, 2022, the Company's BOD and shareholders approved the conversion of the Company's outstanding debt amounting to ₱260,147,279 into equity subject to the finalization of the number of shares to be issued to the Company's shareholders and SEC's approval of the increase in authorized capital stock for the issuance of the said shares. The SEC approved the application for the said conversion on November 16, 2022.

- **Increase in Authorized Capital Stock**. On June 10, 2022, the Company's BOD and shareholders approved (i) the decrease in the par value of the Company's preferred shares from ₱1.00 per share to ₱0.10 per share and (ii) the increase in AHC's authorized capital stock from ₱100, to ₱1,188,788,570.80, comprising of 10,406,291,160_common shares with a par value of ₱0.10 per share and 1,481,594,548 preferred shares with a par value of ₱0.10 per share. Subscription to the common shares were paid via conversion of advances into equity as discussed above while subscription to the preferred shares was paid in cash. On November 16, 2022, the SEC approved the application (i) the decrease in the par value of the Company's preferred shares and (ii) increase the Company's authorized capital stock.

- **Acquisition of a controlling stake in Kirahon Solar Energy Corporation** ("**KSEC**"). On June 10, 2022, Sant Charitable Foundation, Josan Farms, Inc., and QBL Eco Corporation, each as a seller, executed separate individual Share Purchase Agreements with AHC, as the buyer, for the sale and purchase of the shares in KSEC shares held by them. Under the terms of the Share Purchase Agreements, the shares subject matter thereof were transferred absolutely and unconditionally to AHC as of the date of execution of each of the agreements with the respective purchase price payable nine (9) months from the date of execution of each of the agreements ("Payment Date"). Pending full payment of the consideration, AHC was obligated to pay to each seller all accrued dividends pertaining to the shares during the period as interest. As of June 30, 2022, the consideration remains unpaid. With such acquisition, AHC's direct and indirect interest in KSEC increased from 12.77%% to 62.74%.

- **Quasi-reorganization**. On June 10, 2022, the Company's directors and shareholders approved the equity restructuring to substantially eliminate its retained earnings deficit as of December 31, 2021. After the SEC's approval of the Company's application on August 26, 2022, the Company's retained earnings and additional paid-in capital resulted from an accumulated deficit of ₱125,062,665 to ₱0.00 and from ₱440,865,245 to ₱315,802,580, respectively, as of December 31, 2021.

- **Quasi-reorganization**. On February 2, 2023, the Company submitted an application for equity restructuring with the Financial Analysis and Audit Division (FAAD) department of the SEC. Through this application, the Company intends to offset / wipe-out the deficit in the Company's stand-alone audited financial statement as of June 30, 2022 in the amount of ₱120,257,406 against the Corporation's additional paid-in capital of ₱315,802,580. Should the SEC approve the application, the Company will have a remaining additional paid-in capital of ₱195,545,174 and ₱0.00 accumulated deficit as of September 30, 2022 after offsetting/wiping out the Company's deficit. The Company has no reason to believe that the SEC will disapprove the application.

- As of the date of this Prospectus, the Company currently has no employees. However, the Group has 49 employees.

Solar Energy Portfolio

Solar Pacific Energy Corporation ("SPEC")

Solar Pacific Energy Corporation is AHC's solar energy sub-holding company that develops, builds, owns, and operates solar power plants on islands throughout the Philippines and the Pacific. AHC owns 60.00% economic interest and 77.76% voting interest in SPEC.

SPEC was co-founded in January 2013 by Vicente Pérez, and Michael Lichtenfeld. Michael Lichtenfeld was a former Director of Utility Project Development at SunEdison in San Francisco, responsible for the entire western US focused on Nevada and California solar markets. He led the development the 24.8MW_p Apex Solar Project, the 25.0MWp Vega Solar Project, and the 38.5MWp Spectrum Solar Project. In 2017, SPEC became a 51% subsidiary of AHC. In 2017, SPEC became a 51% subsidiary of AHC.

The DOE has awarded SPEC's various subsidiaries a total of 36 MW_{AC} of Solar Energy Service Contracts ("**SESC**") for the development of solar power projects in Aklan, Bataan, Cavite, Cotabato, Davao del Norte, Misamis Oriental, Negros Oriental and Occidental, and Pampanga. SPEC has also signed bilateral Power Sale Agreements ("PSAs") with distribution utilities and has signed multiple PSAs with commercial malls throughout the country.

As of the date of this Prospectus, SPEC owns 25.03% (representing economic and voting interest) of Kirahon Solar Energy Corporation, 100.00% (representing economic and voting interest) of Solana Solar Alpha Inc., 12.67% economic interest and 51.01% voting interest in Solar Pacific Pristine Power Inc., and 25.00% (representing economic and voting interest) in Solar Pacific CitySun Corporation.

Kirahon Solar Energy Corporation ("KSEC") – AHC's subsidiary

In July 2013, SPEC entered into an MOU with Mindanao Energy Systems ("MINERGY") for the development of Kirahon Solar Power Project Phase I ("Kirahon Solar Plant") of KSEC. Kirahon Solar Plant is a 10.0 MW_{AC} solar Photovoltaic ("PV") plant that is under the a 25-year Power Supply Agreement (PSA) with a local private distribution utility Cagayan Electric Power and Light company (CEPALCO).

The construction of Kirahon Solar Plant commenced in March 2015. JUWI Renewable Energies Pte. Ltd. was the EPC contractor. The plant was first commissioned in November 2015 and received its initial COC with a validity period of five (5) years from the ERC. In November 2020, the ERC issued provisional authority for a period of one (1) year, renewable annually.

The Kirahon Solar Plant is located on a 150,000 sqm. property in Minergy Business Park, PHIVIDEC Industrial Estate, Iligan-Cagayan de Oro-Butuan Road, Sitio Kirahon, Barangay San Martin, Villanueva, Misamis Oriental. KSEC owns the full title of the project site.

The Kirahon Solar Plant was the first large-scale solar PV project in the Philippines to be built under a bilateral PSA agreement with a local utility and the first to secure approval from the Energy Regulatory Commission ("ERC").

Since the start of operations, Kirahon Solar Plant has generated 110% of its expected annual generation targets. The plant directly serves Cagayan Electric Power & Light Co. ("CEPALCO"), a private distribution utility, under a 25-year PSA. The plant supplies clean electricity for up to 23,500 local households each year. As a renewable resource, the plant can offset 18 million kWh per year of diesel power plant output.

The Kirahon Solar Plant utilizes 40,720 solar panels mounted on a fixed tilt ground mounted racking structure and total 12 inverter stations of 900 and 500 kW AC output each. The Kirahon Solar Plant interconnects directly to CEPALCO's distribution network at a voltage of 34.5kV. All equipment is tested to 200kmph wind loading, and 30-year flood event standards for drainage and flood protections.

In 2015, KSEC secured the first non-recourse project financing facility for a utility-scale solar PV project in the Philippines with Rizal Commercial Banking Corporation ("RCBC"). Outstanding debt as of December 31, 2021 was ₱637.60 million.

AHC has 60% economic interest and 77.76% voting interest in SPEC which in turn owns a 25.03% economic and voting interest in KSEC. The effective additional 17.76% voting interest stems from the voting non-economic preferred shares acquired by AHC from NCP Advisors Philippines, Inc. in August 2022. In addition, AHC directly owns 49.97% economic and voting interest in KSEC. So the difference in the direct and indirect economic and voting percentages in KSEC as shown in the table is due to the difference in the economic and voting percentages of AHC in SPEC. Thus, AHC has a direct and indirect economic interest of 64.99% and direct and indirect voting interest of 69.43% in KSEC.

As a holding company, AHC will be relying on the track record of its subsidiary, KSEC. In this respect, AHC satisfies the requirements of the PSE Amended Listing Rules, i.e., that such subsidiary (a) must have a cumulative net income, excluding non-recurring items, of at least ₱75,000,000 for three full fiscal years immediately preceding the application for listing and minimum net income of ₱50,000,000 for the most recent fiscal year, and (b) must further be engaged in materially the same businesses and must have a proven track record of management throughout the last three year prior to the filing of the application. The PSE Amended Listing Rules prohibit AHC from divesting its shareholdings in KSEC for a period of three years from the date of the listing of its shares, provided that the prohibition shall not apply if the divestment is approved by majority of AHC's shareholders.

Project Summary:

Project Owner	KSEC
PV Power plant size	10.0 MW_{AC}
Annual Net Generation	18,125 MWh / year
Annual Specific Yield	1,442 kWh/ kW_p
Annual Degradation Rate	0.7%
Annual Operation Cost per kW_p	₱738 per kW_p
Location	Minergy Business Park, PHIVIDEC Industrial Estate, Iligan-Cagayan de Oro-Butuan Road, Sitio Kirahon, Barangay San Martin, Villanueva, Misamis Oriental
Off-taker	CEPALCO
PSA Term	25 years

PSA Tariff	ERC approved tariff of ₱8.75/ kWh, adjusted annually
Site Control	150,000 sqm. owned by KSEC
Interconnection	34.5kV to CEPALCO Grid
Start of Operations	October 25, 2015

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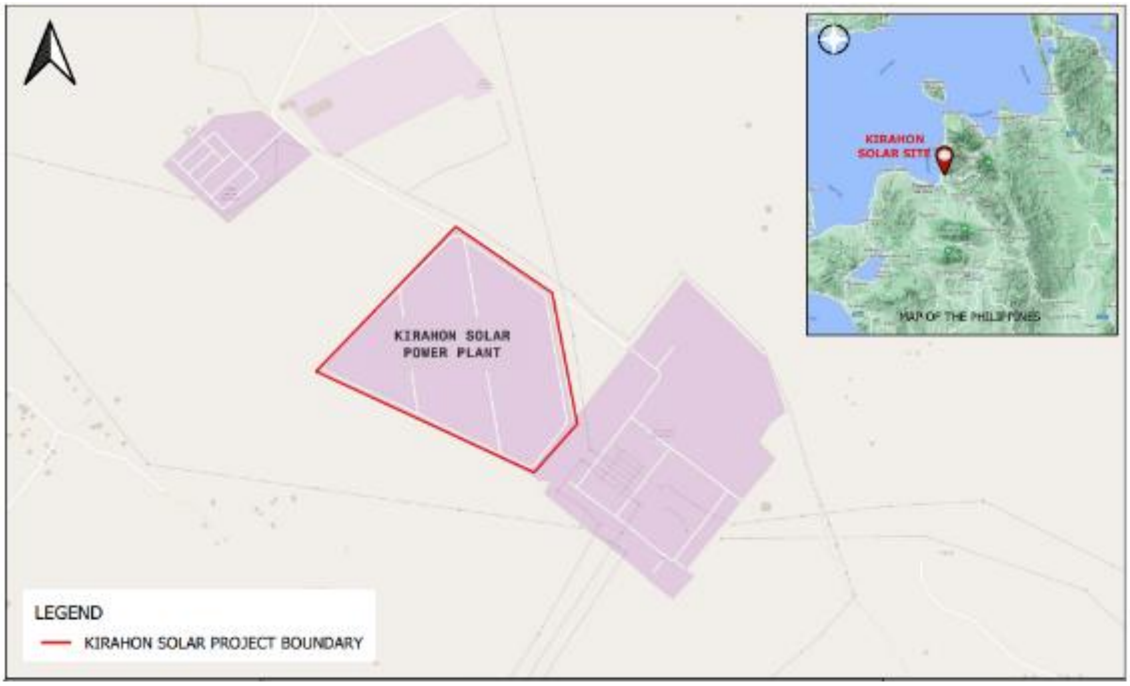
The following displays the location map and aerial photo of the Kirahon Solar Power Project site.



Source: Information provided by Alternergy

Source: Information provided by Alternergy; Photo by: Bong Bajo.

Solana Solar Alpha Inc. ("SSAI") – AHC's subsidiary

Solana Solar Alpha Inc. is developing the 20 MW_{AC} Solana Solar power project ("Solana Solar Plant") in Hermosa, Bataan. Solana Solar Plant is a near-construction ready project.

As of June 2022, the project has obtained major permits, completed critical technical feasibility studies, and secured an offtake agreement. SSAI has received the Solar Energy Operating Contract from DOE, Land Use Conversion Order from Department of Agrarian Reform, Environment Compliance Certificate from Department of Environment Natural Resources ("DENR"), and Certificate of Non-Overlap from National Commission on Indigenous Peoples ("NCIP"), registered with the Board of Investments ("BOI"), obtained the Point to Point Transmission Facilities Approval from the ERC, and endorsements from the Sangguniang Barangay of Balsik and the Sangguniang Bayan of Hermosa.

The site, covering an area of 30 hectares, is fully titled to and owned by SSAI. The project will interconnect to the National Grid Corporation of the Philippines ("NGCP") grid network at 69kV located only 350 meters from the project site. SSAI has executed a Connection Agreement ("CA") with NGCP and has secured all necessary rights of way ("ROW") for the transmission line.

The project has signed a 10 MW_{AC} PSA with AAA-rated Peninsula Electric Cooperative ("PENELCO") of Bataan on February 4, 2022. It also has onsite access to interconnection with PENELCO at 69kV to supply power as an embedded generator. In addition, SSAI is in advanced stage of negotiations with a creditworthy off-taker for a 20-year Power Purchase Agreement ("PPA") for another 10 MW_{AC} capacity

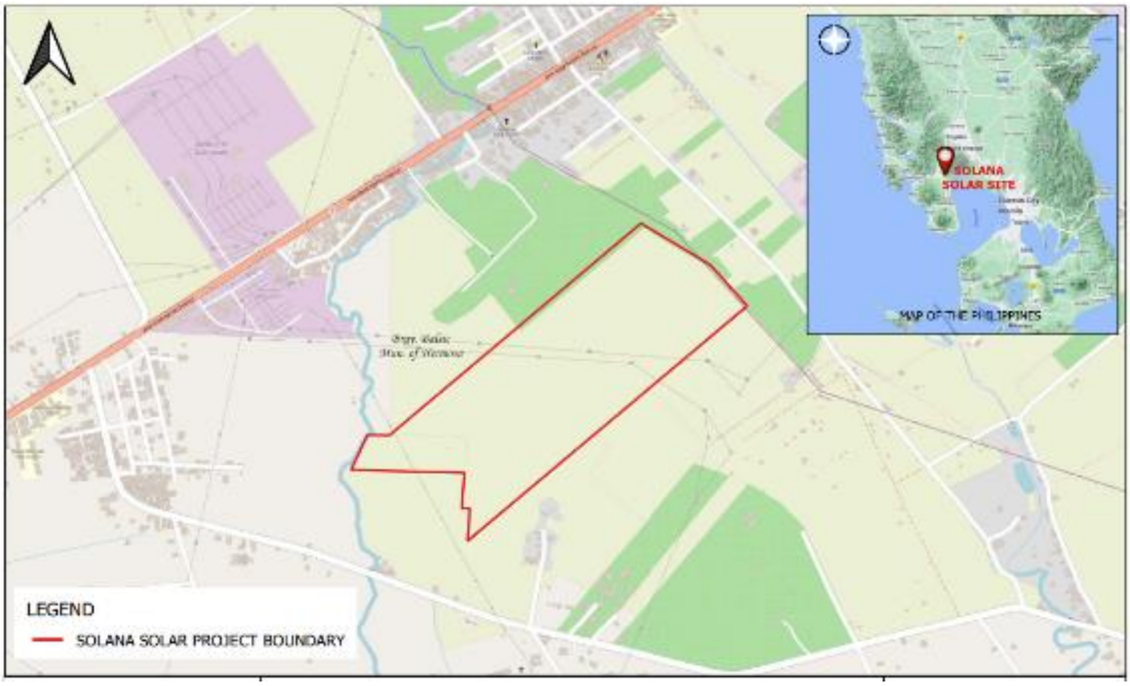
Construction is targeted to commence on the 1Q of 2023 with targeted commercial operation on the 4Q of 2023.

AHC has 60% economic interest and 77.76% voting interest in SPEC, which in turn has 100% economic and voting interest in SSAI. Thus, AHC has an indirect economic interest of 60% and 77% indirect voting interest in SSAI.

Project Summary:

Project Owner	SSAI
PV Power plant size *(estimate)*	20.0 MW_{AC}
Annual Net Generation *(estimate)*	42,800 MWh / year
Annual Specific Yield *(estimate)*	1,580 kWh/ kW_p
Annual Degradation Rate *(estimate)*	0.5%
Location	Hermosa, Bataan
Off-taker	PENELCO for 10.0 MW_{AC} Another 10.0 MW_{AC} under negotiation
PSA Term	PENELCO: 20 years
PSA Tariff	PENELCO: ₱4.20/ kWh pending ERC approval
Site Control	290,083 sqm. fully titled and owned by SSAI 2,879 sqm. perpetual right of way
Interconnection	69kV NGCP Hermosa Substation located 350m from property; 69kV PENELCO transmission line that traverses the property. Connection Agreements signed with NGCP and PENELCO
Target Start of Construction	Q1 2023
Target Start of Operations	Q4 2023

The following displays the location map and aerial photo of the SSAI project site.



Source: Information provided by Alternergy


Source: Information provided by Alternergy

Solar Pacific Pristine Power Inc. ("SPPPI") – AHC's subsidiary

SPEC is developing Alternergy's first renewable energy project outside the Philippines and its first hybrid solar and battery energy storage project through its Solar Pacific Pristine Power Inc ("**SPPPI**"). It was selected through a competitive process with Palau Public Utilities Corporation ("**PPUC**"), the state-owned authority of the Republic of Palau, a solar photovoltaic electric energy generating and battery storage facility with a solar PV total AC output capacity of 13.2 MW_{AC}, a battery energy storage system ("BESS") total output capacity of 10.2 MWac, and a BESS total energy storage capacity of 12.9 MWh beginning of life, designed to deliver 23,000 MWh per year. The project would be the first IPP in Palau.

SPEC obtained project funding from the government of Australia. As of October 2022, SPPPI achieved full drawdown of USD18 Mn and USD3.5 Mn under its financing agreements.

The project is intended to be the first of two phases, in order to meet the country's goal of 20% renewable energy by 2025, as part of its commitment to the Paris Climate Treaty.

On April 14, 2021, SPEC signed a 20-year PPA with PPUC for 100% of the project energy output at a fixed tariff in U.S. dollars, extendable for another 5 years, which SPEC assigned to SPPPI. Notice to Proceed ("NTP") was issued in April 2022 and construction has already started with target completion in 12 months. JUWI Renewable Energies Pte. Ltd. was selected as the EPC contractor.

The project will interconnect to PPUC's grid network at 34.5kV located 400 meters from the point of interconnection with PPUC's grid. A Grid Connection Agreement ("GCA") was approved by the Palau Energy Administration ("PEA") in May 2021 and executed between SPEC and PPUC on June 16, 2021.

On January 19, 2021, SPPPI signed a Lease Agreement for 160,000 sqm. of private property in Ngatpang State, with a lease term of 27 years, extendable for an additional 23 years. The land is privately owned and is largely clear of forest cover. The project was carefully designed to be built on savannah land, to avoid any clearing of the adjacent forest areas and to minimize impact to the local environment.

AHC has 60% economic interest and 77.76% voting interest in SPEC, which in turn has 12.67% economic interest and a 51.01% voting interest by way of owning additional voting non-economic preferred shares in SPPPI. Thus, AHC has a direct and indirect economic interest of 17.6% and a direct and indirect voting interest of 45.27% in SPPPI.

Project Summary:

Project Owner	SPPPI
PV Power plant size *(estimate)*	Solar PV: 13.2 MW_{AC} BESS: 10.2 MW_{AC}/12.9 MWh
Annual Net Generation *(estimate)*	23,137 MWh / year
Annual Specific Yield *(estimate)*	1,514 kWh/ kW_p
Annual Degradation Rate *(estimate)*	0.5%
Location	Ngatpang State, Babeldaob island, Palau
Off-taker	PPUC
PSA Term	20 years, with option to extend for another five (5) years
PSA Tariff	Fixed in U.S. Dollars
Interconnection	34.5kV transmission line of PPUC located at 400m from property; Connection Agreement signed with PPUC

Start of Construction	April 2022
Target Start of Operations	Q2 2023

The following displays the location map and aerial photo of the SPPPI project site.

Source: Information provided by Alternergy

Source: Information provided by Alternergy

Solar Pacific CitySun Corporation ("SPCC") – AHC's affiliate

Solar Pacific CitySun Corporation has signed 13 rooftop solar PSAs for 25 years with CityMall Commercial Centers Inc. ("CMCCI"), owned by Double Dragon Properties Corp. and SM Investment Corporation. The 13 solar rooftop projects on CityMalls throughout the country with 13 Solar Energy Service Contracts are 5.64MW_{AC} in total.

Out of these PSAs, six (6) are included in the Phase I Batch 1 which commenced operations on September 25, 2018, while two (2) are included in the Phase I Batch 2 which started operations on May 20, 2019, for a total 3.24 MW_{AC}. It is the first multi-site solar rooftop portfolio under one project financing facility in the Philippines. Phase II is on its advanced development stage, which consists of five (5) rooftop projects with a capacity of 2.40 MW_{AC}.

Each of the eight (8) solar rooftop projects in Phase I holds a separate PPA with CMCCI in which the ₱/kWh tariff is based on a certain formula linked to local distribution utility rates.

The construction of the solar rooftop Phase I projects commenced in 2018. JUWI Renewable Energies Pte. Ltd. Was the EPC contractor. The SPCC rooftops received their initial COC with a validity period of five (5) years from the ERC starting from October 1, 2019 to August 4, 2020.

SPCC entered into several project lease agreements with CMCCI for each CityMall location which commenced upon the start of commercial operations of the solar rooftop projects. SPCC pays a rooftop lease rental fee to CMCCI.

The solar rooftop projects are located in (1) Boracay, Aklan; (2) Kalibo, Aklan; (3) Kabankalan, Negros Occidental;(4) Victorias, Negros Occidental; (5) Dumaguete, Negros Oriental; (6) Tagum City, Davao del Norte (7) Dau, Pampanga; (8) Mandalagan, Negros Occidental; (9) Cadiz, Negros Occidental; (10) San Carlos, Negros Occidental; (11) Goldenfields, Bacolod City; (12) Imus, Cavite; (13) Cotabato City, Maguindanao

In December 2017, SPCC signed a ₱249 million loan with RCBC. Outstanding debt as of December 31, 2021 was ₱223.28 million.

AHC has 60% economic interest and 77.76% voting interest in SPEC, which in turn has 25% economic and voting interest in SPCC. Thus, AHC has an indirect economic interest of 15% and 19.44% indirect voting interest in SPCC.

Project Summary:

Project Owner	SPCC
PV Power plant size	5.64 MW_{AC} including Phase II solar rooftops
Annual Net Generation	9,932 MWh / year
Annual Specific Yield	1,410 kWh/ kW_p
Annual Degradation Rate	0.7 %
Annual Operation Cost per kW_p	₱948 / kW_p
Location	Various CityMall locations: Phase I Batch 1 projects are located in: (1) Boracay, Aklan; (2) Kalibo, Aklan; (3) Kabankalan, Negros Occidental; (4) Victorias, Negros Occidental; (5) Dumaguete, Negros Oriental; (6) Tagum City, Davao del Norte

	Phase I Batch 2 projects are located in: (7) Dau, Pampanga; (8) Mandalagan, Negros Occidental Phase II projects: (9) Cadiz, Negros Occidental; (10) San Carlos, Negros Occidental; (11) Goldenfields, Bacolod City; (12) Imus, Cavite; (13) Cotabato City, Maguindanao
Off-taker	CMCCI
PSA Term	25 years
PSA Tariff	Tariff is based on a certain formula linked to local distribution utility rates
Interconnection	Direct Connection to each CMCCI CityMall
Start of Operations	Phase I Batch 1 September 25, 2018; Phase I Batch 2 May 20, 2019

The following displays the location map and aerial photo of the SPCC Solar rooftop project sites.

Source: Information provided by Alternergy

Source: Information provided by Alternergy; SPCC rooftop – CityMall Victorias City, Negros Occidental

Wind Energy Portfolio

Pililla AVPC Corporation ("PACO")

Pililla AVPC Corporation, a wholly owned subsidiary of AHC, is the primary wind energy sub-holding company of Alternergy. AHC's subsidiaries aim to install onshore and offshore wind farms of up to 1,238 MW.

In December 2008, Alternergy Philippine Holdings Corporation ("**APHC**") was one of the first companies awarded by the DOE under the newly enacted Renewable Energy Act with the exclusive right to develop wind power projects in three locations in the Philippines.

Subsequently in October 2009, the DOE awarded three additional Wind Energy Service Contracts ("**WESCs**") to APHC, based on technical and financial capability. Two additional wind service contracts were awarded to APHC in 2015 and 2019. APHC assigned all its rights and benefits over the contract to Alternergy Wind One Corporation ("**AWOC**") through a deed of assignment executed in June 2011. The DOE approved the assignment of the WESC No. 2009-09-018 to AWOC in July 2012.

PACO owns 16.00% of Calavite Passage Wind Power Corporation, 16.00% of Tablas Strait Offshore Wind Power Corporation, 5.00% of Alternergy Wind One Corporation, and 5.00% of Alternergy Sembrano Wind Corporation.

Calavite Passage Wind Power Corporation – AHC's subsidiary

PACO is co-developing its first offshore wind ("OSW") project. The chosen location is within the Calavite Passage, a wind-blown marine strait between Lubang Island and Calavite Point in Paluan, Occidental Mindoro. In March 2022, the DOE awarded PACO the WESC for the Calavite Passage, with a total marine area of 78,408 hectares.

PACO has entered into a shareholders agreement with Shell Overseas Investments B.V with current interests in operational offshore wind farms and several more in development, to jointly develop the Calavite Passage Offshore Wind Project of Calavite Passage Wind Power Corporation (“CPWPC").

AHC has 100% economic and voting interest in PACO, which in turn has 16.00% economic and 60% voting interest in CPWPC. Thus, AHC has an indirect 16.00% economic and 60% voting interest in CPWPC.

The following displays the location map of the Calavite Passage Wind project site.

Source: Information provided by Alternergy

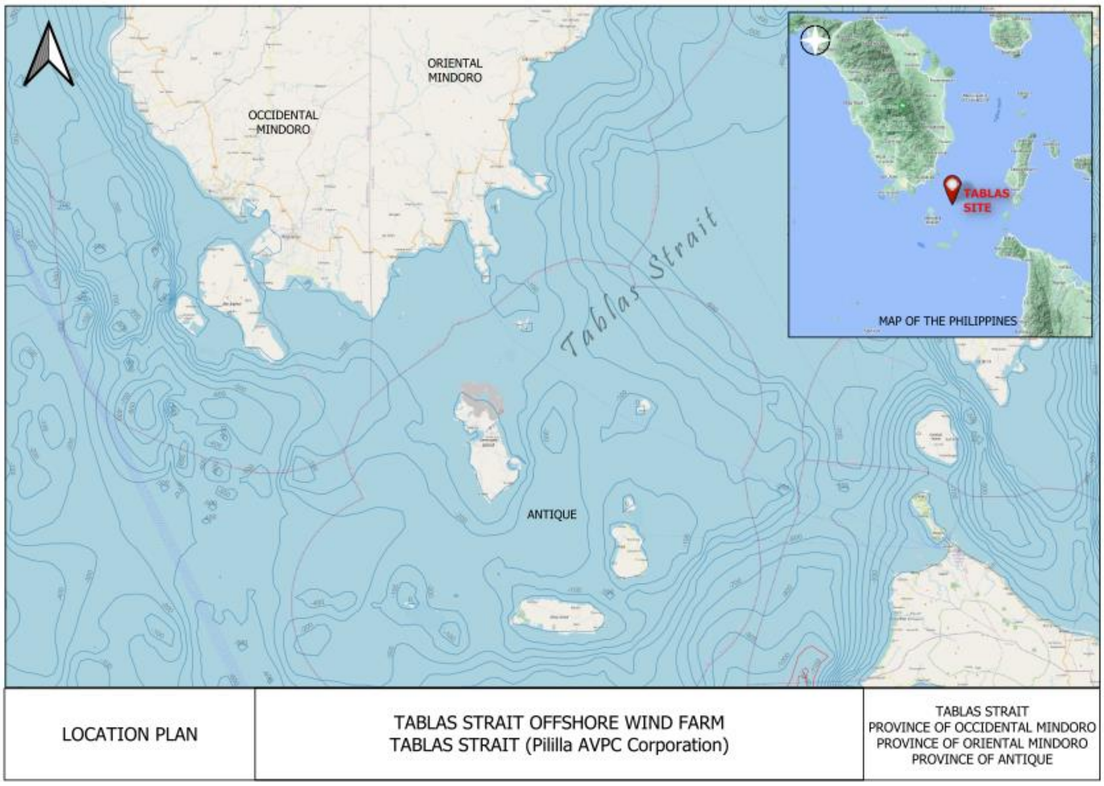
Tablas Strait Offshore Wind Power Corporation – AHC’s subsidiary

PACO is co-developing another offshore wind project at the southern portion of Mindoro province. The Tablas Strait Offshore Wind Project located in Magsaysay, Occidental Mindoro, Bulalacao, Oriental Mindoro, and Caluya, Antique is being developed by the project company, the Tablas Strait Offshore Wind Power Corporation (TSOWPC). The application for the wind energy service contract for the Tablas Strait Offshore Wind Power Project was submitted to the DOE in December 2022 and has been precleared for execution.

PACO has entered into a shareholders’ agreement with the offshore wind subsidiary of Shell Overseas Investments BV, a global energy company, with current interests in operational offshore wind farms and several more in development, to jointly develop the Tablas Strait Offshore Wind Project of TSOWPC.

AHC has 100% economic and voting interest in PACO, which in turn has 16.00% economic and 60% voting interest in TSOWPC. Thus, AHC has an indirect 16.00% economic and 60% voting interest in TSOWPC.

The following displays the location map and aerial photo of the Tablas Strait Offshore Wind Project project site.



Source: Information provided by Alternergy

The combined total potential capacity of both Calavite Passage and Tablas Strait offshore wind projects is up to 1,000 MW. The capacity of each project will be determined upon the conduct of complete resource assessment.

Alternergy Wind One Corporation ("AWOC") – AHC's affiliate

PACO's project company, Alternergy Wind One Corporation, has been operating a 54 MW Pililla Rizal wind farm since June 2015, generating 133 GWh/year. Its generation is sold under a 20-year Renewable Energy Power Agreement ("REPA") with National Transmission Corporation ("TransCo") under a Feed in Tariff awarded by the ERC for the delivery and payment of electricity produced by the project.

In March 2012, AWOC signed an interconnection agreement with Manila Electric Company ("**Meralco**") for the evacuation of electricity from the project site through Meralco's Malaya-Teresa 115 kV Transmission Line, the nearest tapping point with a distance of approximately 10 kms from the project's substation.

AHC has 100% economic and voting interest in PACO, which in turn has 5% economic and voting interest in AWOC. Thus, AHC has an indirect economic and voting interest of 5% in AWOC.

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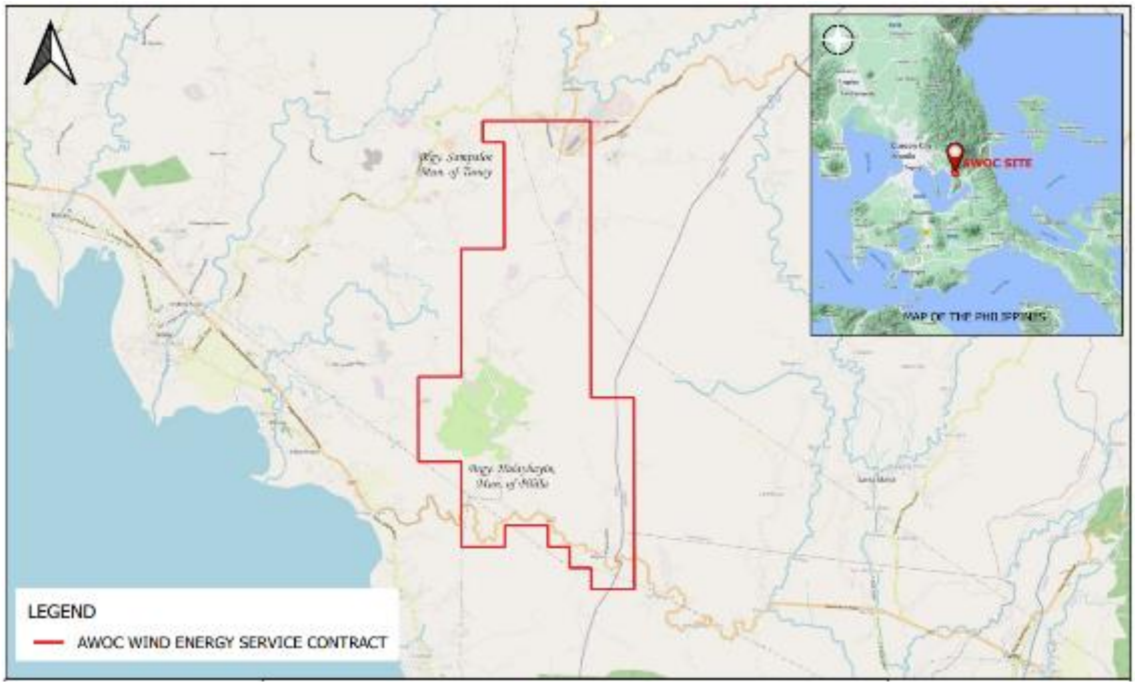
Project Summary:

Project Owner	AWOC
Power plant capacity	54.0 MW, FIT plant
Annual Net Generation	133,500 MWh / year
Annual Specific Yield	2,472.22 kWh/ kW
Annual Degradation Rate	0.05%
Annual Operation Cost per kW	₱1,625 per kW
Location	Barangay Halayhayin, Pililla, Rizal
Off-taker	TransCo
PSA Term	20 years
FIT Rate	₱7.40/ kWh base tariff
Interconnection	Meralco's Malaya-Teresa 115 kV Transmission Line, the nearest tapping point with a distance of approximately 10 kms from the project's substation
Start of Operations	June 9, 2015

The following displays the location map and aerial photo of the AWOC Pililla Wind Farm project site.



Source: Information provided by Alternergy

Source: Information provided by Alternergy; Photo by: Bong Bajo.

Alternergy Sembrano Wind Corporation ("ASWC") – AHC's affiliate

The proposed 84 MW Sembrano wind project located in Pililla, Rizal and Pakil, Laguna of Alternergy Sembrano Wind Corporation is in advanced pre-development stage. As the second phase of the 54 MW Pililla Rizal wind farm, wind resource assessment, geotechnical and interconnection studies have been conducted confirming the feasibility of the Sembrano project. With elevation ranging from 250 masl to 650 masl, and given the site's proximity to Manila, the project location is ideal for a wind farm project.

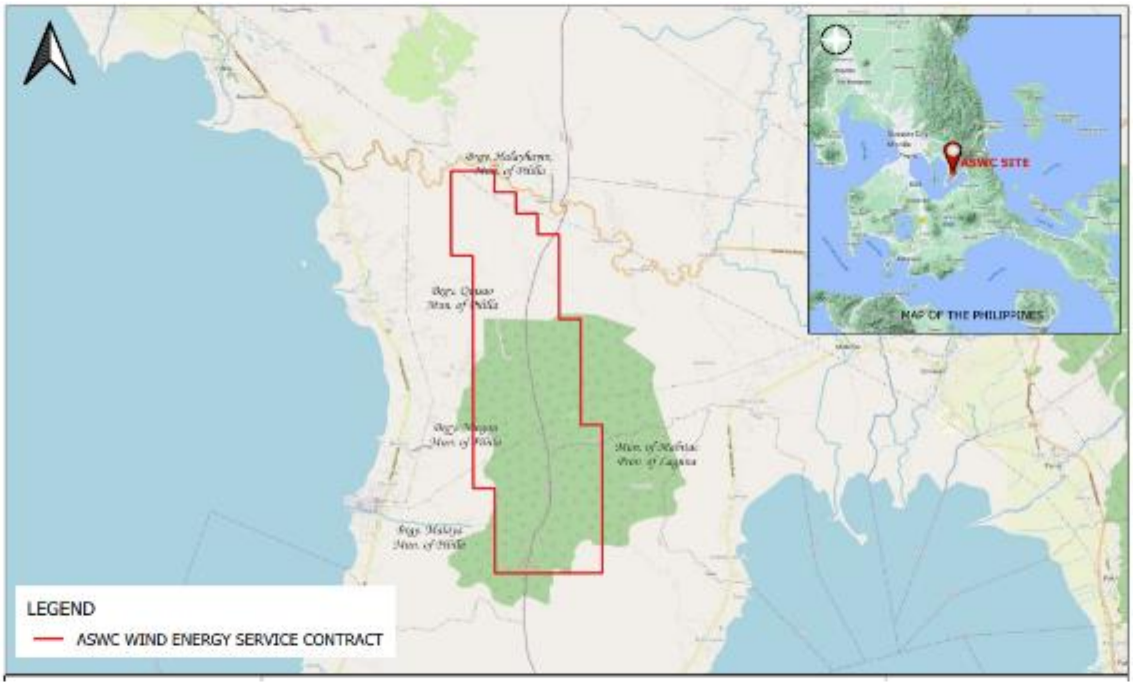
The Wind Service Contract for the Sembrano project was awarded by the DOE to ASWC in October 2009. The project has already obtained endorsements from relevant barangays and municipalities, Confirmation of Commerciality from the DOE, height clearance from the Civil Aviation Authority of the Philippines ("CAAP"), Certificate of Non-Overlap from the NCIP, and Certificate of Non-Coverage from the DENR.

AHC has 100% economic and voting interest in PACO, which in turn has 5% economic and voting interest in ASWC. Thus, AHC has an indirect economic and voting interest of 5% in ASWC.

Project Summary:

Project Owner	ASWC
Power plant capacity *(estimate)*	84.0 MW
Annual Net Generation *(estimate)*	277,529 MWh / year
Annual Specific Yield *(estimate)*	3,303 kWh/ kW
Annual Degradation Rate *(estimate)*	0.05%
Location	Pililla, Rizal and Pakil, Laguna
Off-taker	Ongoing discussions
Interconnection	Interconnection agreement with Meralco
Target Start of Construction	Q1 2023
Target Start of Operations	Q3 2024

The following displays the location map and aerial photo of the ASWC project site.



Source: Information provided by Alternergy

Source: Information provided by Alternergy

Alternergy Tanay Wind Corporation ("ATWC") – AHC's subsidiary

Alternergy Tanay Wind Corporation, a wholly owned subsidiary of the Company, is developing the Tanay Wind Power Project in Tanay, Rizal Province, and the Alabat Wind Power Project in Quezon Province.

AHC has 100% economic and voting interest in ATWC.

Tanay Wind Power Project by ATWC

The Tanay Wind Power Project in Tanay, Rizal Province has a potential capacity of up to 99.2 MW. Wind resource assessment have been conducted with a met mast and LiDAR.

The Wind Energy Service Contract was awarded by the DOE in March 2017, granting the company 25-year concession rights to develop wind resources in Barangays San Andres and Cuyambay in Tanay, Rizal. Since the award of the service contract, various permits have been obtained including the DENR Environmental Compliance Certificate, Certificate of Non-Overlap by the NCIP for the proposed project site, Clearance from the Protected Area Management Board ("PAMB") of the Kaliwa Watershed Forest Area, and Height Clearance from CAAP for the met mast and 16 towers. Endorsements for the Tanay Wind Project were given by the Sangguniang Barangays of San Andres and Cuyambang and by the Sangguniang Bayan of Tanay. A Sangguniang Panlalawigan Resolution by the Rizal Provincial Government allowed ATWC to conduct wind resource assessment on their Tanay properties.

The project is situated in Barangays San Andres and Cuyambay, Tanay, Rizal, about 60 kilometers (two hours) from Manila, the country's major load center. Interconnection will be through the existing 500 kV substation of the National Grid Corporation located 2 kilometers from the project site.

Construction is targeted to commence on the first quarter of 2024 with target COD on the fourth quarter of 2025.

Project Summary:

Project Owner	ATWC
Power plant capacity *(estimate)*	99.20 MW
Annual Net Generation *(estimate)*	252,983 MWh / year
Annual Specific Yield *(estimate)*	2,550 kWh/ kW
Annual Degradation Rate *(estimate)*	0.05%
Location	Brgy. San Andres and Cuyambay, Tanay, Rizal
Off-taker	Ongoing negotiations with Distribution Utilities, Retail Electricity Suppliers
Interconnection	115 kV transmission line connecting to the 230kV Antipolo substation of the NGCP located 30 kilometers from the project site
Target Start of Construction	Q1 2024
Target Start of Operations	Q4 2025

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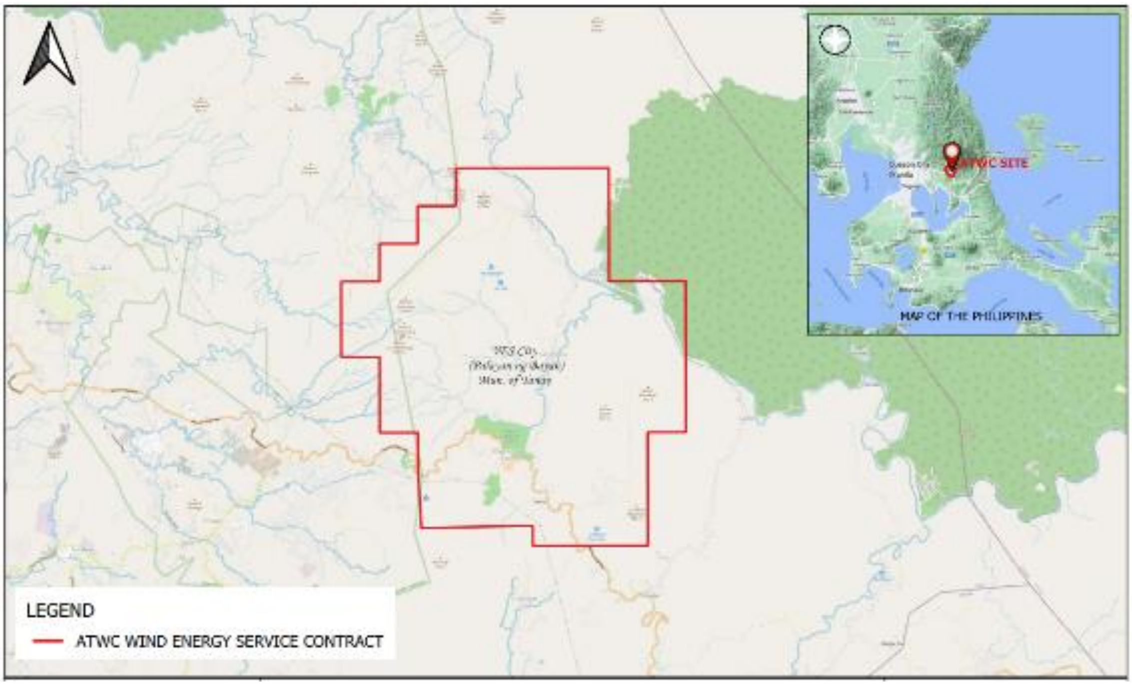
The following displays the location map and aerial photo of the ATWC project site.



Source: Information provided by Alternergy

Source: Information provided by Alternergy

Alabat Island Wind Power Project by ATWC

Located on the eastern seaboard of Luzon Island, the Alabat Island Wind Project in Quezon Province is a project of ATWC in the early stage. After securing the Wind Energy Service Contract from the DOE in December 2019, ATWC received the endorsements of the three Alabat Island municipalities of Quezon, Alabat, and Perez, endorsements from host barangays within Alabat municipality and the endorsement of the Quezon Provincial Development Council. ATWC has installed a 80-meter met mast in October 2022 after obtaining clearances from the DENR, the CAAP, and from NCIP.

Technical studies are likewise planned for 2023 on Third Party Data Monitoring and Management and installation of LIDAR equipment.

ATWC is negotiating the interconnection agreement for the Alabat Island Wind Power Project with a distribution utility cooperative which is located approximately eight (8) kilometers from the project site.

Project Summary:

Project Owner	ATWC
Power plant capacity *(estimate)*	49.60 MW
Annual Net Generation *(estimate)*	169,920 MWh / year
Annual Specific Yield *(estimate)*	3,425.81 kWh/ kW
Annual Degradation Rate *(estimate)*	0.05%
Location	Quezon Province
Offtaker	Under negotiations
Interconnection	Under negotiations
Target Start of Construction	Q2 2025
Target Start of Operations	Q3 2026

The following displays the location map and aerial photo of the Alabat Island Wind project site.

Source: Information provided by Alternergy

Source: Information provided by Alternergy

Abra de Ilog Wind Project

In December 2008, the Department of Energy awarded a Wind Energy Service Contract for the Abra de Ilog Wind Project in Occidental Mindoro to Alternergy Philippine Holdings Corp. ("APHC"). It is the Company's intent to cause the assignment of the WESC from APHC to a new special purpose vehicle organized for the purpose of undertaking the Abra de Ilog Wind Project.

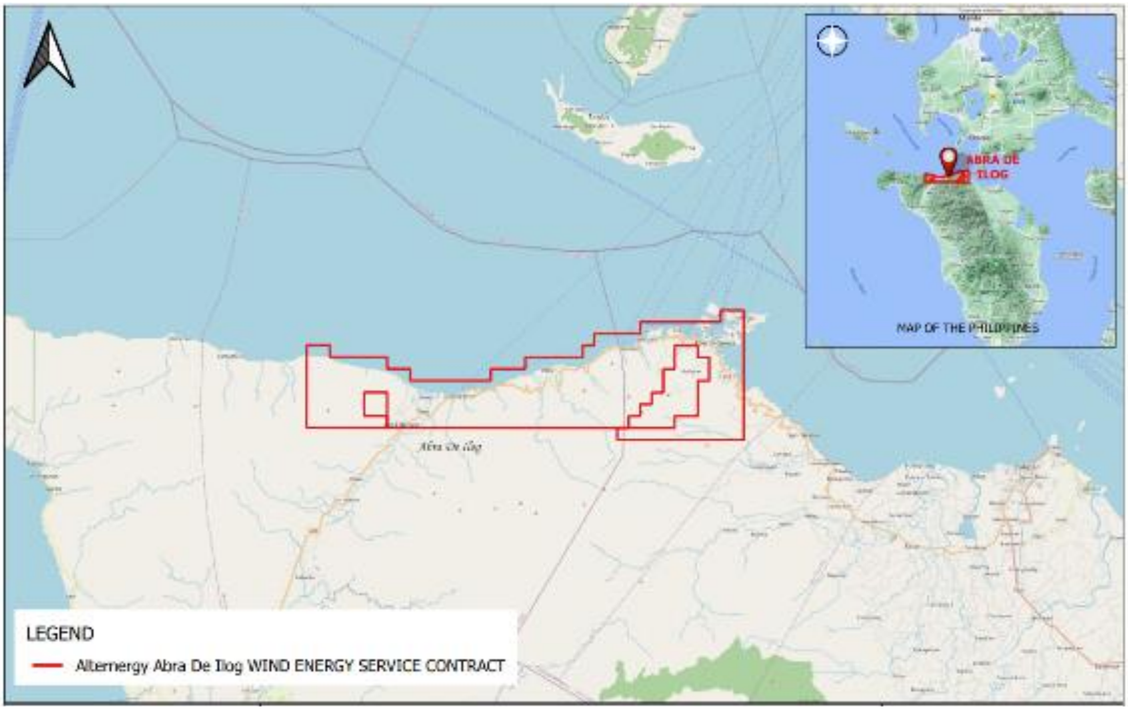
In 2010, the Asian Development Bank ("ADB") partly financed the feasibility study of the Abra de Ilog Wind Project. Alternergy conducted the feasibility study and a met mast was installed to measure the wind resource.

As part of ADB's technical assistance to the Abra de Ilog Wind Project, an Environmental Impact Assessment, Geological Assessment, including a Migratory Bird Survey were conducted. Endorsements were received from the Sangguniang Barangay of Wawa, Sangguniang Bayan of Abra de Ilog, and Sangguniang Panlalawigan of Occidental Mindoro.

The project site is within Zone II which has 200 kph minimum load requirement. The wind turbines and other equipment that will be erected in the Project Site must be able to surpass a wind speed of 200 kph at a minimum. ATWC obtained the PHIVOLCS Certification of the nearby fault in the project site. The proposed Abra de Ilog project site will avoid the fault line in positioning the wind turbines to mitigate the risk of any fault hazard.

This project was conceptualized in anticipation of the proposed installation of a 25-kilometer long submarine cable across the Verde Passage known as the Batangas Mindoro Interconnection Project ("BMIP"). Since the Abra de Ilog Wind Project is dependent on the completion of the BMIP, the project is currently on hold until the BMIP is completed.

The following displays the location map and aerial photo of the Abra de Ilog Wind project site.



Source: Information provided by Alternergy

Source: Information provided by Alternergy

Mini Hydro Energy Portfolio

Alternergy Mini Hydro Holdings Corporation ("AMHHC")

Alternergy Mini Hydro Holdings Corporation is the primary hydro energy sub-holding company and wholly owned subsidiary of AHC. Through AMHHC, Alternergy's vision is to become a developer of mini-hydro power projects in the Philippines. The mini-hydro projects will have an estimated installed capacity of about 36 MW and will be commissioned over a five-year period.

AMHHC is currently developing one run-of-river hydropower project in Nueva Ecija and three (3) run-of-river hydropower projects in Ifugao with a total potential capacity of about 36 MW. Aside from the rich water resources, a distinct advantage of the Nueva Ecija and Ifugao projects is the accessibility of transmission facilities. The Ifugao projects are located less than 18 kilometers from the transmission lines, which should translate to faster project completion. Of the three Ifugao projects, two are now in advanced stage of development. These are Kiangan and Lamut Asipulo Mini-Hydropower projects.

AMHHC owns 100.00% (representing economic and voting interest) of Lamut Asipulo Mini Hydro Corporation, 100% (representing economic and voting interest) of Ibulao Mini Hydro Corporation, 15.00% economic and 30% voting interest of Kiangan Mini Hydro Corporation, and 4.00% (representing economic and voting interest) of Dupinga Mini Hydro Corporation.

Lamut Asipulo Mini Hydro Corporation ("LAMHC") – AHC's subsidiary

The 6.8 MW Lamut-Asipulo run-of-river mini-hydropower project of Lamut Asipulo Mini Hydro Corporation is a near construction ready project along the Cawayan River along the two municipalities of Asipulo and Lamut in the Ifugao Cordillera Administrative Region.

The project is part of a portfolio of run-of-river projects of AMHC and thus benefits from synergies with other hydropower projects in Ifugao. The project has a potential annual generation of 33.3 GWh. Grid connection distance from the project site to the nearest 69 kV transmission line is 8 kilometers.

The project has completed critical technical feasibility studies and detailed engineering design and has secured key government permits and studies including the Hydro Service Energy Contract and Confirmation of Commerciality from the DOE, Environmental Compliance Certificate from the DENR, Water Permit from the National Water Resources Board ("NWRB"), and approval of the System Impact Study by NGCP. It has received endorsements from the Sangguniang Bayan of of Asipulo and Lamut, and it has obtained the consent of indigenous communities in the Lamut and Asipulo ancestral domain. The NCIP Certification Precondition, a certificate of compliance to the FPIC process and certifying that the Kalaguya, Ayangan and Tuwali Indigenous Communities have given its Consent to the project, was granted in August 2021.

On March 15, 2022, the Company, Alternergy Mini Hydro Holdings Corporation, Exeter Portofino (Export) Holdings Inc. (EXETER) and Lamut-Asipulo Mini Hydro Corporation entered into an Investment Framework Agreement for the inclusion of EXETER as co-shareholder in Lamut-Asipulo Mini Hydro Corporation. LAMHC owns and is undertaking the development, construction, and implementation of approximately 6.8MW run-of-river hydropower generation project in the Municipalities of Lamut and Asipulo, Ifugao.

AHC has 100% economic and voting interest in AMHHC, which in turn has 100% economic and voting interest in LAMHC. Thus, AHC has an indirect economic and voting interest of 100% in LAMHC.

Project Summary:

Project Owner	LAMHC
Power plant capacity *(estimate)*	6.80 MW
Annual Net Generation *(estimate)*	33,270 MWh / year
Annual Specific Yield *(estimate)*	4,893 kWh/ kW
Annual Degradation Rate *(estimate)*	0.50%
Location	Brgys Pula & Panubtuban, Asipulo; Brgys Hollowon, Panopdopan and Nayon, Lamut (Transmission Line)
Off-taker	Vying for FIT
PSA Term	20 years
PSA Tariff	To be determined by the ERC
Interconnection	In process
Target Start of Construction	Q4 2023
Target Start of Operations	Q2 2025

The following displays the location map and aerial photo of the LAMHC project site.

Source: Information provided by Alternergy

Source: Information provided by Alternergy

Ibulao Mini Hydro Corporation ("IMHC") – AHC's subsidiary

The 7.42 MW Ibulao 2 mini-hydro project is an early development project being developed by Ibulao Mini Hydro Corporation. To be located in Brgy. Bolog in the Municipality of Kiangan and Brgy. Caba in the Municipality of Lagawe in the province of Ifugao, the Ibulao 2 Project will harness the flow of water from the Ibulao River.

The DOE awarded the Service Contract and Confirmation of Commerciality for the proposed Ibulao 2 project in September 2013 and May 2016, respectively. IMHC has completed extensive technical studies to confirm the viability of the Ibulao 2 project. Permitting activities continue to be pursued. The site is within a 12-kilometer-distance from the nearest transmission substation. IMHC targets to make Ibulao 2 project construction ready by the second quarter of 2024.

AHC has 100% economic and voting interest in AMHHC, which in turn has 100% economic and voting interest in IMHC. Thus, AHC has an indirect economic and voting interest of 100% in IMHC.

Project Summary:

Project Owner	IMHC
Power plant size *(estimate)*	7.42 MW
Annual Net Generation *(estimate)*	34,441 MWh / year
Annual Specific Yield *(estimate)*	4,643 kWh/ kW
Annual Degradation Rate *(estimate)*	0.50%
Location	Brgy. Bolog in the Municipality of Kiangan and Brgy. Caba in the Municipality of Lagawe in the province of Ifugao
Off-taker	Vying for FIT
PSA Term	20 years
PSA Tariff	To be determined by the ERC
Interconnection	In process
Target Start of Construction	Q2 2024
Target Start of Operations	Q2 2026

The following displays the location map and aerial photo of the IMHC project site.

Source: Information provided by Alternergy

Source: Information provided by Alternergy

Kiangan Mini Hydro Corporation ("KMHC") – AHC's affiliate

The 17.4 MW Kiangan run-of-river project in Ifugao of Kiangan Mini Hydro Corporation combines three hydro developments along the Asin, Hungduan, and Ibulao Rivers. AMHHC took over project development of Kiangan Hydro from the original developer Enerhighlands Corporation in November 2013. In 2015, the DOE approved the assignment of the Hydro Service Contracts of Asin, Hungduan and Ibulao1 from Enerhighlands Corporation to KMHC.

The project site is located on the Island of Luzon in the landlocked Ifugao Province and in Barangays Bokiawan, Dalligan and Mongayang within the municipality of Kiangan. Kiangan Hydro project is currently under construction since April 2021 with complete comprehensive feasibility study and detailed engineering design and government permits and approvals. The NCIP Certification Precondition, a certificate of compliance to the FPIC process and certifying that Tuwali Indigenous Peoples of Kiangan and Lagawe have given their Consent to the project, was granted in December 2018.

In September 2022, KMHC achieved first drawdown of Php436 Mn from Development Bank of the Philippines under an omnibus loan and security agreement.

The projects are briefly described below:

- **Ibulao**: The Ibulao mini-hydro project is a run-of-river type with a potential capacity of 7.6 MW. The project has good access to transmission line. The nearest transmission line is located approximately 1.5 kilometers from the project site. The DOE awarded the Service Contract and issued the Confirmation of Commerciality for the Ibulao project in September 2013 and June 2016, respectively, and an amended Service Contract in August 2020.

- **Asin**: The Asin mini-hydro project has a potential capacity of 7.04 MW. There is a 3.6 kilometer distance between the proposed project and the nearest transmission line. The DOE has awarded the Service Contract and issued the Confirmation of Commerciality for the Asin project last September 2013 and June 2016, respectively.

- **Hungduan**: The Hungduan mini-hydro project has a potential capacity of 4.04 MW. The project has good access to transmission facilities. The site is located approximately 3.6 kilometers away from the nearest transmission lines. The DOE awarded the Service Contract and issued the Confirmation of Commerciality for the Hungduan project in September 2013 and September 2016, respectively.

AHC has 100% economic and voting interest in AMHHC, which in turn has 15% economic and 30% voting interest in KMHC. Thus, AHC has an indirect economic of 15% and voting interest of 30% in KMHC.

Project Summary:

Project Owner	KMHC
Power plant capacity *(estimate)*	17.40 MW
Annual Net Generation *(estimate)*	82,378 MWh / year
Annual Specific Yield *(estimate)*	4,734 kWh/ kW
Annual Degradation Rate *(estimate)*	0.50%
Location	Barangays Bokiawan, Dalligan and Mongayang within the municipality of Kiangan
Off-taker	Vying for Hydro Feed-in Tariff
PSA Term	20 years FIT

PSA Tariff	To be determined by the ERC
Interconnection	Connection Agreement signed with NGCP
Start of Construction	April 2021
Target Start of Operations	Q4 2024

The following displays the location and layout of the KMHC project site.

Source: Information provided by Alternergy

Source: Information provided by Alternergy

Dupinga Mini Hydro Corporation ("DMHC") – AHC's affiliate

The 4.6 MW Dupinga run-of-river project of Dupinga Mini Hydro Corporation is located along the Dupinga River in Gabaldon, Nueva Ecija. It is currently under construction since June 2020, with complete comprehensive feasibility study and detailed engineering design and government permits and approvals, including the MOA signing with the NCIP and the Dumagat indigenous peoples on January 15, 2015. The NCIP Certification Precondition, a certificate of compliance to the Free Prior Informed Consent ("FPIC') process and certifying that Katutubong Dumagat IP Community has given its Consent to the project, was granted in March 2017.

The DOE has awarded a COCOC the proposed Dupinga project in June 2013. By the DOE's definition, the COCOC is the "Notice to Proceed" to the construction phase. DMHC completed a Detailed Engineering Design (DED) in the fourth quarter of 2014 and a Value Engineering Design in July 2017. Early Construction Works commenced in July 2020. Full NTP for construction works was issued in January 2021.

In September 2016, AMHHC and Markham Resources Corporation signed the Investment and Shareholder Agreements for the Dupinga project. Debt financing was secured in August 2019. On February 10, 2022, DMHC signed an Interconnection Agreement and a 4.6 MW PSA with Nueva Ecija II Electric Cooperative, Inc Area 2 ("NEECO2") as an Embedded Generator.

In September 2022, DMHC achieved first drawdown of Php310 Mn from Development Bank of the Philippines under an omnibus loan and security agreement.

AHC has 100% economic and voting interest in AMHHC, which in turn has 4% economic and voting interest in DMHC. Thus, AHC has an indirect economic and voting interest of 4% DMHC.

Project Summary:

Project Owner	DMHC
Power plant capacity *(estimate)*	4.60 MW
Annual Net Generation *(estimate)*	22,041 MWh / year
Annual Specific Yield *(estimate)*	4,791 kWh/ kW
Annual Degradation Rate *(estimate)*	0.50%
Location	Barangay Malinao & Ligaya, Gabaldon, Nueva Ecija
Off-taker	NEECO II Area 2
PSA Term	25 years
PSA Tariff	₱5.46/kWh with inflation adjustment
Interconnection	Interconnection Agreement with NEECO II Area 2
Start of Construction	January 2021
Target Start of Operations	Q2 2024

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The following displays the location map and aerial photo of the DMHC project site.

Source: Information provided by Alternergy

Source: Information provided by Alternergy

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Prior to Alternergy, one of the founding partners of Alternergy as an individual shareholder in NorthWind Power Development Corporation, began commercial operations in 2005 of the 25 MW Bangui Bay wind farm in Ilocos Norte, the first commercial wind farm in the country and in Southeast Asia.

Alternergy Investment History

These milestones below have paved the path for Alternergy's success – past, present, and future. The following shows the Company's milestones from incorporation.

May 2014
Partnership with Equis Funds for Pililla wind project to replace Korea East West Power

July 2014
Pililla wind project receives first non-recourse local bank project financing for wind

December 2014
Solar Pacific forms joint venture with Mindanao Energy Systems

January 2015
AES founder Roger Sant's family foundation partners with Solar Pacific

February 2015
12.5MWp Kirahon solar farm receives first non-recourse local bank project financing for solar

May 2015
ERC approves the country's first-ever bilateral solar PPA for Kirahon

Pililla

June 2015
54MW Pililla wind farm comes into commercial operation on schedule and within budget

October 2015
12.5MWp Kirahon solar farm comes into commercial operation on schedule and within budget

April 2016
Partnership with Markham Resources for Dupinga hydro project

April 2016
Singapore-based InfraCo Asia commits to co-developing Ifugao run-of-river hydro portfolio

November 2016
Green Energy Supply Solutions (GESSI) created to give large power customers access to clean energy

December 2017
Solar Pacific receives first non-recourse local bank financing for CitySun solar rooftop portfolio

March 2018
Over 130,000 local tourists visit Pililla wind farm on Easter weekend

June 2018
Partnership with Vena Energy for Sembrano wind project

July 2018
Phase I of CitySun, first multi-rooftop solar portfolio in the Philippines, comes into commercial operation

August 2018
Alternergy celebrates 10 years of pioneering clean power for the next generation

October 2018
Lamut-Asipulo Mini Hydro Project obtained DOE Amended Hydro Service Contracts and Certificate of Confirmation of Commerciality

November 2018
Rizal Provincial Government Resolution gave permission for Tanay Wind Resource Assessment

February 2019
Kiangan Mini Hydro Project obtained ECC from DENR

February 2019
Dupinga Mini Hydro Project secured Amended ECC from DENR

April 2019
Met mast and Lidar on Tanay wind project site

May 2019
Solar Pacific CitySun's solar rooftops began operations on two more CityMalls

June 2019
Dupinga Mini Hydro Project obtained DOE Amended Confirmation of Commerciality

August 2019
Dupinga Mini Hydro Project signed P660 million project financing with DBP

September 2019
Solar Pacific acquired Solana Solar Alpha Inc.'s project in Hermosa, Bataan

December 2019
Alternergy Tanay Wind Corporation awarded Wind Service Contract for Alabat Island in Quezon Province

January 2020
Dupinga Mini Hydro Project signed contracts with UHBP, AIP Construction, and Gugler of Austria

May 2020
Solar Pacific selected First Ranked Bidder after competitive bidding with Palau Public Utilities Corporation, Alternergy's first project outside the Philippines

June 2020
Groundbreaking of Dupinga Mini Hydro Project in Gabaldon, Nueva Ecija

June 2020
Energy Regulatory Commission issued Retail Electricity Supplier (RES) license for GESSI

September 2020
Solar Pacific signed Term Sheet for project financing with Australia Infrastructure Financing Facility for the Pacific (AIFFP)

October 2020
Lamut-Asipulo Mini Hydro Project obtained ECC from DENR

December 2020
Land for Solana Solar Alpha project acquired by Solar Pacific

April 2021
Solar Pacific signed PPA with Palau Public Utilities Corporation for its Palau Solar and Battery Storage Project

April 2021
Renova Renewables of Japan and Sta. Clara International signed Investment agreement for Kiangan Mini Hydro project

July 2021
Solar Pacific CitySun received Certificates of Confirmation of Commerciality for three additional mall solar rooftops in Negros

July 2021
China Bank extend medium term facility to Alternergy Holdings

August 2021
National Commission Indigenous Peoples approved MOA with Indigenous Peoples of Asipulo and Lamut for Lamut-Asipulo Mini Hydro project

December 2021
On visit to Palau, Australia Trade Minister Marise Payne announces funding for Solar Pacific Pristine Power

January 2022
Solana Solar Alpha signed 10MWac PSA with Peninsula Electric Cooperative

February 2022
Nueva Ecija Electric Cooperative Area 2 signed 4.6MW PSA with Dupinga Mini Hydro Corporation

March 2022
Pililla AVPC Corporation awarded DOE Offshore Wind Service Contract for Calavite Passage in western Mindoro

March 2022
Exeter Portofino signed Investment Agreement with Lamut-Asipulo Mini Hydro Corporation

April 2022
Solar Pacific Pristine Power reach financial close with Export Finance Australia and DFAT for its Palau Solar Battery Project

June 2022
DBP approved P1 billion loan facility for Lamut-Asipulo hydro project

June 2022
Alternergy acquire majority ownership of Kirahon Solar Energy Corporation

August 2022
DOE extends pre-development period for Tanay Wind Project

August 2022
Alternergy increases ownership in Solar Pacific

September 2022
Joint venture in offshore wind with Shell Overseas Investments

2008:

- **August 2008**: Alternergy Philippine Holdings Corporation (APHC) was established by four founding partners to apply for Wind Energy Service Contracts from the DOE.
- **December 2008**: Renewable Energy Act of 2008 signed by President Gloria Macapagal Arroyo. Alternergy was invited to attend the formal signing.

2009:

- **June 2009**: Alternergy Viento Partners Corporation (since renamed Alternergy Holdings Corporation) was established as the investment vehicle of the founding partners.
- **August 2009**: Eurus Energy Japan Corporation (Eurus) and Korea East West Power Ltd (East West Power) committed to invest US$50 million each into an investment holding company, Alternergy Philippine Investments Corporation (APIC), together with AHC. Eurus was owned by Tokyo Electric Power Company and Toyota Tsusho Corporation. Korea East West Power Co., Ltd. (East West Power) was a subsidiary of Korea Electric Power Corporation.

2010:

- **September 2010**: The Asian Development Bank (ADB) awarded Alternergy Philippine Holdings Corporation with a US$630,000 technical assistance to conduct feasibility studies for its first three wind projects. Of these locations, Alternergy prioritized Pililla and Sembrano wind project sites for development.

2011:

- **March 2011**: The founding partners divested their 50% equity stake in Bangui Bay wind farm to AC Energy.
- **August 2011**: Special purpose companies were set up for each of the three wind farm projects in AHC's project pipeline, namely Alternergy Wind One Corporation (AWOC), Alternergy Sembrano Wind Corporation (ASWC), and Alternergy Tanay Wind Corp. (formerly Alternergy Abra de Ilog Wind Corporation (AAWC)).

2012:

- **June 2012**: Pililla AVPC Corporation (PACO) bought out Eurus' pre-development investment in Alternergy Philippine Investments Corporation (APIC), which included Eurus' initial equity commitment.

2013:

- **January 2013**: Solar Pacific Energy Corporation (SPEC) was co-founded by former Philippine Energy Secretary Vicente Pérez and Michael Lichtenfeld, as the development company primarily for off-grid solar projects.
- **January 2013**: Alternergy Mini Hydro Corporation (later renamed Alternergy Mini Hydro Holdings Corporation or AMHHC) was established as the development company for a portfolio of run-of-river hydro projects in Luzon.
- **July 2013**: Solar Pacific signed an MOU with Mindanao Energy Systems (MINERGY) for the development of a solar project in Villanueva municipality, Misamis Oriental.
- **November 2013**: Cagayan Power and Light Co (CEPALCO) signed a 25-year Power Sale Agreement with Kirahon Solar Energy Corporation.

2014:

- **May 2014**: Pililla AVPC Corporation bought out the equity and remaining commitment of Korea West Power in APIC. Subsequently, PACO entered into a partnership with Equis Asia Fund (EAF).
- **July 2014**: Alternergy Wind One Corporation signed a US$105 million innovative project financing with BDO, RCBC and China Bank, the first all Philippine bank syndicate for a wind project.

2015:

- **February 2015**: Kirahon Solar Energy Corporation signed a ₱810 million project financing with RCBC, the first project financing for a solar project with a bilateral contract in the Philippines.
- **May 2015**: Kirahon Solar Energy Corporation (KSEC) and CEPALCO obtained regulatory approval of its Power Sale Agreement, the first ever bilateral solar PV power sale agreement in the country.
- **June 2015**: Alternergy Wind One Corporation's 54 MW Pililla Rizal wind farm commenced operations.
- **October 2015**: Kirahon Solar Energy Corporation's 12.5 MWp solar farm commences operations.

2016:

- **January 2016**: Solar Pacific signed thirteen power sale agreements with CityMall Commercial Centers.
- **April 2016**: InfraCo Asia Development of Singapore invested in AMHHC under a Joint Investment and Development Agreement for the pre-development of a portfolio of run-of-river projects in Luzon. This is InfraCo's first investment in the Philippines.
- **September 2016**: Alternergy Mini Hydro Holdings Corporation (AMHHC) entered into a joint venture with Markham Resources Corporation for the development of the Dupinga Mini Hydro Project.

2017:

- **March 2017**: Tanay Wind Project was awarded a DOE Wind Energy Service Contract.
- **December 2017**, Solar Pacific CitySun Corporation (SPCC)'s rooftop solar projects reached financial close with RCBC for ₱249 million.
- **December 2017:** Alternergy Viento Partners Corporation acquired 51% of Solar Pacific Energy Corporation, making it part of the Alternergy group of companies in run-of-river, wind and solar power.

2018:

- **August 2018**: Alternergy celebrated its first decade.
- **September 2018**: Solar Pacific CitySun Corporation's solar rooftops on six CityMalls began operations.
- **October 2018**: Lamut-Asipulo Mini Hydro Project obtained the DOE Amended Hydropower Service Contracts (HSCs) and Certificate of Registrations (CORs), and Certificate of Confirmation of Commerciality.

2019:

- **May 2019**: Solar Pacific CitySun's solar rooftops began operations on two CityMalls.
- **August 2019**: Dupinga Mini Hydro Project signed a ₱660 million project financing with the Development Bank of the Philippines.
- **September 2019**: Solar Pacific acquired 100% of Solana Solar Alpha Inc's solar project in Hermosa, Bataan.
- **December 2019**: Alternergy Tanay Wind Corporation (ATWC) awarded the DOE Wind Service Contract for Alabat Island in Quezon Province.

2020:

- **May 2020**: Solar Pacific selected First Ranked Top Bidder after competitive bidding for a Power Purchase Agreement with Palau Public Utilities Corporation, Alternergy's first project outside the Philippines.
- **June 2020**: Groundbreaking of the Dupinga Mini Hydro Project held in Gabaldon, Nueva Ecija.

- **June 2020**, Energy Regulatory Commission issued a Retail Electricity Supplier (RES) license for Green Energy Supply Solutions Inc (GESSI).
- **October 2020**: Solar Pacific secured Palau Public Utilities Corporation (PPUC) board approval of a 25-year PPA.
- **December 2020**: Kiangan Mini Hydro Project secured Water Permits from the National Water Resources Board.

2021:
- **April 2021**: Solar Pacific signed a 25-year PPA with Palau Public Utilities Corporation for its Palau Solar and Battery Storage Project.
- **April 2021**: Equity Shareholders Agreement for Solar Pacific Pristine Power was signed for the Palau Solar and Battery Storage Project.
- **April 2021**: Alternergy Mini Hydro Holdings Corporation (AMHHC) signed an investment framework agreement with Renova Renewables of Japan and Sta Clara International for the Kiangan Mini Hydro project.
- **April 2021**: China Bank extended a ₱150 million medium term facility to Alternergy Holdings.
- **May 2021**: AMHHC fully repaid its development loan from InfraCo Asia.
- **August 2021**: National Commission Indigenous Peoples (NCIP) en banc approved the MOA with the Indigenous Peoples of Asipulo and Lamut for the Lamut-Asipulo Mini Hydro project.
- **October 2021**: Lamut Asipulo Mini Hydro Corporation and DBP signed a ₱1.02 Billion project financing term sheet for the Lamut-Asipulo Mini Hydro project.
- **October 2021**: the DOE Circular on Exemption from CSP requirement for embedded renewable generation projects was released.
- **December 2021**: On an official visit to Palau, Australia Trade Minister Marise Payne announces funding for Solar Pacific Pristine Power
- **December 2021**: the Peninsula Electric Cooperative (PENELCO) Board approved a 10MWac PSA with Solana Solar Alpha.

2022:
- **January 2022**: Solar Pacific Pristine Power Inc (SPPPI) signed US$22 million funding agreement with Export Finance Australia and AIFFP for its Solar PV and Battery Energy Project in the Republic of Palau.
- **February 2022**: Solana Solar Alpha signed a 10MWAC PSA with Peninsula Electric Cooperative.
- **February 2022**: Nueva Ecija Electric Cooperative Area 2 (NEECO2) signed a 4.6MW PSA with Dupinga Mini Hydro Corporation.
- **March 2022**: Pililla AVPC Corporation (PACO) awarded a DOE Offshore Wind Service Contract for the Calavite Passage in western Mindoro.
- **March 2022:** Exeter Portofino Holdings signed an Investment Framework Agreement with Lamut-Asipulo Mini Hydro Corporation.
- **April 2022**: Solar Pacific Pristine Power reached financial close with Australian Infrastructure Financing for the Pacific (AIFFP) for a landmark 17-year loan for its Palau Solar Battery Project
- **May 2022**: Solana Solar Alpha mandated RCBC Capital Corporation as lead arranger for the project financing of its 28 MWp (20 MWAC) solar project in Hermosa, Bataan
- **June 2022**: Development Bank of the Philippines approved a P1.08 billion term loan facility for the Lamut Asipulo run of river project.
- **June 2022**: DOE endorsed CSP Exemption of Dupinga Mini Hydro's PSA with NEECO2.
- **June 2022**: AHC acquired 50% equity ownership in Kirahon Solar Energy Corporation.
- **August 2022**: DOE endorsed CSP Exemption of SSAI's PSA with PENELCO.
- **August 2022**: DOE extended pre-development period for ATWC's Tanay Wind Project.
- **August 2022**: Lamut Asipulo Hydro Project awarded early works contract.

- **August 2022**: AHC increased its economic ownership in Solar Pacific Energy Corporation to 60%.
- **September 2022**: AHC, through its subsidiary, Pililla AVPC Corporation, entered into separate Shareholders Agreements with the offshore wind subsidiary of Shell Overseas Investments BV, a global energy company, for the development of the Calavite Passage Offshore Wind Project and the Tablas Strait Offshore Wind Project
- **September 2022**: KMHC achieved first drawdown of Php436 Mn from Development Bank of the Philippines under the Omnibus Loan and Security Agreement
- **September 2022**: DMHC achieved first drawdown of Php310 Mn from Development Bank of the Philippines under the Omnibus Loan and Security Agreement
- **October 2022**: SPPPI achieved full drawdown of USD18 Mn and USD3.5 Mn under its financing agreements
- **October 2022**: The DOE approved the assignment of the WESC for the Calavite Passage Offshore Wind Project from PACO to CPWPC
- **October 2022**: The 80-meter met mast tower for the Alabat Wind Project was installed
- **December 2022**: AHC received dividends from KSEC
- **December 2022**: Drawdown from RCBC amounting to Php250 Mn, used partially to prepay China Bank loan of Php150 Mn
- **December 2022**: Solana Solar Alpha awards EPC to JGC Philippines

2023:

- **January 2023**: Tanay Wind Project obtained Height Clearance Permits from CAAP for 16 towers
- **January 2023**: KMHC achieved second drawdown of Php589 Mn from Development Bank of the Philippines under the Omnibus Loan and Security Agreement
- **January 2023**: Tablas Offshore Wind Project passed DOE's documentary evaluation stage
- **January 2023**: Ibulao Mini Hydro Corporation received its Conditional Water Permit from the National Water Resources Board

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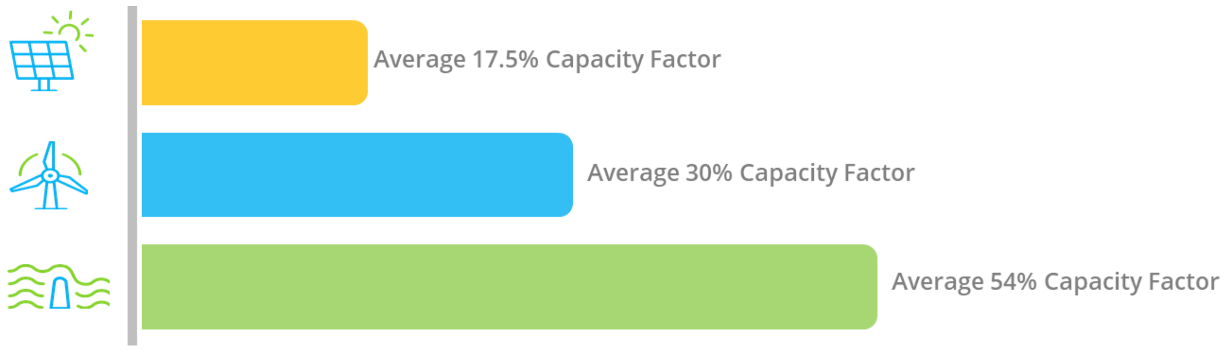
Strategic Focus on Renewable Energy in the Philippines

Within Asia, the Philippines presents a bright spot for renewable energy investors. The country's GDP grew 7.7% for the first 9 months of 2022. The country is projected to grow the second fastest in ASEAN in 2022, according to investment banking giant Goldman Sachs and among the growth leaders in the Asia Pacific Region, based on the World Bank's Global Economic Prospects. Based on WB's forecasts, growth in the Philippines is projected at 6.5% in 2022, supported by sustained public investment and recovering household consumption. Additional positive factors include rising electricity demand, significant renewable energy resources, attractive tariffs, and a comprehensive Renewable Energy Law that provides tax privileges and feed-in tariffs. For these strategic reasons, Alternergy has decided to focus on developing renewable energy projects in the Philippines.

Further, the Philippines has significant renewable energy resources and is meanwhile experiencing power outages in certain grids due to economic growth. The Philippines is considered to have the highest wind energy potential of any country in Southeast Asia. According to a 2003 study undertaken by the University of Philippines, the Philippines has untapped commercial wind energy potential in excess of 7.4 GW. The country's total hydropower resource potential is placed at about 13,097 MW, based on available data. Meanwhile, it has been estimated that the country has an annual solar energy potential average of 5.1 kWh/m^2 per day, according to World Wildlife Fund.

Alternergy Triple Play Renewable Energy Portfolio

The following chart presents the capacity factors of the three renewable energy resources. Through Alternergy's "Triple Play" portfolio, it is well positioned to take advantage of new RE technologies especially hydro and wind which show higher capacity factors of 54% and 30%, respectively compared to solar's 17.5% capacity factor.



Source: Information provided by Alternergy

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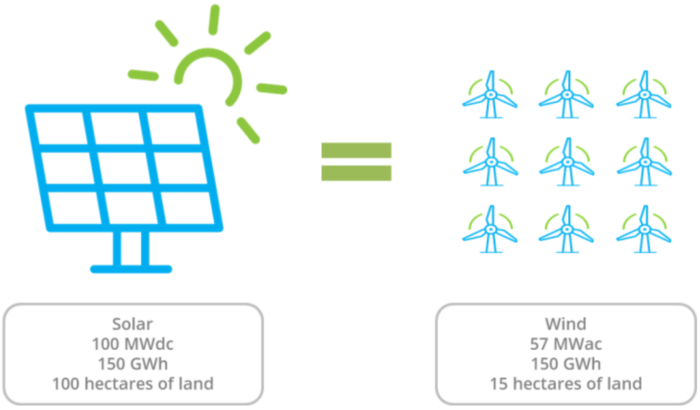
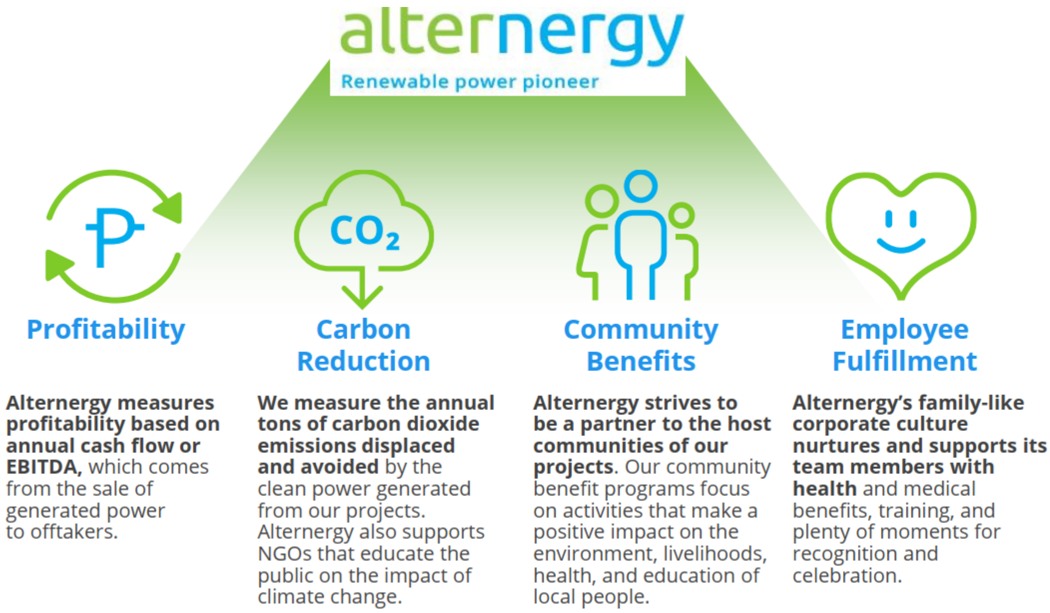
In terms of energy production, solar farms generally require larger land area than wind farms at the same energy generation.



Source: Information provided by Alternergy

Quadruple Bottom Line Philosophy

Alternergy is managed as a quadruple bottom line company in terms of cash flow profitability, carbon emission reduction, host community benefits, and employee satisfaction.



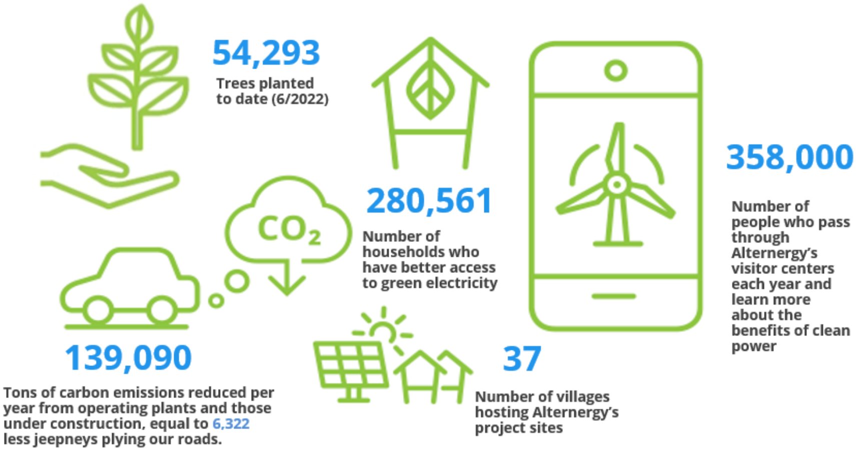
Source: Information provided by Alternergy

The first priority is financial profitability, measured by annual cash flow generation in terms of per megawatt installed or invested capital.

The second priority is climate change mitigation, measured in terms of annual tons of carbon dioxide emissions displaced or avoided. Alternergy will be strictly focused as a renewable power company and will not invest in fossil fuel generation such as coal, fuel oil, natural gas and nuclear power.

The third priority is to provide host community benefits, measured in terms of annual households energized each year. Alternergy considers the role of the community as a 'social fence' in power projects in emerging countries. Every power asset will proactively engage in the rural electrification of villages in its host communities.

The fourth and final priority is employee satisfaction. Alternergy aims to create a work environment with a balanced work-life atmosphere that is both challenging and fun. All employees will be involved in planning and organizing host community activities. {



Source: Information provided by Alternergy

Competitive Strengths

The Group has established competitive strengths that should result in the success of the project development and execution, profitable operations, and acquire new opportunities for growth. These are as follows:

- The Group has a well-defined and committed strategic focus on renewable power generation as its core business given its robust renewable energy ("RE") project pipeline in the Philippines and the Pacific islands.
- One of the first movers in RE, particularly in wind renewable energy projects where it obtained service contracts and undertook feasibility and technical studies for wind farms back in 2008 when it was granted one of the earliest WESCs.
- The Group is one of a few RE developers with a diversified "Triple Play" renewable energy portfolio that currently covers most of the key RE resources, particularly in solar, wind, and run-of-river hydro and battery storage plants. This allows for a diversified mix of complementary power generation revenues.
- Most of the Group's operating RE projects were able to avail long term power sale agreements comparable to Feed-in-Tariff rates that have allowed them to be financially viable and attractive.
- Its key customers are high-quality off-take institutions like TransCo, high credit-rated private distribution utilities, credit-worthy electric cooperatives, and key commercial customers.
- Members of the Company's senior management have been involved in both the public and private sector relative to energy development as well as policy development and implementation.
- The Management team is comprised of professionals with a diverse but complementary background and expertise in policy, engineering and project management and implementation, finance, law, sustainability and regulatory compliance for RE projects.
- The Company's senior management remains active and engaged in working with public sector officials in the development, regulation, monitoring and promotion of renewable energy.

- The Company's senior management also maintains proactive engagement with energy policy and regulatory officials through active participation and leadership in private sector renewable industry associations.
- The Company's senior management has a wide network of contacts among domestic and foreign equity partners that has been key to funding its various projects.
- The Company's pioneering debt experience, particularly in project finance, has provided the Company access to competitive financing terms from a variety of domestic lenders and supranational lenders.
- The Company and its management have established working relationships with key senior and mid-level officials of relevant government agencies of the DOE, DAR, DENR, DILG, DPWH, BOI, CAAP, NCIP, NWRB and the respective LGUs where its projects are located.

As one of the pioneers in wind and solar energy development and with a strong track record of quickly executing and efficiently operating wind and solar power projects, The Group is well-positioned to take advantage of the expected massive growth in the renewable energy sector.

According to the DOE Philippine Energy Plan for 2020 to 2040, renewable energy installed capacity is targeted to increase by 53 to 81GW by 2040, with around 60% of that is projected to come from solar generation. The Group also notes policy and investment trends towards sustainability, and clean power is expected to play a central role in sustainable development.

Strategies

The Group's business plans and strategies include the following:

- Leverage the AHC Group's solar, wind and run-of-river hydro development expertise. By maintaining a robust pipeline of projects under varying stages of development in each of the Group's three renewable sectors, its project completion cycle ensures steady growth.
- Pursue new RE projects, especially in the RE resources where the Group has established expertise in the technical, regulatory, project feasibility assessment, project management and financing aspects.
- Secure bankable off-take through bid participation and contracting on an opportunistic basis to maximize contracted revenues from credit-worthy off-takers.
- Focus on RE resource projects where FIT rates are available or are expected to be made available given developments in the DOE on the matter.
- Capitalize on off-take opportunities from open access by directly contracting with Contestable Customers through its licensed retail electricity subsidiary.
- Optimize operations and harness synergies across the platform to further improve margins.
- Over the years, the Group has cultivated a preferred cadre of technical, legal and financial service providers that shorten project development timelines and allow for smoother execution towards financial close.
- Tap innovative debt and capital market instruments in sustainable finance that complement the Group's sustainability focused business philosophy, such as green bonds, blue bonds, supranational entity loans.
- Explore, adopt, and deploy emerging technologies such as battery storage, floating solar and offshore wind that enhance the Group's renewable power business.

- Cultivate relationships with stakeholders to ensure the success of its projects, particularly in reaching consents from indigenous peoples among its host communities.
- Ensure organization is able to bring in new talent to cover the growing number of projects under the group.

Suppliers/Contractors

The Group is not dependent on a limited number of suppliers and contractors as there is a mature market for Renewable Energy EPC Contractors that covers all key equipment, materials, and works, and all other items needed to complete a project which the Group can source either in the entirety of scope or in certain work packages. The Group may also directly source for key equipment, with solar modules being the largest cost component.

Suppliers and contractors for plant operations will be limited to the operations and maintenance of stationary, limited maintenance equipment, groundskeeping, and security.

The Group's suppliers and contractors include the following:

- Wind: Vestas, Siemens Gamesa
- Hydro: Gugler Water Turbines
- Solar: Canadian Solar, Hanwha, First Solar, JUWI Renewable Energies, JGC Philippines

Customers

The Group's customers include the following:

- National Transmission Corporation ("TransCo")
- AAA credit rated Electric cooperatives such as Nueva Ecija II Electric Cooperative Area 2 ("NEECO2Area2") and Peninsula Electric Cooperative ("PENELCO")
- Cagayan Electric Power and Light Co ("CEPALCO")
- Palau Public Utilities Corporation ("PPUC")
- CityMall Commercial Centers Inc, owned by DoubleDragon Corporation and SM Investments Corp.

The Group normally enters into Power Supply Agreements with its off-takers or customers and these Power Supply Agreements generally have a term of up to 25 years.

Other than CEPALCO, none of the Group's customers accounts for twenty percent (20%) or more of the Group's revenues. The Company has had no foreign sales in the last 3 years.

Competition

The Philippine renewable power industry has continued to see growth since the enactment of the Renewable Energy Act (RE Act) in 2008. The DOE records that renewable energy capacity has accounted for 29 percent (7,914 MW) of the country's total installed capacity in 2021. In terms of the country's power mix, the share of renewable energy has reached 22 percent. The call of the government for additional generating capacity using renewable energy to support the economy has further invigorated the competition, with local and foreign power companies looking at new investments and expansion programs.

The Company believes that there will be further increase in competition in the renewable power market. The main competitors include Filipino conglomerates and its respective subsidiaries, particularly Aboitiz Power Corporation, First Generation Corporation, AC Energy, SMC Global Power Holdings, Meralco PowerGen and Solar Philippines.

While there is an anticipated robust competition, the Company believes it is poised to effectively meet this competition as set forth in the sections “Competitive Strengths” and “Strategies” on pages 211 and 201. The Company has a portfolio of projects using diversified renewable energy sources (solar, wind, run-of-river hydro) and has signed several long-term power supply agreements as secure offtake markets. The Company also has a lean organization, with senior management actively engaged in the daily operations and project development.

Distribution

As a power generation company, the Company and its Subsidiaries distributes the power generated by connecting to the national grid or distribution utilities grid, or directly connected to the end users.

Research and Development

The Group incurred research and development expenses which include Wind Resource Assessment, Hydrology Study, Solar PVSYS, Geohazard, Geotechnical, Land Survey, Avian Impact Study, Line of Sight Clearance, Height Clearance Permit, LIDAR, Aerial photogrammetry, among others.

Research and Development Expenses			
Amounts in ₱	**December 31, 2019**	**December 31, 2020**	**December 31, 2021**
Total	20,458,387	23,700,285	107,779,198
Percentage to Revenue	75%	61%	61%

Intellectual Property

The Company’s operations are not dependent on any copyright, trademark, patent, license, or franchise/royalty agreement and the Company does not have any pending application with the Intellectual Property Office.

Effect of Existing or Probable Governmental Regulations

The Company is subject to the laws governing all Philippine corporations, such as corporation laws, securities laws, tax laws, and the Local Government Code. All Philippine corporations are also subject to labor laws and social legislation, including RA No. 11199 or the Social Security Act of 2018, RA No. 10606 or the National Health Insurance Act of 2013, RA No. 11223 or the Universal Health Care Act, RA No. 9679 or the Home Development Mutual Fund Law of 2009, the Philippine Labor Code and its implementing rules and regulations, and other labor-related laws, regulations, and mandated work-related programs of DOLE.

The Company closely monitors its compliance with applicable laws and government regulations affecting its businesses.

The following lists the government approvals required for the Company’s business.

Bureau of Internal Revenue

- Certificate of Registration

Securities and Exchange Commission

- Certificate of Incorporation, Articles of Incorporation and By-Laws

Department of Energy

- Renewable Energy Service Contracts (RE Service Contracts) and Renewable Energy Operating Contracts – each a service agreement between the Government, through the DOE or the President, and the RE Developer for a specific period as determined by the DOE during which the RE Developer has the exclusive right to explore, develop or develop the RE resources within a particular area, currently being implemented under DOE Department Circular No. 2019-10-0013.

- Certificate of Registration – issued to an RE Developer upon the effectivity of the RE Contract and upon approval of additional investment, to serve as the basis for the RE Developer's entitlement to the incentives provided under the Renewable Energy Act of 2008.
- Certificate of Confirmation of Commerciality – this certificate converts the project from the Pre-Development Stage to the Development/Commercial Stage. It serves as a notice to proceed to the construction phase of the project. Considering that the Service Contracts clearly state that the Pre-Development Stage shall be for a non-extendible period of two (2) years from effective date, the Solar installations are required to have the COCOC within two (2) years from the grant of the service contract by the DOE.
- The COCOC refers to the certification issued by the DOE confirming the declaration made by the RE Developer that the project is commercially feasible. The Declaration of Commerciality, on the other hand, is the written declaration by the RE Developer that the electricity to be generated from the renewable energy project is commercially feasible and viable. The issuance of the COCOC by the DOE is the reckoning point for the transition of the project from Pre-Development to Development Stage. The Development Stage refers to the development, production, and utilization of the RE resources, including the construction and installation of the relevant facilities up to the operation phase thereof. The submission of the COCOC is typically one of the requirements of banks for the grant of loans for project financing. The Company estimates that the Commerciality Certificate will be issued by the DOE within the Q4 2021.
- Certificate of Compliance – refers to a license issued by the ERC in favor of a person or entity to operate a power plant or other facilities used in the generation of electricity. This certification is required before a power plant goes into commercial operation. The application must be filed not later than three (3) months before the targeted date of Test and Commissioning.

Non-compliance with or violation of the established guidelines of the DOE relative to the Renewable Energy Act of 2008 shall result in imprisonment of one (1) year to five (5) years, or a fine ranging from One Hundred Thousand Pesos (₱100,000.00) to One Hundred Million Pesos (₱100,000,000.00) or twice the amount of damages caused or costs avoided for the noncompliance, whichever is higher. Operating without a Certificate of Compliance issued by the ERC is punishable by fine and penalties as the ERC deems fit pursuant to Article III of the Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of RA No. 9136, as Amended.

Department of Environment and Natural Resources

All projects are generally required to secure environmental clearance, either in the form of an ECC or a Certificate of Non-Coverage (**CNC**). The requirements and processes will vary depending on whether the project contemplated is: (a) within or without the Philippine Environment Impact Statement (EIS) system; (b) considered an environmentally critical project; and (c) located in an environmentally critical area.

The ECC or the CNC from the DENR Regional Office is a document issued by the Environmental Management Bureau (**EMB**) after a positive review of an application, certifying that based on the representations of the proponent, the proposed project or undertaking will not cause significant negative environmental impact. An ECC contains specific measures and conditions that the project proponent has to undertake before and during the operation of a project, and in some cases, during the project's abandonment phase, to mitigate identified environmental impacts.

All ECC/CNC applications shall be accompanied by:

- Environmental Impact Assessment (EIA) Report in the form of an Environmental Impact Statement (EIS);
- An Initial Environmental Examination (IEE) Checklist Report;
- An Environmental Performance Report and Management Plan (EPRMP); and
- Programmatic EIS or Programmatic EPRMP.

For projects operating without an ECC, a fine of ₱50,000.00 is imposed and reduced at the discretion of the DENR Secretary or the EMB Director, considering the circumstances of each case, i.e., impact of the violation on the environment. In case of violation of ECC conditions, a fine of ₱50,000.00 is again set as the maximum amount of fine per violation. Violation of one condition in the ECC is an offense separate and distinct from the violation of another condition. Finally, misrepresentation in the Environmental Impact Assessment Reports or any other documents submitted by the Company is punishable by a fine of ₱50,000.00 for every proven misrepresentation.

Energy Regulatory Commission

For off-take agreements executed into with a regulated entity, i.e., Distribution Utility (DU) or Electric Cooperative (EC), the ERC needs to approve the terms of the contract before it can take effect. The ERC will determine a fair and reasonable generation cost that a DU or EC can pass on to its captive market and determine/approve a reasonable generation cost under the off-take agreement. Without the ERC approval, the off-take agreement is deemed not valid.

Wholesale Electricity Spot Market

The WESM is a market where trading of electricity in the Philippines is made. It establishes basic rules, requirements and procedures that govern the operation of the Philippines' electricity market. As a power generator, the Company must register as a participant in the WESM.

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Permits and Licenses

In pursuing its business, the Group secured the following permits and licenses from the Government:

Solar Projects:

ISSUING AGENCY	PROJECT PERMIT/APPROVAL	DATE OF ISSUANCE	DATE OF EXPIRY
KSEC			
DOE	Solar Service Contract	May 3, 2012	May 3, 2037
PEZA	PEZA Registration Permit to Operate Certificate of Availment of 5% Gross Income Tax Certificate of Availment of PEZA Incentives Certificate of Availment of Zero VAT	July 25, 2014 March 17, 2021 February 8, 2022 February 8, 2022 February 8, 2022	Renewal in process March 17, 2022 December 31, 2022 December 31, 2022 December 31, 2022
ERC	Certificate of Compliance	November 18, 2020	November 25, 2022
NCIP	Certificate of Non-Overlap	October 10, 2014	No expiry
DENR-EMB	Environmental Compliance Certificate*	September 6, 2012	No expiry
DENR-EMB	Pollution Control Officer Certificate of Accreditation	March 17, 2021	March 16, 2024
BOC	Certificate of Registration	September 9, 2021	September 9, 2022
BIR	Certificate of Registration	November 26, 2013	
SSAI			
DOE	Solar Energy Operating Contract as conversion of SESC**	April 8, 2021	December 22, 2040
BIR	Certificate of Registration	May 6, 2016	
BOI	Certificate of Registration	February 1, 2017	
DENR-EMB	Environmental Compliance Certificate – Plant Site	October 20, 2020	No expiry
DENR-EMB	Certificate of Non-Coverage – Transmission Line	November 6, 2020	No expiry
DENR-EMB	Pollution Control Officer Certificate of Accreditation	March 8, 2022	March 8, 2025
LGU	Business Permit	January 31, 2022	December 31, 2022

NCIP	Certificate of Non-Overlap	November 14, 2016	No expiry

**DENR approved the transfer of the ECC for the project under the name of KSEC through its letter dated February 19, 2014*
***Converted from the original Solar Energy Service Contract No. 2015-10-260 issued on December 23, 2015*

Hydro Projects:

ISSUING AGENCY	PROJECT PERMIT/APPROVAL	DATE OF ISSUANCE	DATE OF EXPIRY
LAMHC			
LGU	Business Permit	January 27, 2022	December 31, 2022
BIR	Certificate of Registration	December 12, 2016	
DOE	Assigned and Amended Hydro Service Contract	February 21, 2020	September 3, 2038
DOE	Assigned and Amended Certification of Registration	February 19, 2020	September 3, 2038
DOE	Assigned and Amended Certificate of Confirmation of Commerciality	February 19, 2020	September 3, 2038
DOE	Pollution Control Officer Engr. Charles S. Flores COA No. 2021-CAR-151	June 25, 2021	June 25, 2024
NCIP	Certification Precondition	August 26, 2021	No expiry
NCIP	Memorandum of Agreement – Project	October 22, 2019	October 22. 2044
NCIP	Memorandum of Agreement – Transmission Line	October 23, 2019	October 22. 2044
BOI	Certificate of Registration	December 16, 2021	
BOI	Certification on the entitlement to Zero-Rated VAT	April 21, 2022	
NWRB	Water Permit	April 18, 2022	April 18, 2025, if no structures and diversion works are done
DENR-EMB	Environmental Compliance Certificate	October 26, 2020	No expiry
IMHC			
LGU	Business Permit	January 27, 2022	December 21, 2022
BIR	Certificate of Registration	August 26, 2016	
DOE	Assigned and Amended Hydro Service Contract*	June 23, 2016	September 3, 2038
DOE	Assigned and Amended Certification of Registration	November 16, 2016	September 3, 2038
DOE	Assigned and Amended Certificate of Confirmation of Commerciality	October 6, 2020	September 3, 2038
NWRB	Conditional Water Permit	October 27, 2022	October 27, 2024

**Original Hydro Service Contract No. 2013-06-262 issued on September 3, 2013*

Wind Projects:

ISSUING AGENCY	PROJECT PERMIT/APPROVAL	DATE OF ISSUANCE	DATE OF EXPIRY
ATWC (Tanay Wind Farm Project)			
SEC	Certificate of Incorporation	August 25, 2011	
BIR	Certificate of Registration	September 7, 2011	
LGU	Business Permit	January 20, 2022	December 31, 2022

DOE	Wind Energy Service Contract (WESC)	March 15, 2017	March 15, 2042
NCIP	Certificate of Non-Overlap for Wind Resource Assessment	August 24, 2018	No expiration
PAMB	PAMB Clearance for Wind Resource Assessment	May 31, 2018	No expiration
CAAP	Height Clearance Permit (HCP) for 16 Towers	January 3, 2023	January 3, 2025
PAMB	PAMB Approval for Conduct of Environmental Impact Assessment (EIA)	February 14, 2020	No expiration
DENR	Environmental Compliance Certificate (ECC)	December 10, 2021	December 10, 2026, if project not implemented within 5 years
ATWC (Alabat Wind Farm Project)			
SEC	Certificate of Incorporation	August 25, 2011	
BIR	Certificate of Registration	September 7, 2011	
LGU	Business Permit	January 20, 2022	December 31, 2022
LGU	Community Tax Certificate	January 16, 2022	January 16, 2023
DOE	Wind Energy Service Contract (WESC)	December 23, 2019	December 23, 2044
NCIP	Certificate of Non-Overlap for Wind Resource Assessment	May 6, 2021	No expiration
CAAP	Height Clearance Permit (HCP) for Met Mast	June 10, 2021	June 10, 2023
CAAP	Height Clearance Permit (HCP) for Turbine Sites	July 7, 2021	July 7, 2023
DENR EMB R4A	Certificate of No Coverage (CNC) for Met Mast Site	January 29, 2021	No expiration
DENR	Special Land Use Permit (SLUP) for Met Mast	October 3. 2021	October 5, 2024
CPWC			
LGU	Business Permit	February 9, 2022	December 31, 2022
BIR	Certificate of Registration	February 2, 2022	
DOE	Wind Energy Service Contract (WESC)	March 3, 2022	March 3, 2047

In addition to the foregoing, the following permits will also have to be secured:

Ibulao Hydro Pending Permits

Permits/Licenses	Status
DENR Environment Compliance Certificate (ECC)	Application submitted online on 8 June 2022
NCIP Free and Prior Informed Consent (NCIP-FPIC)	Completed Field-based Investigation (FBI) FPIC process ongoing
BOI Registration	To be started after issuance of ECC and completion of DED
DENR Special Land Use Permit	To be started after completion of DED, parcellary survey and issuance of ECC
DENR Tree Cutting Permit	To be started upon approval of Special Land Use Permit and prior to NTP of construction
LGU/Community Land Rights and ROW Acquisition	To be started after completion of DED and parcellary survey
NGCP Approval of System Impact Study and Facility Study	To be obtained after completion of preliminary DED

NGCP Connection Agreement, Transmission Service Agreement and Metering Service Agreement	To be started after approval of System Impact Study and Facility Study
Power Supply Agreement	Negotiation with potential DU/Contestable Customer Market to be started after positive early DED works
Dedicated Point-to-Point Transmission Line by ERC	To be started upon completion of DED and upon approval of SIS and Facility Study
LGU Building Permit	To be obtained upon NTP for construction To be obtained by Civil Contractor
Registration at the Wholesale Electricity Spot Market (WESM)	Application to the WESM to be filed six months prior to COD
Certificate of Compliance (COC) at the ERC	Application to the ERC to be filed six months prior to COD

Tanay Wind Pending Permits

Permits/Licenses	Status
LGU/Community Land Rights and ROW Acquisition	Preparing proposal to secure possessory rights from RPG, being the registered owner of the project site
NGCP Approval of System Impact Study and Facility Study Impact	To be obtained after completion of preliminary DED
NGCP Connection Agreement, Transmission Service Agreement and Metering Service Agreement	To be started after approval of System Impact Study and Facility Study
Dedicated Point-to-Point Transmission Line by ERC	To be started upon completion of DED and upon approval of SIS and Facility Study
DENR Tree Cutting Permit	To be started prior to NTP of construction
Power Supply Agreement	Negotiation with potential DU/Contestable Customer Market to be started after positive early DED works
LGU Building Permit	To be obtained upon NTP for construction To be obtained by Civil Contractor
Registration at the Wholesale Electricity Spot Market (WESM)	Application to the WESM to be filed six months prior to COD
Certificate of Compliance (COC) at the ERC	Application to the ERC to be filed six months prior to COD

Alabat Wind Pending Permits

Permits/Licenses	Status
DENR ECC	To be initiated after initial feasibility study
NGCP Approval of System Impact Study and Facility Study Impact	To be obtained after completion of preliminary DED
NGCP Connection Agreement, Transmission Service Agreement and Metering Service Agreement	To be started after approval of System Impact Study and Facility Study
Dedicated Point-to-Point Transmission Line by ERC	To be started upon completion of DED and upon approval of SIS and Facility Study
DENR Tree Cutting Permit	To be started prior to NTP of construction
Power Supply Agreement	Negotiation with potential DU/Contestable Customer Market to be started after positive early DED works
LGU Building Permit	To be obtained upon NTP for construction To be obtained by Civil Contractor
Registration at the Wholesale Electricity Spot Market (WESM)	Application to the WESM to be filed six months prior to COD
Certificate of Compliance (COC) at the ERC	Application to the ERC to be filed six months prior to COD

Calavite Offshore Wind Pending Permits

Permits/Licenses	Status
DENR ECC	WESC recently issued; still in early stages of development
NCIP Certificate of Non-Overlap (NCIP-CNO)	WESC recently issued; still in early stages of development
LGU Endorsements	WESC recently issued; still in early stages of development
Height Clearance Permit by Civil Aviation Authority of the Philippines	WESC recently issued; still in early stages of development
NGCP Approval of System Impact Study and Facility Study Impact	WESC recently issued; still in early stages of development
NGCP Connection Agreement, Transmission Service Agreement and Metering Service Agreement	WESC recently issued; still in early stages of development
Dedicated Point-to-Point Transmission Line by ERC	WESC recently issued; still in early stages of development
DENR Tree Cutting Permit	WESC recently issued; still in early stages of development
Power Supply Agreement	WESC recently issued; still in early stages of development
LGU Building Permit	WESC recently issued; still in early stages of development
Registration at the Wholesale Electricity Spot Market (WESM)	WESC recently issued; still in early stages of development
Certificate of Compliance (COC) at the ERC	WESC recently issued; still in early stages of development
Power Supply Agreement	WESC recently issued; still in early stages of development
LGU Building Permit	WESC recently issued; still in early stages of development
Registration at the Wholesale Electricity Spot Market (WESM)	WESC recently issued; still in early stages of development
Certificate of Compliance (COC) at the ERC	WESC recently issued; still in early stages of development

Environmental Laws

The Group must comply with environmental law, rules, and regulations in developing, constructing, and operating its facilities. The Philippines adheres to the Environmental Impact Statement (EIS) System. This allows the proponent company and the Government through the DENR to assess the direct and indirect impact of the project on the biophysical and human environment and ensuring that these impacts are addressed by appropriate environmental protection and enhancement measures. Under this system, each project company is required to undergo an Environmental Impact Assessment before the commencement of each project. This involves predicting and evaluating the likely impacts of a project (including cumulative impacts) on the environment during construction, commissioning, operation, and abandonment. It also includes designing appropriate preventive, mitigating, and enhancement measures addressing these consequences to protect the environment and the community's welfare. A positive determination by the EMB results in the issuance of an ECC document, to be conformed to by the project proponent. The release of the ECC allows the project to proceed to the next stage of project planning, which is the acquisition of approvals from other government agencies and LGUs, after which the project can start implementation. The Group estimates that it incurs approximately ₱2.2 million annually in relation to its compliances with environmental laws and regulations. Such expenses relate to costs for securing permits, compliance fees, charges, and other incidental expenses.

Employees

As of the date of this Prospectus, the Group has 41 regular employees and 8 contractual employees.

	Number of Employees
Executive	5
Managerial	8
Supervisory	24
Rank and File	12
Total	**49**

The Company does not have a Collective Bargaining Agreement with its employees. Its employees are not on strike and have never been in the past three (3) years. The Company complies with government prescribed labor standards.

In the next 12 months, the Company in the normal course of business will hire 21 personnel, as needed, to support the operations and activities that it will undertake in the future.

The key management team of the Company namely Vicente S. Pérez Jr., Gerry P. Magbanua, Eduardo M. Miranda, Knud Hedeager, and Janina C. Arriola are seconded from NCP Advisors Philippines (NCP), who is their direct employer. NCP is an investment management company based in Singapore and Manila founded in 1996 by a small select team of experienced investment professionals with complementary skills in originating, executing and divesting profitable direct investments in Southeast Asia. They have substantial experience in executing direct investments either for their own account, or in conjunction with business associates, or on behalf of institutionally funded investment funds such as the Philippine Discovery Fund, Cambridge Pacific, Asian Conservation Company, Soros Funds, and Alternergy Holdings Corporation.

Description of Properties

As of the date of this Prospectus, the Group's subsidiaries currently own land over a total of 440,083 sqm. of land.

Registered Owner	Location	Transfer Certificate of Title	Date of Transfer Certificate of Title	Lot Area (Sqm.)
KSEC	Sitio Kirahon, Barangay San Martin, Villanueva, Misamis Oriental	136-2015000925	July 30, 2015	150,000
SSAI	Hermosa, Bataan	1. No. 038-2021002922 2. No. 038-2021003125 3. No. 038-2021003278 4. No. 038-2021003283	February 16, 2021	290,083
TOTAL				**440,083**

The properties of KSEC in Villanueva, Misamis Oriental, consisting of land and the plant, are encumbered in favor of Rizal Commercial Banking Corporation to secure KSEC's project financing amounting to ₱786 million with a tenor of 15 years from 2015.

SSAI's parcels of land located in Hermosa, Bataan are encumbered in favor of Renova Renewables Asia Pte. Ltd. to secure the loan amounting to ₱94.25 million payable on the earlier of (1) December 31, 2022 and (2) occurrence of financial close for the Solana Solar Project. The mortgage will be cancelled upon payment of the said loan.

Pursuant to a Memorandum of Agreement dated December 23, 2020, SSAI was granted a perpetual right of way over a 2,879 sqm. portion of a 19,919sqm land in Hermosa, Bataan covered by TCT No. 038-2019008585 and registered in the name of Solanaland Development Inc.

The Group owns the plant and equipment used in the business. The project assets of KSEC, SSAI, SPCC, KMHC, DMHC and SSAI are all encumbered in favor of creditors under various project financing agreements.

The Company does not plan to acquire any new property in the next 12 months other than the project assets for the plants.

Insurance

All projects have insurance policies which the Group believes is consistent with industry standards. These include Construction All Risks/Property Damage, Business Interruption, Marine Cargo, General Liability and Sabotage & Terrorism coverages. The insurance policies are procured and are renewed annually. Insurance policies for all operating projects and those that are on-going constructions are all current.

Legal Proceedings

As of date of this Prospectus, the Company is currently not involved in any material litigation, arbitration, or similar proceedings, and is not aware of any such proceedings pending or threatened against it or any its properties, which are or might be material.

In a Complaint dated April 6, 2022 filed with the Regional Trial Court, Branch 58, of Makati City, Jose Romel Agustin Murio, a.k.a., Datu Kasaligan, representing himself (as “Indigenous Tribal Prime Minister”) as well as, ostensibly, the “Indigenous Cultural Communities” and “Indigenous Peoples” of the Dumagat and Remontado Tribes, filed a complaint against AWOC and several other defendants, alleging violations of Republic Act No. 8371, also known as the Indigenous Peoples Rights Act. In its Answer to the Complaint filed on 23 May 2022, AWOC maintains, among others, that the complainants have no cause of action to bring the complaint as the complainants are not real parties-in-interest and therefore have no standing to file the complaint, and that there is no allegation whatsoever of a specific act or omission on the part of AWOC that purportedly violated the right of plaintiffs. During the pre-trial on October 24, 2022, the Judge ordered the parties to submit their position papers within 30 days, or until November 23, 2022. The Plaintiff submitted their Position Paper on November 9, 2022 while AWOC, through counsel, submitted its Position Paper on November 23, 2022. No further pleadings were filed or received by AWOC since, and the case is considered submitted for resolution.

As of Prospectus Date, the Company’s subsidiaries are not involved in any legal actions arising in the ordinary course of business such as labor cases and applications before the Energy Regulatory Commission usually filed by a company engaged in renewable energy development, operations, and production.

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INDUSTRY OVERVIEW

This section contains information concerning the renewable energy industry in the Philippines, including certain financial information of certain competitors of the Company, which is sourced from their respective public filings and which includes certain and unreviewed financials. None of the Company or the Underwriters makes any representation as to the accuracy or completeness of this information. This information has not been independently verified by the Company or the Underwriters and should not be unduly relied on.

The information should not be relied upon in making, or refraining from making, any investment decision. The Industry Overview includes forecasts and other forward-looking estimates. These forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to various risks and uncertainties relating to possible invalidity of the underlying assumptions and estimates and possible changes or development of social, economic, business, industry, market, legal, government, and regulatory circumstances and conditions and actions taken or omitted to be taken by others. Actual results and future events could differ materially from such forecasts. Investors should not place undue reliance on such statements, or on the ability of any party to accurately predict future industry trends or performance.

Philippine Economy

The Philippine economy has been one of the fastest-growing among the Southeast Asian countries prior to the COVID-19 pandemic. From 2015 to 2019, the country achieved one of the highest real GDP growth rates in the region, averaging 6.5% per annum for the five-year period; outpaced only by the economies of Vietnam, Cambodia, and Myanmar.

In 2020, the Philippine economy plunged into a recession amid limited business activities due to the ongoing COVID-19 pandemic resulting in community quarantines, increasing corporate losses, and significant loss of jobs and reduced income. The pandemic has become more than a health crisis as its impacts extended to social, economic and political aspects of the country.

However, the World Bank[11] noted that the Philippines was able to sustain the momentum of its economic recovery throughout 2021. Although quarantine measures were implemented throughout the year, these policies were markedly less restrictive while households and firms have learned to cope with rising infections and diminished mobility.

Historical Philippine GDP Growth

The Philippine economy has been one of the fastest-growing among the Southeast Asian countries prior to the COVID-19 pandemic. It is considered a “newly industrialized” country with an economy that is transitioning from being based on agriculture to relying more on services and manufacturing. From 2010 to 2019, the country achieved one of the highest real GDP growth rates in the region, averaging 6.3% per annum for the five-year period; outpaced only by the frontier economies of Laos, Cambodia, and Myanmar. This aggressive economic growth was mainly driven by increasing urbanization, a growing middle class, and strong consumer demand supported by a vibrant labor market and robust remittances.[12]

2019 was a banner year for the Philippine economy. The country’s debt-to-GDP ratio was brought down to a historic low of 39.6%, the lowest since the country started recording this metric in 1986. Similarly, total tax revenues were at 16.1% of GDP, the highest in more than two decades. The Philippine economy also made progress in delivering inclusive growth by posting higher household consumption as percent of GDP from 72.5% to 75.1% for the period 2015-2019, despite the decline in poverty incidence from 23.3% to 16.7% during the same period. Meanwhile, per-capita income grew by 21% for all deciles from 2015-2018, being outpaced by the lowest 30% of the population

[11] https://openknowledge.worldbank.org/handle/10986/36874
[12] https://www.worldbank.org/en/country/philippines/overview#1

which grew by 32%. Finally, in 2019, S&P Global affirmed the strengths of the Philippine economy and upgraded the country's credit rating to its highest investment-grade credit rating ever at "BBB+".

However, in 2020, the spread of COVID-19 changed the economic standing of the Philippines and the public health emergency brought by the virus placed the economy at a standstill. In the first quarter of 2020, the government implemented a regional lockdown to control the spread of the virus. The widespread lockdowns constrained mobility and economic activity, which translated to a sharp decline in private domestic demand and consumption, specifically of non-essential goods and services. Hence, GDP fell by a record 17.0% contraction in 2Q20.[13] The global impact of the pandemic also gave rise to restrictions on international movement and travel which led to trade and supply chain disruptions. This translated to a 9.6% decline in the country's GDP – one of the deepest contractions in Asia for the year.

The deteriorating economy translated to *en masse* layoffs in 2020, with unemployment rising to 10.3% (vs 5.1% in 2019). The country also posted a slightly higher average inflation rate of 2.6% (vs 2.5% in 2019) that could be traced to the faster inflation in agricultural products following the damage caused by previous typhoons. The Philippine government likewise increased its debt-to-GDP ratio from 37% to 52%, amidst falling tax revenues and increasing need for economic stimulus. Hence, the Philippines experienced its first economic recession since the 1997 Asian Financial Crisis.

In 2021, inflation jumped to 4.5%, slightly beyond the central bank's 2-4% target range.[14] This was largely driven by the resumption in economic activity as well as the residual effects of economic stimulus. The government once more increased its debt-to-GDP ratio to 60.5%, owing to falling revenues amidst pandemic-related expenses. However, the unemployment rate in November 2021 fell to 6.5%, the lowest since the 5.3% in January 2020 at the start of the pandemic. This was driven by the rising rates of vaccination and more relaxed lockdowns, which allowed businesses to increase capacity.

The Bangko Sentral ng Pilipinas (the "**BSP**"), the Philippine central bank, continued to maintain an accommodative monetary policy in 2021. The BSP maintained ample domestic liquidity, extended loans to the national government, and implemented regulatory measures to minimize the economic fallout of the pandemic. Meanwhile, the labor force participation rate continually increased, levelling off at 63.3% by mid-2021. The high labor force participation, which has been far more prominent for women, continued despite the reimposition of enhanced quarantine measures[15].

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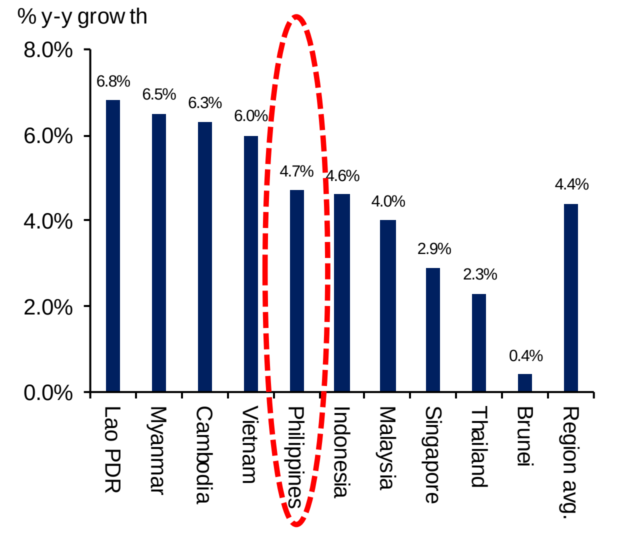
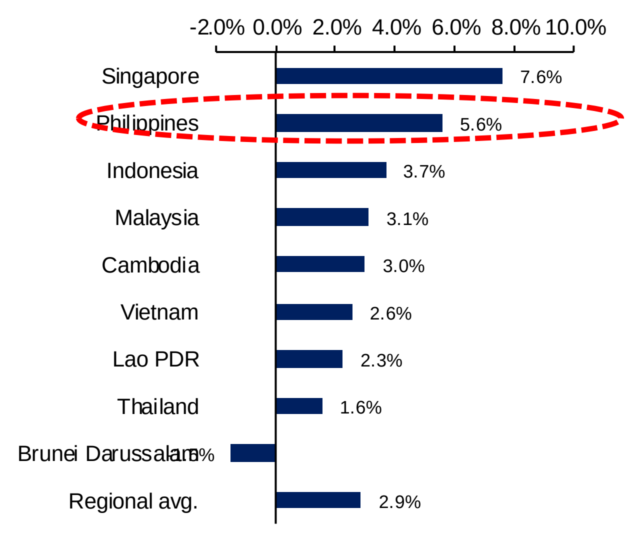
[13] https://psa.gov.ph/content/second-quarter-2020-gdp-growth-rate-was-revised-downward-169-percent
[14] https://www.bworldonline.com/inflation-eases-to-lowest-in-12-months/
[15] https://openknowledge.worldbank.org/bitstream/handle/10986/36874/P1774080b8d6f508b0944c08618e5c8a18d.pdf?sequence=1&isAllowed=y

2010 – 2020 Average GDP growth rates in Southeast Asia	2021 Growth rates (%) in Southeast Asia[16]
	
Source: ASEAN Statistics Yearbook 2021	Source: ADB Data Library

Economic Outlook

The Philippines' GDP expanded by 5.6% in 2021, slightly beating the adjusted target range of 5% - 5.5%. The fourth quarter of 2021 logged a 7.7% growth, marking a rebound from the 8.3% contraction for the same period of 2020, and was driven by increased household consumption, government expenditure and public construction. Although new COVID-19 variants continue to be near-term headwinds, the country's GDP grew 7.7% for the first 9 months of 2022.

The Bangko Sentral ng Pilipinas, which has kept its key rate at a record low of 2.0% since November 2020, vowed to prioritize economic recovery, indicating it will not raise interest rates any time soon despite the threat of tightening in the United States and elsewhere. With the ongoing threat of COVID-19 and possible variants, vaccination rates remain a key indicator for the safe reopening of the Philippine economy.

Nevertheless, the World Bank[17] noted that the economy is projected to grow faster over the medium term, mainly driven by the continued reopening of the Philippine economy. The economy is projected to grow at 5.8 percent in 2022-23. Alongside the progress in vaccination, the phased economic reopening will support a return of market confidence and more dynamic economic activity. The reopening is expected to benefit the services sector, especially transportation, domestic tourism, and wholesale and retail trade. Sustained public investment and external demand will support construction and manufacturing activities. Household consumption is likewise projected to recover as remittances pick up and employment rates improve.

The economy will also likely reap the benefits of demographic dividend in the coming years amidst decelerating population growth. According to the Commission on Population and Development (PopCom)[18], the Philippine population increased by only 324,000 Filipinos (+0.3%) in 2021, marking the slowest population growth of the Philippines in 75 years. However, PopCom noted that the low population growth allows a greater chance for households to recover from the pandemic. The changing age structure of the population due to the increasing working age population presents an

[16] Excludes Myanmar, which posted a 18.6% y-y contraction.
[17] https://openknowledge.worldbank.org/bitstream/handle/10986/36874/P1774080b8d6f508b0944c08618e5c8a18d.pdf?sequence=1&isAllowed=y
[18] https://popcom.gov.ph/popcom-number-of-filipinos-in-2021-estimated-at-110-8-million-sizes-of-families-trending-lower-at-4-members/

opportunity for demographic dividend — a prospect for economic gain due to higher income and productivity. Properly managed, this should continue to sustain long-term economic growth.

COVID-19 Response[19]

After two years of facing the COVID-19 pandemic, both public and private sectors have put forward various initiatives to restart businesses and recover jobs. In 2021, the Inter-Agency Task Force had imposed the enhanced community quarantine (ECQ)—the most stringent lockdown—in Metro Manila due to the Alpha and Delta variants on separate occasions.

However, unlike the lockdown in 2020, the IATF expanded the definition of essential sectors which allowed more establishments to remain open. The DTI continues to roll out its zero-interest and zero-collateral loan, called the COVID-19 Assistance to Restart Enterprises (CARES) program, which had benefited 137,168 borrowers with a total loan released amounting to ₱6.13 billion. Meanwhile, the private sector has also done its share of helping in the recovery of businesses and jobs by ordering at least 24 million COVID-19 jabs from AstraZeneca and Moderna, to be used especially for employees and household members of companies.

As of June 4, 2022, the DOH had administered over 152.5 million vaccine doses, with over 71.0 million complete doses administered. Further, over 14.3 million booster doses have been administered[20]. As part of the effort to contain the spread of the virus, the government began banning unvaccinated individuals from all public transport (starting January 1, 2022) within Metro Manila as well as on routes in and out of the city.[21] The DOH has noted that over 70% of the country's total target population have been fully vaccinated as of March 7, 2022[22].

The table below summarizes the number of COVID-19 cases and deaths, as well as the number of vaccinated people, across the Southeast Asian region as of June 7, 2022[23]:

Name	Total cases	Total deaths	Total vaccinations	Fully vaccinated	Full Vaccinated + Booster	Vaccine types used
Brunei Darussalam	150,402	162	1,162,665	421,698	297,699	5
Cambodia	136,262	3,056	39,658,990	14,280,965	9,085,668	7
Indonesia	6,057,142	156,622	413,361,190	167,420,810	45,672,972	7
Lao PDR	210,081	756	11,130,131	4,939,064	1,450,981	8
Malaysia	4,514,989	35,688	70,879,130	27,039,505	16,091,950	8
Myanmar	613,382	19,434	59,453,155	26,110,318	1,997,310	2
Philippines	3,691,546	60,456	150,123,168	71,041,711	14,319,911	11
Singapore	1,318,984	1,393	14,088,862	4,987,927	4,085,464	4
Thailand	4,468,955	30,198	136,896,281	52,441,135	27,952,565	8
Vietnam	10,725,239	43,080	220,441,206	77,472,096	57,075,356	6

[19] https://www.pna.gov.ph/articles/1164200
[20] https://doh.gov.ph/covid19-vaccination-dashboard. Accessed on June 7, 2022
[21] https://www.scmp.com/week-asia/article/3163974/philippines-no-vax-no-ride-scheme-banning-unvaccinated-public-transport
[22] https://www.pna.gov.ph/articles/1169224
[23] https://covid19.who.int/data

Philippine Power Sector

Peak Demand

In 2020, the Philippines' total non-coincidental peak demand reached 15,282 MW, which is 299 MW or -1.9% lower than the peak demand in 2019. This decline in demand can be greatly attributed to the effect of COVID-19 pandemic, which put the country under different levels of community quarantine beginning 15 March 2020.

The declaration of community quarantine caused huge economic losses in a number of businesses and commercial establishments, resulting in an evident slowdown in the operations of the commercial and industrial sectors. Additionally, the travel restrictions put in place by the Philippine Government across the entire country limited the population's mobility which further hindered the otherwise expected demand growth.

Among the three main island groups, Luzon had the highest decrease (241 MW) in peak demand. Figure 1 shows the comparison between the recorded peak demand in 2020 and 2019 for Luzon, Visayas, and Mindanao grids.

The numerous unforeseeable events have greatly affected the nation's electricity consumption patterns. Despite these challenges, the power sector continued to be steadfast in providing the much-needed electricity for the country especially in these critical times.

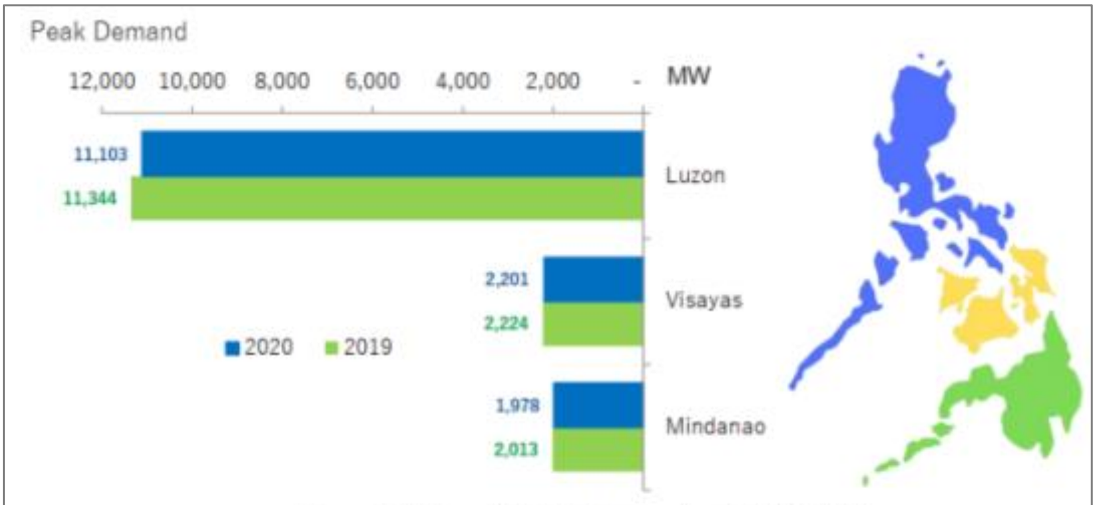


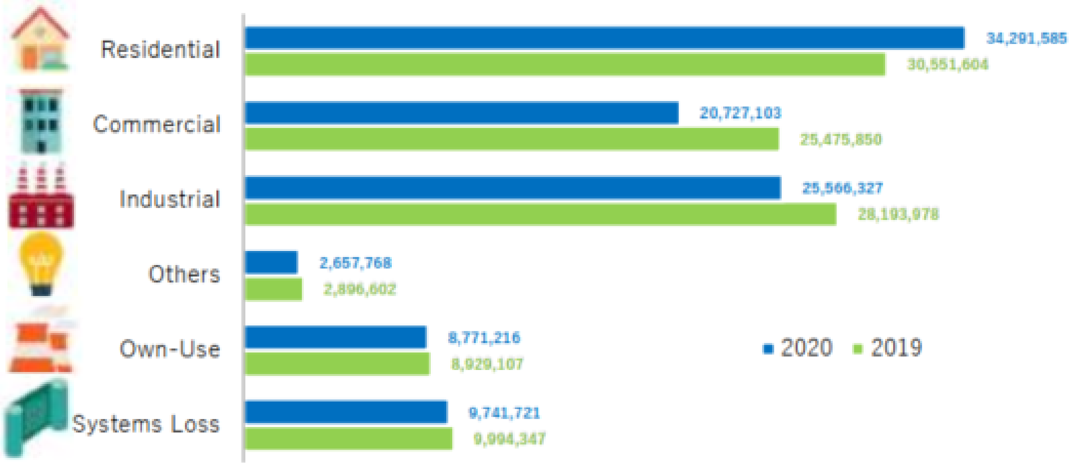
Figure 1. 2020 vs. 2019 Peak Demand per Grid (in MW)

Source: Department of Energy

Electricity Sales and Consumption

The Philippines started out the year 2020 with a decline in the GDP equivalent to -0.2% in its first quarter, after expanding by 6.7% in the last quarter of 2019. This was marked as the first year-on-year contraction since 1998. Among the economic sectors, one of the biggest contributors to the decline was the industrial sector due to the eruption of Taal volcano in Batangas, temporarily halting several manufacturing activities in different parts of the Luzon region. However, vis-à- vis the markdown in GDP, the country's total electricity consumption still manifested a slight increase from December 2019 to January 2020. This was unlike the recent years wherein the consumption in January is usually lower than December of the previous year. Despite a considerably strong start for the power sector, the early effects of the pandemic had already affected market sentiments across the nation.

While there are several factors that affect the country's electricity consumption rate, historical data typically displays a proportional relationship with the economy, quantified through the GDP. In the fourth quarter of 2020, the Philipppine economy declined by -8.3%, bringing a -9.5% full-year contraction by the end of 2020. Following the plunge in economy, the total electricity consumption also shrunk by -4.0%, posting a figure of 101,756 GWh by the end of 2020 from 106,041 GWh in 2019. As depicted in Figure 3, residential remained the largest electricity consuming sector with a 33.7% share, followed by industrial (25.1%) and commercial (20.4%).



Note: Numbers may not sum up to total due to rounding off
"Others" refer to public buildings, street lights, irrigation, agriculture, and "others not elsewhere classified"

Figure 3. 2020 vs. 2019 Electricity Sales and Consumption by Sector, Philippines (in MWh)

Source: Department of Energy

Noticeably, there was a decrease in consumption across all sectors, except residential which further increased by 12.2%. The recurring imposition of various community quarantine restrictions and physical distancing measures caused a great shift in favor of the residential sector as majority of economic sectors adapt alternative work arrangements and various "new normal" measures. Companies and organizations implemented the work-from-home scheme, online businesses and enterprises flourished, schools shifted to online classes, discussions and events were held virtually, and contactless transactions were widely adopted. All these activities, among theirs, triggered the sharp increase in electricity consumption in the residential sector. The commercial and industrial sector, which were heavily affected by the lockdown, garnered the steepest annual decline in power consumption at -18.6% and -9.3%, respectively. The decrease in utilities' own-use for office and station use of power plants, classified in Figure 3 as "Own-Use", and "Losses" from the generation, transmission, and distribution, also contributed to the downswing in total electricity consumption. Others not elsewhere classified, or simply categorized as "Others", posted a -8.2% annual contraction from 2019.

2020 Electricity Sales & Consumption, Philippines (in GWh)

TYPE OF DISTRIBUTION UTILITIES	LUZON	VISAYAS	MINDANAO	PHILIPPINES
Private Investors Owned Utilities (PIOU's)				
Residential	17,981	1,457	1,433	20,871
Commercial	15,623	490	504	16,617
Industrial	12,684	2,411	2,101	17,197
Others	192	82	94	368
Total Sales	**46,480**	**4,440**	**4,133**	**55,053**
Own-Use	64	7	5	75
System Loss	2,982	372	312	3,665
Total	**49,526**	**4,818**	**4,449**	**58,793**
Electric Cooperatives (EC'S)				
Residential	7,012	3,173	3,236	13,421
Commercial	2,164	970	976	4,110
Industrial	1,781	942	1,813	4,536
Others	717	458	443	1,617
Total Sales	**11,674**	**5,543**	**6,468**	**23,684**
Own-Use	23	13	15	51
System Loss	1,401	597	1,053	3,051
Total	**13,098**	**6,153**	**7,536**	**26,786**
Non-Utilities/Directly Connected	**2,958**	**982**	**155**	**4,095**
Other Services	**1,381**	**376**	**35**	**1,791**
Plant Station Used	**4,286**	**1,683**	**1,295**	**7,265**

Source: Department of Energy

2020 and 2019 Comparative Electricity Sales & Consumption per Grid, Philippines (in GWh)

Grid	PHILIPPINES					
	2020		2019		Difference	
	GWh	% Share	GWh	% Share	GWh	% Growth Rate
Luzon	73,504	72.2%	77,687	73.3%	-4,183	-5.4%
Visayas	14,399	14.2%	14,549	13.7%	-150	-1.0%
Mindanao	13,852	13.6%	13,805	13.0%	47	0.3%
Philippines	101,756	100.0%	106,041	100.0%	(4,286)	-4.0%

Source: Department of Energy

Supply

Installed and Dependable Capacity

Despite the delays and restrictions caused by the pandemic, the country's installed capacity still increased by 3.0% following the entry of large coal power plants in Luzon (Masinloc Unit 3) and Mindanao (GNPower Kauswagan Unit 4). Renewable energy facilities, particularly solar and biomass, distributed across the country, also contributed to the growth of installed capacity. Coal-fired power plants continue to dominate the installed capacity mix with a 41.6% share, followed by renewable energy (29.1%), oil-based (16.1%), and natural gas (13.1%).

By the end of 2020, a total of 655 MW of installed capacity was added to the country's power supply. Bulk of the capacity additions were supplied to the grid and equaled to 643 MW, comprising of coal

(527 MW), solar (71 MW), oil-based (45 MW), and hydro (0.3 MW). Off-grid areas, on the other hand, added a total of 13 MW installed capacity coming from diesel. The total installed and dependable capacity is annually updated to rflect newly operational power plants, uprating and derating, mothballed power plants, and power plants operating as own-use due to current line constraints in transmission.

2020 Total Installed and Dependable Capacity per Technology, Philippines (in MW)

Fuel Type	Installed		Dependable	
	2020	2019	2020	2019
Coal	10,944	10,417	10,245	9,743
Oil Based	4,237	4,262	3,054	3,015
Natural Gas	3,453	3,453	3,286	3,286
Renewable Energy	7,653	7,399	6,825	6,691
Geothermal	*1,928*	*1,928*	*1,753*	*1,792*
Hydro	*3,779*	*3,760*	*3,527*	*3,508*
Biomass	*483*	*363*	*285*	*227*
Solar	*1,019*	*921*	*817*	*737*
Wind	*443*	*427*	*443*	*427*
TOTAL	26,286	25,531	23,410	22,736
BESS	11	10	11	10

Source: Department of Energy

2020 Total Installed and Dependable Capacity per Grid and Off-Grid, Philippines (in MW)

GRID	Installed			Dependable		
	Grid	Off-grid	Total	Grid	Off-grid	Total
Luzon	17,344	496	17,840	15,645	365	16,010
Visayas	3,814	48	3,863	3,333	36	3,369
Mindanao	4,505	79	4,548	3,976	56	4,031
TOTAL	25,663	623	26,286	22,954	457	23,410

Source: Department of Energy

2020 Summary of Newly Operational Capacities per Technology, Philippines (in MW)

Fuel Type	Installed		Dependable	
	2020	2019	2020	2019
Coal	527	1,559	493	1,409
Oil Based*	57	8	49	6
Natural Gas	0	0	0	0
Renewable Energy	71	108	57	74
Geothermal	*0*	*0*	*0*	*0*
Hydro	*0.3*	*31*	*0.1*	*18*
Biomass	*0*	*52*	*0*	*36*
Solar	*71*	*25*	*57*	*20*

Source: Department of Energy

Generation

Due to lower demand, the country's gross power generation registered a negative growth at -4.0%, which is equivalent to a 4,286 GWh reduction from 2019 to 2020. Oil-based power generation significantly dropped by 34.1%. Natural gas also seconded with a -12.8% growth, followed by hydro (- 10.4%), and wind (-1.5%). In contrast, biomass and solar generation posted a positive growth at 21.2% and 10.2%, respectively. Geothermal and coal generation also increased minimally by 0.6% and 0.5%, respectively. In accordance with the existing power supply agreements and the current market mechanism (e.g. merit order of power plants), the trend in utilization of generation sources shifted as a result of lower peaking requirements and irregularities in consumption patterns attributed with the pandemic

Outlook

In its 2020-2040 Philippine Energy Plan, the DOE forecasts the country's peak demand to increase by almost four-folds with 6.6% annual increment for the 20-year period, from 15,282 MW in 2020 to 54,655 MW in 2040. With greater economic growth prospects based on the projected gross regional domestic (GRDP), Mindanao exhibits the highest annual growth at 7.9%, followed by Visayas at 7.3% and Luzon at 6.2%.

Similarly, electricity sales also increase by almost four-folds, equivalent to a nearly 7.0% growth rate a year, which stands at 335, 691 gigawatt-hour (GWh) by end of the planning period from 91,369 GWh in 2020. On a per grid basis, Luzon still gets about two-thirds of the total electricity sales, while the remaining is shared by Visayas with 16.9% and Mindanao with 16.0%.

Gross generation increases three-folds reaching 364.4 terawatt-hour (TWh) in 2040 with a 6.6% a year growth rate from 101.8 TWh in 2020. Coal share of total power generation decelerates by about half from a high of 57.0% in 2020 to 24.6%in 2040. Generation from coal only increases at 2.2% annually as only committed projects are the added capacity over the planning period The aggregate share of renewables in the generation mix reaches 35.0% by 2030 until end of the planning period to meet the required share of RE for the mandated RPS. Solar contributes 15.0% to the total power generation. Hydro likewise provides 14.0%, while geothermal with 4.4%, wind with 1.4% and biomass with less than 1.0% share of total.

Natural gas overtakes coal as major fuel for power generation with its share increasing significantly to 40.0% of total from nearly 20.0% in 2020. This is attributed to the flexibility of its fuel to support the higher penetration of renewables in the generation mix, specifically solar and wind. However, with the depletion of natural gas from the Malampaya gas field, the country needs to import liquefied natural gas (LNG) to meet its fuel requirements. The LNG is seen to come in starting 2022 as assumed in this outlook through the completion and commercial operation of two (2) LNG import terminals – composed of a floating storage and regasification unit (FSRU) terminal and onshore regasification terminal with floating storage unit (FSU) terminal.

The total installed capacity increases by about four (4) times from 26.2 GW to 95.7 GW in 2040 coming from existing, committed, and new build capacities. Solar, having the lowest capacity factor, expands to more than 34.0% of total by 2040 because of declining capital cost from 750 USD/kilowatt (KW) to 650 USD/KW. As such, solar has the cheapest levelized cost of electricity (LCOE) among renewable technologies. Natural gas and hydro also contribute significantly to the total installed capacity with 25.4% and 16.1% share, respectively. Coal share drops to 14.2% in 2040 from 41.7% in 2020 due to the coal moratorium for greenfield coal power plants. Other technologies, such as oil, geothermal, biomass, and wind contribute 1.0 to 5.0% of total.

As Energy Efficiency initiatives continue, electricity sales decrease under the Clean Energy Scenario ("CES"). This tapers the impact of doubling the penetration rate of electric vehicles (EVs) in the transport sector, resulting in 6.4% average annual growth rates of the sales forecast, while levels are 14.0 TWh lower at 321.7 TWh vis-à-vis the REF for 2040.

The sales forecast trend under the CES echoes in the total generation estimates for total Philippines, while meeting the 50.0% RE target by 2040. In 2040, power generation under the CES increases by 6.4% yearly to reach 350.1 TWH by 2040 from 101.8 TWH in 2020. About a fourth of the generation comes from natural gas with 26.6% share. Coal contributes 23.1% share, while solar and hydro comprise 20.6% and 18.0%, respectively. The remaining is contributed by geothermal, wind, biomass and oil with a combined share of 11.7%.

Installed capacity under CES increases by 23.9% from 95.7 GW under the REF GW to 118.6 GW. RE total installed capacity increases to 81.5 GW by 2040, translating to 68.7% in the CES. Of this, solar contributes 46.1 GW and 11.8 GW for wind, and 20.1 GW for Hydro in the same period. On the other hand, gas drops to 18.9 GW.

Total Primary Energy Supply

The accelerated economic expansion post-COVID19 and the present development trends and strategies of the energy sector boost the country's TPES to increase at an annual growth rate of 5.2% from 56.4 MTOE in 2020 to 155.6 MTOE in 2040. However, self-sufficiency drops to 38.7% by 2040, which indicates a growing reliance on imported energy, particularly on LNG that fills the gap due to depletion of reserves in Malampaya gas field. By 2040, energy supply for power generation comprises the 52.7% of the TPES, while supply for non-power application accounts for the remaining 47.3%.

Retail Competition and Open Access

The EPIRA mandates the implementation of open access to distribution network so that the benefits of competition in the generation/supply sector could reach qualified consumers. The implementation of the retail competition and open access paved the way to the creation of the new segment in the power industry which is the RES.

Retail competition and open access allows contestable customers (i.e., industries, commercial establishments and residential users) to choose their respective retail electricity supplier which could offer the most reasonable cost and provide the most efficient service. Further discussion on RCOA can be found under "Regulatory Framework".

Primary Regulatory Agencies

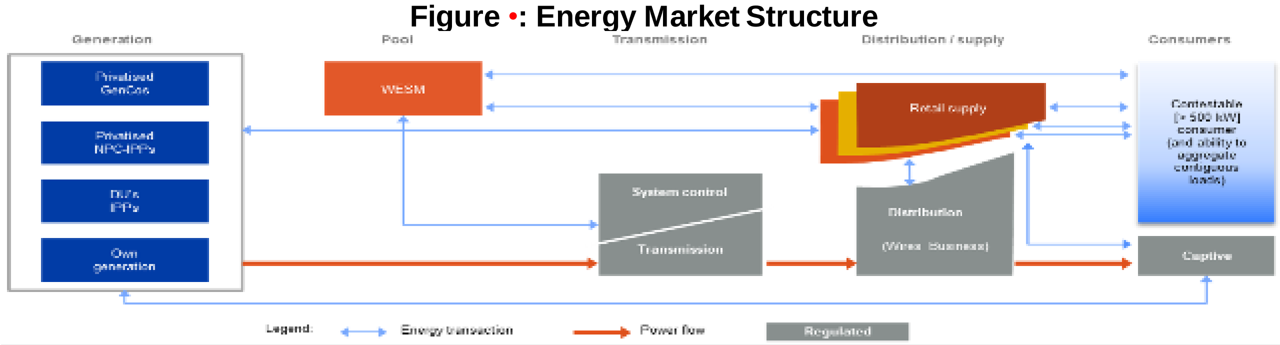
There are two main energy bodies in the Philippines: (1) The ERC, which is an independent quasi-judicial regulatory body, and (2) the DOE, which is in charge of supervising the restructuring of the electricity industry. Both are governed by the EPIRA to implement provisions of the Act.

The 1991 Foreign Investment Act ("FIA") regulates foreign investment into the Philippines. Within FIA are two negative lists known as the Foreign Investment Negative List which defines the percentage of foreign ownership depending on the nature of the underlying asset or business. Under the energy sector, up to 40% foreign ownership is permitted for the exploration, development and utilization of natural resources (exclusively renewables).

Further discussion on Primary Regulatory Agencies can be found under "Regulatory Framework".

Market Structure

Figure •: Energy Market Structure



Below is an overview of the market participants in the Philippine power market:

- Generation companies own and operate power plants. Privately-owned generation companies co-exist with government-owned power plants and compete in supply of energy through bilateral contracts and/or WESM.
- RESs engage in the supply of electricity to end-users in the Contestable Market after securing a license from the ERC.
- DUs own and operate distribution networks as a regulated natural monopoly.
- All transmission assets in Philippines are owned by the Government through the TransCo as a regulated natural monopoly. The transmission systems are operated by the NGCP through a 25-year O&M concession agreement.
- The final customers consist of the following:
    - Directly Connected Customers (DCCs or Bulk customers connected to the transmission grid) and/or Contestable Customers are those who participate in the WESM and can voluntarily engage in bilateral contracting.
    - Captive customers are electricity end-users who do not have choice of a supplier of electricity (mostly households and small businesses connected to distribution networks).

The entities that govern the Philippine power market are the following:

- The DOE is the government agency in charge of planning and policy making for the electricity sector. In addition to its existing powers and functions, the EPIRA mandated the DOE to supervise the restructuring of the electricity industry. In particular, the DOE is mandated by the EPIRA to organize and establish the appropriate market design and governance structure of the WESM.
- The ERC regulates natural monopolies (distribution and transmission wires business), issues generation and supply licenses, oversees competition in the power market (including penalization of market power abuse), and enforces the implementing rules and regulations of the EPIRA. Specific the ERC's tasks related to power markets include the following:
    - Approve the Price Determination Methodology for the WESM;
    - Promulgate and enforce the Grid Code & Distribution Code;
    - Promulgate and implement Rules for Setting Transmission Wheeling Rates and Distribution Wheeling Rates; and
    - Promulgate the following rules:
        - Open Access Transmission Service Rules;
        - Distribution Services and Open Access Rules;
        - Rules for the Issuance of Licenses to Retail Electricity Suppliers;
        - Code of Conduct for Competitive Retail Market Participants;
        - Rules for Contestability;
        - Rules for Customer Switching;
        - Rules for the Supplier of Last Resort (SOLR); and
        - Competition Rules and Complaint Procedures.
- The system operators (SO) under the NGCP; and
- The market operator (MO) under Independent Electricity Market Operator of the Philippines (IEMOP).[24]

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[24] https://documents1.worldbank.org/curated/en/428331548771494859/pdf/WPS8721.pdf

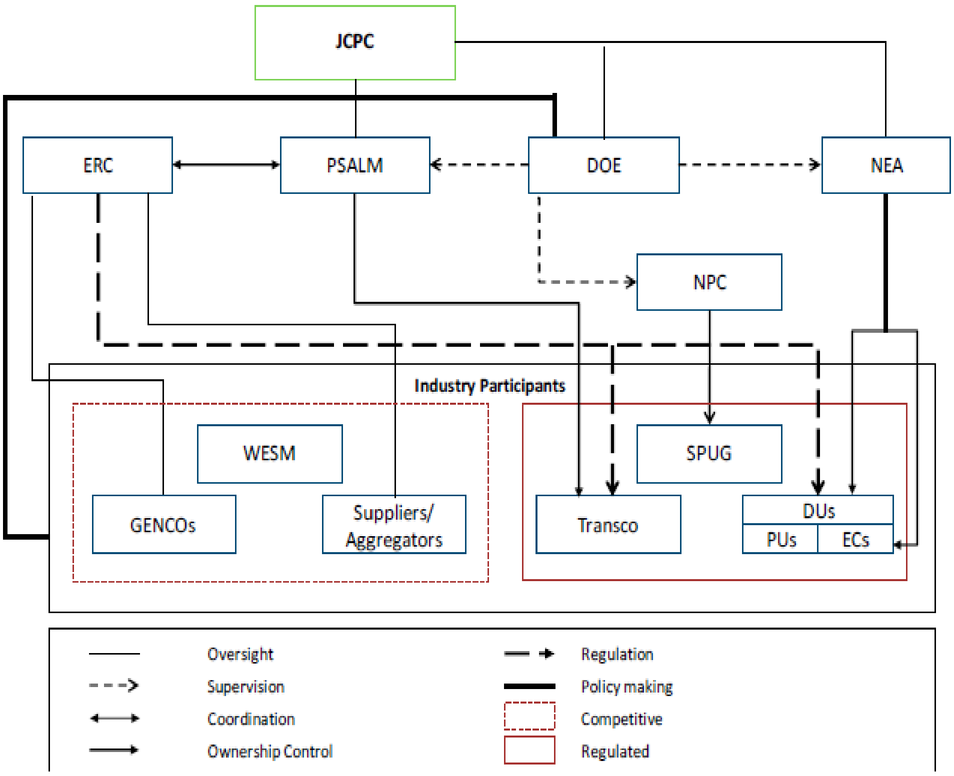
REGULATORY FRAMEWORK

The information in this section has been derived from various government and private publications or obtained from communications with various government agencies unless otherwise indicate and has not been prepared or independently verified by the Company, the Underwriters, or any of their respective affiliates or advisors. The information may not be consistent with other information compiled within or outside the Philippines.

Regulation of the Philippine Power Industry

Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act ("EPIRA") established a framework for the organization and operation of the electric power industry in connection with its restructuring, with the industry divided into four sectors: generation, transmission, distribution and supply. The structural reforms resulted among others in the creation of two government-owned and controlled corporations ("GOCCs"), the Power Sector Assets and Liabilities Management Corporation ("PSALM") and the TransCo.

The following diagram shows the current structure of the electric power industry under the EPIRA:



Note:
DUs: distribution Utilities
ECs: Electric Cooperatives
GENCOs: Any entity authorized by the ERC to operate electricity generation facilities
JCEC: Joint Congressional Energy Commission
PUs: Production Utilities

Since the enactment of the EPIRA in 2001, the Philippine power industry has undergone and continues to undergo significant restructuring. Through the EPIRA, the Philippine government began to institute major reforms with the goal of fully privatizing all aspects of the power industry. The major aspects of the reforms include the (1) restructuring of the entire power industry to introduce competition in the generation sector, (2) change from government to private ownership, and (3) introduction of a stable regulatory framework for the electricity sector.

With a view to implementing the EPIRA's objectives, the DOE, in consultation with the relevant government agencies, electric power industry participants, non-government organizations and electricity consumers, promulgated the Implementing Rules and Regulations of the EPIRA (the "EPIRA IRR") on February 27, 2002.

The EPIRA IRR governs the relations among, and respective responsibilities of, the different electric power industry participants as well as the particular governmental authorities involved in implementing the structural reforms in the industry, namely the DOE, NPC, National Electrification Administration ("NEA"), ERC and PSALM.

Primary Regulatory Agencies

Energy Regulatory Commission

The ERC is the independent, quasi-judicial regulatory body created under the EPIRA that replaced the Energy Regulatory Board. The ERC plays a significant role in the restructured industry environment, consisting of, among others, promoting competition, encouraging market development, ensuring consumer choice and penalizing abuse of market power by industry participants.

The ERC is mandated to carry out, among others, the following:

a. Promote competition and encourage market development;
b. Determine the pricing in the energy market;
c. Review and approve any plan for expansion or improvement of transmission facilities submitted by TransCo; and
d. Perform other regulatory functions as appropriate and necessary to ensure successful restructuring and modernization of the electric power industry.

Department of Energy

In accordance with its mandate to supervise the restructuring of the electric power industry, the DOE exercises, among others, the following functions:

a. Preparation and annual updating of the Philippine Energy Plan and the Philippine Power;
b. Development Program, and thereafter integrate the latter into the former;
c. Ensuring the reliability, quality and security of the supply of electric power;
d. Exercise of supervision and control over all government activities pertaining to energy projects;
e. Encouragement of private investment in the power industry sector and promotion of the development of indigenous and renewable energy sources for power generation;
f. Facilitation of reforms in the structure and operation of distribution utilities for greater efficiency and lower costs;
g. Promotion of incentives to encourage industry participants, including new generating companies and end-users, to provide adequate and reliable electric supply;
h. Education of the public (in coordination with NPC, ERC, NEA and the Philippine Information Agency) on the restructuring of the industry and the privatization of NPC assets;
i. Establishment of the WESM in cooperation with electric power industry participants; and
j. Formulating rules governing its operations.

The DOE supervises the operation of the Wholesale Electricity Spot Market of the Philippine Electricity Market Corporation. The Philippines fosters a liberal competitive environment for market players under each segment within the power structure.

Joint Congressional Energy Commission

The Joint Congressional Energy Commission ("JCEC") created pursuant to the EPIRA consists of 14 members with the Chairmen of the Committee on Energy of the Philippine Senate and House of

Representatives and six additional members from each House to be designated by the Senate President and the Speaker of the House of Representatives, respectively. On April 12, 2019, Republic Act No. 11285 or the Energy Efficiency and Conservation Act was signed into law. Under this law, the Joint Congressional Power Commission was renamed to the JCEC.

The initial term of the JCEC was ten (10) years from the effectivity of the EPIRA, or only until June 26, 2011. However, since key structural changes introduced in the EPIRA have yet to be carried out as well as the need to oversee the implementation of the Renewable Energy Act, the Philippine Congress issued Joint Resolution No. 1 on 26 July 2010 (which was passed by the Senate and the House of Representatives on June 6, 2011 and approved by the President of the Philippines on June 21, 2011) extending the term of the JCEC for another period of 10 years from June 26, 2011. Republic Act No. 11571, approved on July 6, 2021, removed the 10 year term limit of JCEC and granted it oversight functions in the implementation of all existing energy laws at the time of its effectivity, such as, but not limited to, “The Oil Exploration and Development Act of 1972”, “Presidential Decree No. 972 otherwise known as “The Coal Development Act of 1976” and Republic Act No. 8479, otherwise known as the “Downstream Oil Industry Deregulation Act of 1998”, except Republic Act No. 9367 otherwise known as the “Biofuels Act of 2006”.

Reorganization of the Electric Power Industry

Of the many changes initiated by the EPIRA, of primary importance is the reorganization of the electric power industry which segregated the industry into four sectors: (1) the generation sector; (2) the transmission sector; (3) the distribution sector; and (4) the supply sector. The goal is for the generation and supply sectors to be fully competitive and open, while the transmission and distribution sectors will remain regulated. Prior to the EPIRA, the industry was regulated as a whole, with no clear distinctions between and among the various sectors and/or services.

The Generation Sector

The generation sector converts fuel and other forms of energy into electricity. This sector, by utility, consists of the following: (i) NPC-owned and -operated generation facilities; (ii) NPC-owned plants, which consist of plants operated by IPPs, as well as IPP-owned and -operated plants; and (iii) IPP-owned and-operated plants that supply electricity to customers other than NPC. Successes in the privatization process of NPC continue to build up momentum for the power industry reforms.

Historically, the generation sector has been dominated by NPC. To introduce and foster competition in the sector, and, more importantly, to lessen the debt of NPC, the EPIRA mandates the total privatization of the generation assets and IPP agreements of NPC, which exclude the assets devoted to missionary electrification through the NPC Small Power Utilities Group (“SPUG”). NPC is directed to transfer ownership of all the assets for privatization to a separate entity, PSALM, which is specially tasked to manage the privatization. Beginning early 2004, PSALM has been conducting public bidding for the generation facilities owned by NPC.

The goal of the EPIRA is for the generation sector to be open and competitive, while the private sector is expected to take the lead in introducing additional generation capacity. Generation companies will compete either for contracts with various suppliers and private distribution utilities, or through spot sale transactions in the WESM. Competition will be based largely on pricing, subject to availability of transmission lines to wheel electricity to the grid and/or buyers. Recovery by DUs of their purchased power cost is subject to review and regulation by the ERC to determine reasonableness of the cost passed on to consumers. With the implementation of RCOA, generation rates, except those intended for the “Captive Market” (i.e., a market of electricity end-users who may not choose their supplier of electricity), ceased to be regulated to a certain extent.

Under the EPIRA, generation companies are allowed to sell electricity to distribution utilities or to retail electricity suppliers through either bilateral contracts or the WESM as described below. With the implementation of RCOA on 26 December 2013, generation companies may likewise sell electricity to eligible end-users with an average monthly peak demand of 750KW and certified by the ERC to be such ("Contestable Market"). No generation company is allowed to own more than 30.0% of the installed generating capacity of the Luzon, Visayas or Mindanao grids and/or 25.0% of the national installed generating capacity. Also, no generation company associated with a distribution utility may supply more than 50.0% of the distribution utility's total demand under bilateral contracts, without prejudice to the bilateral contracts entered into prior to the enactment of the EPIRA.

The EPIRA provides that power generation is not a public utility operation and, thus, not required to secure national franchises and there are no restrictions on the ability of non-Filipinos to own and operate generation facilities. However, to operate, generation companies must obtain a COC from the ERC, as well as health, safety, and environmental clearances from appropriate government agencies under existing laws. Upon implementation of RCOA, the prices charged by a generation company for the supply of electricity shall not be subject to regulation by the ERC except as otherwise provided under the EPIRA.

The ERC may impose fines and penalties for violations by generation companies of the EPIRA and the EPIRA IRR policies as well as the ERC's rule and regulations on market power abuse, cross-ownership and anti- competitive behavior.

Requirement of Public Offering for Generation Companies

Under Section 43(t) of the EPIRA, the ERC was mandated to issue rules and guidelines under which, among others, generation companies which are not publicly listed shall offer and sell to the public a portion of not less than 15% of their common shares of stock.

ERC Resolution No. 9, Series of 2011, adopted the rules to implement Section 43(t) of the EPIRA. Under the resolution, generation companies, among others, which are not publicly listed are required to sell to the public a portion of not less than 15% of their common shares of stock. If the authorized capital stock of a generation company is fully subscribed, such company must increase its authorized capital stock by 15% or sell or cause the sale of 15% of its existing subscribed capital stock in order to comply with the public offering requirement under the EPIRA.

According to Resolution No. 9, which took effect on June 29, 2011, any offer of common shares of stock for sale to the public through any of the following modes may be deemed as a public offering for purposes of compliance with the public offering requirement under the EPIRA: (1) listing on the PSE; and (2) listing of the shares of stock in any accredited stock exchange or direct offer of the required portion of a company's capital stock to the public. For generation companies registered with the BOI under the Omnibus Investments Code, the public offering requirement may be complied with by a direct offer of the required portion of the registered enterprise's shares of stock to the public or through its employees through an employee stock option plan (or any plan analogous thereto), provided such offer is deemed feasible and desirable by the BOI.

However, the offer of common shares through an employee stock option plan is not considered a public offering since the offer is limited only to the employees of the generation companies or the DUs and not to the general public. The offer to employees may be considered public offering only when the generation company or distribution utility is a registered enterprise under the Omnibus Investment Code. Further, the public offering requirement does not apply to: (i) self-generation facilities, (ii) generation companies and distribution utilities already listed on the PSE, (iii) generation companies and distribution utilities whose holding companies are already listed on the PSE, (iv) generation companies and distribution utilities which are organized as partnerships, and (v) electric cooperatives which have no common shares of stock.

On June 4, 2019, the ERC issued Resolution No. 4, amending Resolution No. 9, Series of 2011. The new resolution maintained the previous rule that companies already listed with the PSE are already deemed in compliance of the 15% public offering requirement. Under Resolution No. 4, Series of 2019, the following modes shall be deemed to be public offerings:

1. Listing on the PSE;
2. In accordance with the 2015 IRR of the SRC:
    a. Publication in any printed material distributed in the Philippines;
    b. Public presentations;
    c. Advertisements or announcements on radio, television, electronic communications, information communication technology, or any other forms of communications; and
    d. Distribution of flyers, brochures, or any offering material in a public or commercial place, or
    e. through prospective purchasers through the portal system, information communication technology and other means of information distribution.
3. Listing of any shares of stock in any accredited stock exchange or direct offer to the public or the employees of an entity registered with the BOI, when deemed feasible and desirable by the latter.

ERC Resolution No. 4, Series of 2019 also provides that generation companies under a Build-Operate-Transfer Scheme must comply with the 15% public offering requirement. Further, it requires that the sale of securities to the public must comply with the SRC and its IRR.

The public offering by existing companies shall be made within five years from the effectivity of ERC Resolution No. 9, Series of 2011, or until June 29, 2016. The five-year period was extended up to June 29, 2017 pursuant to ERC Resolution No. 18, Series of 2016. For new companies, however, the five-year period is counted from the issuance by the ERC of their respective COCs. The period for compliance has further been extended pursuant to ERC Resolution No. 10, Series of 2017 for another year, or until the resolution of the petition filed by the Private Electric Power Operators Association regarding the clarification on whether the registration of common shares at the SEC may be considered as a mode of public offering is resolved, whichever comes earlier. On June 21, 2018, the ERC issued Resolution No. 14, Series of 2018 which further extended the period for compliance until December 29, 2018. To date, no new regulation has been issued by the ERC.

The Transmission Sector

Pursuant to the EPIRA, NPC has transferred its transmission and sub-transmission assets to TransCo, which was created pursuant to the EPIRA to assume, among other functions, the operation of the electrical transmission systems throughout the Philippines. The principal function of TransCo is to ensure and maintain the reliability, adequacy, security, stability and integrity of the nationwide electrical grid in accordance with the Philippine Grid Code ("Grid Code"). TransCo is also mandated to provide Open Access to all industry participants. The EPIRA granted TransCo a monopoly over the high-voltage network and subjected it to performance-based regulations.

The transmission of electricity through the transmission grid is subject to transmission wheeling charges. Since the transmission of electric power is a regulated common carrier business, the transmission wheeling charges of TransCo are subject to regulation and approval by the ERC.

The EPIRA also requires the privatization of TransCo through an outright sale of, or the grant of a concession over, the transmission assets while the subtransmission assets of TransCo are to be offered for sale to qualified distribution utilities. In December 2007, NGCP, comprising a consortium of Monte Oro Grid Resources, Calaca High Power Corporation and State Grid Corporation of China, won the concession contract to operate, maintain and expand the TransCo assets with a bid of

US$3.95 billion. NGCP was officially granted the authority to manage and operate the country's sole transmission system on January 15, 2009. Ownership of all transmission assets, however, remained with TransCo.

The Grid Code establishes the basic rules, requirements, procedures, and standards that govern the operation, maintenance, and development of the Philippine grid, or the high-voltage backbone transmission system and its related facilities. The Grid Code identifies and provides for the responsibilities and obligations of three key independent functional groups, namely: (a) the grid owner, or TransCo; (b) the system operator, or NGCP as the current concessionaire of TransCo; and (c) the market operator, or PEMC. These functional groups, as well as all users of the grid, including generation companies and distribution utilities, must comply with the provisions of the Grid Code as promulgated and enforced by the ERC.

The Distribution Sector

The distribution of electric power to end-users may be undertaken by private distribution utilities, cooperatives, local government units presently undertaking this function, and other duly authorized entities, subject to regulation by the ERC. The distribution business is a regulated public utility business requiring a franchise from Congress, although franchises relating to electric cooperatives remained under the jurisdiction of the NEA until the end of 2006. All distribution utilities are also required to obtain a Certificate of Public Convenience and Necessity ("CPCN") from the ERC to operate as public utilities.

All distribution utilities are also required to submit to the ERC a statement of their compliance with the technical specifications prescribed in the Philippine Distribution Code ("Distribution Code"), the Distribution Services and Open Access Rules ("DSOAR") and the performance standards set out in the EPIRA IRR.

The distribution sector is and will continue to be regulated by the ERC, with distribution and wheeling charges, as well as connection fees from its consumers, subject to ERC approval. Likewise, the retail rate imposed by distribution utilities for the supply of electricity to its captive consumers is subject to ERC approval. In addition, as a result of the Philippine government's policy of promoting free competition and open access, distribution utilities are required to provide universal and non-discriminatory access to their systems within their respective franchise areas following commencement of RCOA.

The Distribution Code establishes the basic rules and procedures that govern the operation, maintenance, development, connection and use of the electric distribution systems in the Philippines.

The Distribution Code defines the technical aspects of the working relationship between the distributors and all the users of the distribution system, including distribution utilities, embedded generators and large customers. All such electric power industry participants in distribution system operations are required to comply with the provisions of the Distribution Code as promulgated and enforced by the ERC.

The Supply Sector

The supply of electricity refers to the sale of electricity directly to end-users. The supply function used to be undertaken solely by franchised distribution utilities. However, with the implementation of RCOA, the supply function has become competitive. The business is not considered a public utility operation and suppliers are not required to obtain franchises. However, the supply of electricity to the "Contestable Market" (i.e., a market of electricity end-users who have a choice on their supplier of electricity) is considered a business with a public interest dimension. As such, the EPIRA requires all suppliers of electricity to the Contestable Market to obtain a license from the ERC and they are subject to the rules and regulations of the ERC on the abuse of market power and other anti-competitive or discriminatory behavior.

With the implementation of the RCOA, a RES is allowed to enter into retail electricity supply agreements with Contestable Customers. This set-up encourages competition at the retail level. It has been planned that the threshold for retail competition will gradually increase over time, provided that retail electricity suppliers are sufficiently creditworthy to be suitable off-takers for generation companies.

Competitive Market Devices

Wholesale Electricity Spot Market

The EPIRA mandates the establishment of the WESM, which is a pre-condition for the implementation of RCOA, within one year from its effectivity. The WESM provides a venue whereby generators may sell power, and at the same time suppliers and wholesale consumers can purchase electricity where no bilateral contract exists between the two. The establishment of the WESM facilitates a transparent and competitive electricity market for the country.

All generation companies, distribution utilities, suppliers, bulk consumers/end-users, and other similar entities authorized by the ERC are eligible to become WESM members subject to compliance with membership requirements.

On June 28, 2002, the DOE, in cooperation with electric power industry participants, promulgated detailed rules for the WESM. These rules set the guidelines and standards for participation in the market, reflecting accepted economic principles and providing a level playing field for all electric power industry participants, and procedures for establishing the merit order dispatch for each time (hourly trading period). These rules also provide for a mechanism for setting electricity prices that are not covered by bilateral contracts between electricity buyers and sellers.

On November 18, 2003, upon the initiative of the DOE, the PEMC was incorporated as a non-stock, nonprofit corporation with membership comprising an equitable representation of electricity industry participants and chaired by the DOE. The PEMC acts as the autonomous market group operator and the governing arm of the WESM. The PEMC was tasked to undertake the preparatory work for the establishment of the WESM, pursuant to Section 30 of the EPIRA and in accordance with the WESM Rules. Its primary purpose is to establish, maintain, operate and govern an efficient, competitive, transparent and reliable market for the wholesale purchase of electricity and ancillary services in the Philippines in accordance with relevant laws, rules and regulations.

Green Energy Auction Program

The Department of Energy (DOE) issued DOE Department Circular No. 2021-11-0036 entitled "Providing the Revised Guidelines for the Green Energy Auction Program in the Philippines" ("Revised GEAP Rules") on 3 November 2021 and this took effect on 5 December 2021.

The Revised GEAP aims to promote the growth of the renewable energy as one of the Philippines' primary sources of energy to achieve energy security and self-reliance. It sets the framework for the procurement of renewable energy (RE) supply by the distribution utilities (DUs) and Retail Electricity Suppliers (RES) from eligible RE suppliers under a transparent and competitive process to secure long-term power supply and to assist in their compliance with the mandate on Renewable Portfolio Standards (RPS).

Under the Revised GEAP, the procurement of RE supply will be undertaken through the so-called Green Energy Auction (GEA) to be administered by the DOE-led Green Energy Auction Committee

(GEAC). The offer of supply from generators under GEA is only open to new and existing RE capacities using solar, run-of-river hydro, biomass and wind energy sources. The offer of supply from geothermal and impounding hydropower facilities will be subject of a separate auction policy and guidelines to be developed by the DOE at later stage.

The Revised GEAP also provides that the offer of supply to the GEA must come from duly DOE-registered RE facilities and must be free from any supply contract with DUs or other off-takers at the time of agreed delivery dates.

On 21 January 2022, the DOE posted the Notice of Auction (NOA) for the First Round of bidding under GEAP. The DOE sets a total 2,000 MW target installation capacity to be auctioned based on technology and location as below:

RE Resource	Luzon	Visayas	Mindanao
	Target Capacity (MW)		
Hydro	80	-	50
Biomass	60	120	50
Solar	900	260	100
Wind	360	20	-
Total	**1,400**	**400**	**200**

The DOE commenced the conduct of the first round of auction in May 2022, beginning with prequalification process. Under the Terms of Reference issued by the DOE, the 1st round of auction should be completed by end June 2022. On June 24, 2022, the DOE released the results of the first round of bidding with 19 winning bidders to deliver a total of 1966.63MW. The winning bidders will be awarded 20-year PSAs to commence operations between 2023 to 2025.

Pursuant to the Revised GEAP Rules, bidders can offer supply based or lower than the approved Green Energy Auction Reserve Price (GEAR Price) set by the ERC for each technology. The GEAR Price is the maximum price offers that the generators will use as ceiling price for their offer of supply for each particular auction round as below:

Renewable Energy Resource	Final GEAR Price (Php/kWh)
Solar	Php 3.6779
Wind	Php 6.0584
Biomass	Php 5.0797
Run-of-River Hydro	Php 5.4913

The most responsive bid is declared the winning bid, and the offer price by the winning bidder will be set as the Green Energy Tariff (GET) of the particular bid round. The GET is a fixed price in peso per kilowatt hour (Php/kWh) to be paid to the winning bidder by the National Transmission Company (TransCo) under a Renewable Energy Purchase Agreement (REPA) to be signed between the two parties. The GET will be part of the costs compensable by the Feed-in Tariff Allowance (FIT-ALL) which is being passed on to all the electricity end-users in their monthly electricity bill.

DUs also have the option to procure from the winning bid/winning pool their own requirement for RE supply under the Opt-in Mechanism of the Revised GEAP. The price of the supply or volume procured by the DU can be the offered price or the blended offer price of the winning bidder/s. The DU will pass on the said generation cost to its captive market and will not charge this under FIT-ALL.

The DOE intends to conduct an annual auction process under the GEAP based on the power supply requirements of the country and to achieve the goal of at least 35 percent renewable energy share in the country's power generation mix by 2030 and 50 percent share by 2040.

Retail Competition and Open Access

The EPIRA likewise provides for a system of RCOA on transmission and distribution wires, whereby TransCo/NGCP and distribution utilities may not refuse the use of their wires to qualified persons, subject to the payment of distribution and wheeling charges. Conditions for the commencement of the open access system are as follows:

a. Establishment of the WESM;
b. approval of unbundled transmission and distribution wheeling charges;
c. initial implementation of the cross-subsidy removal scheme;
d. privatization of at least 70.0% of the total capacity of generating assets of NPC in Luzon and Visayas; and
e. transfer of the management and control of at least 70.0% of the total energy output of power plants under contract with NPC to the IPPAs.

Prior to the implementation of the RCOA, the distribution utility exclusively procures energy on behalf of its customers and delivers the energy through its distribution wires. With RCOA, competing RES will do the buying and selling of electricity, and have the distribution utility deliver the energy for them through the distribution utility's existing distribution wires. The Contestable Customers will have more choices in pricing and power supply contracting, thereby getting the best deal in terms of price and value for money.

The implementation of retail competition and open access is mandated by the EPIRA, subject to the fulfillment of certain conditions including, but not limited to, the establishment of the WESM, the unbundling of transmission and distribution wheeling charges, and privatization of at least 70% of the total capacity of generating assets of NPC in Luzon and Visayas. Full operations of competitive retail electricity commenced on December 26, 2011 in Luzon and Visayas. Initially, all electricity end users with an average monthly peak demand of one MW for twelve (12) months preceding December 26, 2011, as certified by the ERC to be contestable customers, shall have the right to choose their own electricity suppliers and are, thus, enjoined to exercise such right to their full benefit.

On December 17, 2012, the ERC promulgated the transitory rules for the implementation of RCOA.

With the purpose of ensuring quality, reliable and affordable electricity under a regime of free and fair competition, the DOE and the ERC issued the following circulars and resolutions to promote customer choice and foster competition in the electricity supply sector:

a. DOE Circular No. DC2015-06-0010 - Providing Policies to Facilitate the Full Implementation of Retail Competition and Open Access ("RCOA") in the Philippine Electric Power Industry ("DOE Circular");
b. ERC Resolution No. 05, Series of 2016 - A Resolution Adopting the 2016 Rules Governing the Issuance of Licenses to Retail Electricity Suppliers ("RES") and Prescribing the Requirements and Conditions Therefor ("ERC Resolution No. 5");
c. ERC Resolution No. 10, Series of 2016 - A Resolution Adopting the Revised Rules for Contestability
d. ("ERC Resolution No. 10");
e. ERC Resolution No. 11, Series of 2016 - A Resolution Imposing Restrictions on the Operations of Distribution Utilities and Retail Electricity Suppliers in the Competitive Retail Electricity Market ("ERC Resolution No. 11"); and
f. ERC Resolution No. 28, Series of 2016 - Revised Timeframe for Mandatory Contestability, Amending Resolution No. 10, Series of 2016 entitled Revised Rules for Contestability ("ERC Resolution No. 28").

The above resolutions/circulars required electricity end-users with an average monthly peak demand of at least 1MW to secure retail supply contracts with licensed retail electricity suppliers on or before 26 February 2017.

On February 21, 2017, the Supreme Court issued a temporary restraining order ("TRO") against the enforcement of several orders and regulations promulgated by the ERC and the DOE in relation to RCOA, particularly those compelling Contestable Customers to enter into a retail supply contracts with any of the RES accredited by the DOE and the ERC by February 26, 2017.

Notwithstanding the TRO issued by the Supreme Court, electricity end-users with average peak demands of 1MW and 750 kW may still choose their retail electricity supplier on a voluntary basis.

The ERC recently expanded the RCOA's coverage to end-users with an average monthly peak demand of at least 500 kilowatts (kW) for the last 12 months on a voluntary basis. Based on the said threshold, all qualified end-users can be considered as contestable customers under the Phase III threshold level (500kW-749kW) and will be allowed to switch to the Competitive Retail Electricity Market beginning February 26, 2021.

Increase in Annual Percentage Increment of Renewable Portfolio Standards (RPS) mandate

On September 23, 2022, DOE issued Department Circular No. (DC2022-09-0030) entitled Prescribing the Adjusted Annual Percentage Increment to be Imposed on all Mandated Participants of the Renewable Portfolio Standards (RPS) for On-Grid Areas.

The Circular aims to assist the Government achieve the goal of accelerating the transition towards a sustainable and clean energy future by increasing the annual percentage increment of the utilization of renewable energy for on-grid areas from 1% to 2.52%. The Circular shall take effect in 2023.

The RPS is a policy mechanism under Republic Act No. 9513 or the Renewable Energy Law designed to increase the use of renewable energy sources for electricity generation. This effectively mandates distribution utilities to source or produce a specified faction of their power supply from eligible energy resources and thus create a market for renewable energy.

Unbundling of Rates and Removal of Cross Subsidies

The EPIRA mandates that transmission and distribution wheeling charges be unbundled from retail rates and that rates reflect the respective costs of providing each service. The EPIRA also states that cross subsidies shall be phased out within a period not exceeding three years from the establishment by the ERC of a universal charge, which shall be collected from all electricity end-users. However, the ERC may extend the period for the removal of the cross-subsidies for a maximum of one year if it determines that there will be a material adverse effect upon the public interest or an immediate, irreparable and adverse financial effect on a distribution utility. The initial implementation of the cross-subsidy removal scheme was accomplished in 2001.

These arrangements are now in place, in satisfaction of the conditions for RCOA.

The EPIRA likewise provides for a socialized pricing mechanism such as the lifeline rate subsidy to be set by the ERC for marginalized or low-income captive electricity consumers who cannot afford to pay the full cost of electricity. These end-users are exempt from the cross-subsidy removal for a period of ten (10) years, unless extended by law. Its application was extended for another 10 years by Republic Act No. 10150, which was approved in June 2011.

Renewable Energy Safety, Health, and Environment Rules and Regulations

Pursuant to the enactment of the Renewable Energy Act of 2008, the DOE issued Circular No. DC-2012-11- 0009, or the Renewable Energy Safety, Health, and Environment Rules and Regulations of 2012 (RESHERR), which outlines the pertinent rules and regulations applicable to all RE Employers, Employees, Contractors, and other entities engaged in RE Operations in the Philippines. The RESHERR covers all activities related to exploration, development and utilization of RE resources and manufacturing, fabrication, and suppliers of locally-produced RE machineries, equipment, components and parts.

Under the RESHERR, all RE Facilities are required, upon commencement of its operations, to organize a Safety, Health, and Environment Committee ("SHEC"), the minimum composition of which shall be determined based on the number of workers of the facility. Similarly, all persons employed in the practice of occupational safety in the RE industry are required to be duly qualified and accredited by the REMB. In addition, the RESHERR likewise establishes minimum occupational safety and health requirements for RE facilities. Non-compliance with the provisions of the RESHERR may result to fines and/or suspensions of operations.

BOI Certificate of Registration

Under the IRR of the RE Law, RE Developers shall register with the Board of Investments ("BOI") to avail of incentives under the RE Law. The application for registration shall be favorably acted upon immediately by the BOI on the basis of the certification issued by the DOE.

DOE Certificate of Confirmation of Commerciality

Upon Declaration of Commerciality by an RE Developer and after due confirmation by the DOE, the RE Developer shall apply for the conversion of the RE Contract, prior to its expiration, from Pre-Development Stage to Development/Commercial Stage.

The Declaration of Commerciality shall be based on the feasibility studies and/or exploration activities conducted by the RE Developer. The RE Developer of an RE Contract shall secure permits, clearances, or certificates such as, but not limited to, Environmental Compliance Certificate/Certificate of Non-Coverage, Water Rights Permit, Free and Prior Informed Consent/Certificate of Non-Overlap, Local Government Unit endorsement and all other regulatory requirements from other government agencies which are applicable activities/operations.

Rules and Regulations for Renewable Energy Service Contracts

All forces of potential energy and natural resources are owned by the State and shall not be alienated. These include potential energy sources such as kinetic energy from water, marine current and wind; thermal energy from solar, ocean, geothermal, and biomass.

The exploration, development, production, and utilization of natural resources shall be under the full control and supervision of the State.

The State may directly undertake such activities, or it may enter into co-production, joint venture or co-production sharing agreements with Filipino citizens or corporations or associations at lease sixty percent (60%) of whose capital is owned by Filipinos. Foreign Renewable Energy (RE) Developers may also be allowed to undertake RE development through RD Service/Operating Contracts with the government, subject to Article XII, Section 2 of the Philippine Constitution.

The regulatory framework for the award of an RE Service/Operating Contract will take into consideration existing related laws on the exploration, development, and utilization of RE Resources such as:

(1) Republic Act No. 7160, otherwise known as the "Local Government Code", on the necessity of prior or periodic consultations with the local government units before any RE exploration activity is conducted within their respective jurisdictions.

(2) Republic Act No. 8371, otherwise known as the "Indigenous Peoples Rights Act" and

(3) Existing governmental laws and regulations as prescribed by the DENR and/or any other concerned government agency, including compliance with the Environmental Impact Assessment (EIA) System.

DOE Department Circular No. 2019-10-0013 ("DC 2019-10-0013") provides for the guidelines and procedures governing the award and administration of renewable energy contracts and the registration of renewable energy developers. An RE Contract refers to the service agreement between the government, through the DOE or the President, and an RE Developer over an appropriate period as determined by the DOE which grants to the RE Developer the exclusive right to explore, develop, or utilize the RE Resource within a particular area. RE Contracts may be awarded through (a) an Open and Competitive Selection Process ("OCSP") or (b) Direct Application. The OCSP shall be adopted for the selection and award of RE Service Contracts for Pre-Determined Areas3 covering any type of resource for commercial purposes, while Direct Application shall be available for the selection and award of: (x) RE Operating Contracts, (y) RE Service Contracts covering Pre-Determined Areas, following a failed OCSP, and (z) RE Service Contract in an area identified by a RE Applicant and verified with or confirmed by the DOE-Information Technology and Management Services ("ITMS") as available for exploration, development and/or utilization of the proposed RE Resource.

RE Service Contracts refer to service agreements between the Philippine government, through the President or the DOE Secretary, and RE Developer, covering an appropriate period as stated therein, in which the RE Developer shall have the exclusive right to explore, develop and utilize geothermal, hydropower, wind, ocean and other RE Resources within a particular area. The stages of an RE Service Contract are the following:

1. Pre-Development Stage which involves the conduct of preliminary assessment and feasibility study up to Financial Closing and Declaration of Commerciality of the RE Project, including the identification of the proposed Production Area; and
2. Development/Commercial Stage which involves the development, construction and commercial operation of the RE Project, production and utilization of RE Resources.

The RE Service Contract shall transition from the Pre-Development Stage to the Development/ Commercial Stage only after the issuance by the DOE of a Certificate of Confirmation of Commerciality.

RE Operating Contracts refer to service agreements between the DOE and RE Developer for the development and/or utilization of biomass, solar and other RE Resources which, due to their inherent technical characteristics, need not go through Pre-Development Stage. As such, the stages of an RE Operating Contract cover only the Development/Commercial Stage, which involves the development, construction and installation and commercial operation of the RE Project, including the achievement of Financial Closing.

All assignment of RE Contracts shall be subject to prior written approval of the DOE. An assignment to a non- affiliate, whether full or partial, may be allowed only once during: (a) the entire period of the

Pre-Development Stage of the RE Service Contract; or (b) the entire term of the RE Operating Contract. An assignment shall not be allowed to a non-affiliate during the first two (2) years of the RE Contract from its effectivity.

Holders of contracts/agreements prior to the effectivity of DC 2019-10-0013 may apply for conversion to the new RE Contract templates, provided that such holders are fully compliant with the terms of the approved Work Program/Work Plan and the material terms and conditions of the contract/agreement for the past six months prior to the date of filing its application for conversion. For RE Developers with RE Contracts executed less than six months from date of application for conversion, the evaluation of compliance with commitments under the approved Work Program and of the material terms and conditions of the RE Contract shall be the basis of their performance.

A Certificate of Registration with the DOE is required for RE Developers to avail of the incentives under the Renewable Energy Act. The Certificate of Registration shall have an initial validity period of five years, renewable for the same period until the end-of-project life is reached, in no case to exceed twenty-five (25) years.

In sum, the process flow for the registration of Renewable Energy power projects typically involves the following stages and requires the submission of documentary requirements and/or approvals from the relevant government agencies:

- Registration and Application
    - DOE (Certificate of Endorsement)
    - SEC (Certificate of Registration)
    - BIR (Certificate of Registration)
    - Local government units (City/Municipal Business Permit/Barangay Clearance)
    - Letter of Intent
    - Application & Processing Fees
    - Application documents
    - Signing fee
    - Posting of performance bond

- Pre-development
    - DOE (RE Service or Operating Contract)
    - DOE (Certificate of Endorsement for other agencies)
    - DENR (Certificate of Non-Overlap/Environmental Compliance, Special Land Use Permit, Forest Land Use Agreement, Tree-Cutting Permit)
    - DU/EC (Distribution Impact Study, Distribution Asset Study, Power Supply Agreement)
    - NCIP (Certificate of Non-Overlap/Certificate of Pre-Condition)
    - DAR (Land Use Conversion)
    - Local government unit (Resolution of Support)
    - BOI (Project Registration /Importation Authority)
    - BOC and BIR (availment of incentives)
    - NWRB (Water Permit/Water Rights)
    - DPWH (Right-of-way)
    - CAAP Height Limitation Clearance

- Conversion
    - Declaration of Commerciality & Application for Conversion
    - DOE (Certificate of Confirmation of Commerciality)

- Development
    - DOE (RE Service Contract, Certificate of Endorsement)
    - Local government units (Building Permit, Electrical Permit, Locational Permit, etc.)

  - NGCP (Connection Agreement, Transmission Service Application)
  - ERC (Certificate of Compliance, FIT Eligibility)
  - WESM registration
  - TransCo (RE Payment Agreement)
  - DU/EC (Power Purchase Agreement, RE Supply Agreement_
  - DOLE (OSH Compliance)

- Monitoring
  - Local government unit
  - NGCP
  - ERC
  - TransCo
  - BOI
  - DOE

Competitive Selection Process (CSP) for Embedded Generation

On 24 September 2021, the Department of Energy (DOE) issued Department Circular (DC) 2021-09-0030 entitled "Amending Certain Provisions of and Supplementing Department Circular No. 2018-02-0003 on the Competitive Selection Process in the Procurement by the Distribution Utilities (DUs) of Power Supply Agreement (PSA) for the Captive Market (known as CSP Supplemental Guidelines)" and subsequently took effect on 31 October 2021.

The CSP Supplemental Guidelines aims to ensure better competition and transparency in the procurement by the DUs of power supply contracts through various modalities, in particular through a transparent competitive public bidding or an alternative mode of procurement through an unsolicited proposal (USP).

Under a competitive public bidding, the DU solicits power supply proposals based on a set of Terms of Reference (TOR) duly approved by the DOE and the National Electrification Administration (NEA) through publication of the Invitation to Bid I(ITB).

Through a USP, power suppliers are allowed to submit proposals to the DUs to supply maximum 25 percent of peak power requirements using new technology. Upon receipt of the USP, the DUs subject the proposal to a competitive challenge for other suppliers to submit comparative offers. Should the conduct of USP fails, a DU Is allowed to enter into a direct negotiation with the original proponent.

The CSP Supplemental Guidelines also provide for exemption from the conduct of the CSP. Section 2 of DC 2021-09-0030 permits the DUs to request from the DOE a Certificate of Exemption (COE) from the CSP for generation projects funded by grants or donations, emergency power supply requirements and for embedded power generating projects utilizing indigenous resources.

Section 2.2.1.3 expressly provides for exemption from the CSP for generating plants to be embedded in the DU utilizing indigenous resources and for a maximum capacity of 10MW for Luzon and 5MW for Visayas and Mindanao.

This provision significantly creates a market for relatively smaller greenfield renewable power projects as it ensures a firm offtake agreement with the DUs. Given the strategic location of AHC's projects across the country, the Company is capitalizing on this regulatory policy to market its generation output. To date, AHC through its project companies have signed supply contracts with two (2) highly credit rated DUs for long term PSAs at competitive rates. The application request for COE CSP have been filed with the DOE by the respective DUs and awaiting approval. AHC has also offered another PSA as an embedded generator to another DU located in Central Luzon and is currently discussion with the said DU.

Increase in Installation Target for Feed-in-Tariff for Run-of-River Power Projects

On 8 June 2022, the Department of Energy (DOE) issued a Certification approving an increase of 100MW capacity on the installation target for run-of-river (ROR) power projects under the Feed-in Tariff (FIT) mechanism. The additional 100MW capacity brings to 350MW the total capacity of ROR projects that could avail of the FIT. The original hydro FIT installation target was set at 250MW capacity and is projected to be fully subscribed by early 2023.

The 350MW updated installation target shall be valid until full subscription to allow ROR projects to be completed given the difficult challenges in the development and construction phase.

The DOE Certification has been submitted to the Energy Regulatory Commission (ERC) on 10 June 2022 to determine the applicable FIT rate for the additional 100MW capacity. The first FIT rate for ROR is at Php5.90 per kWh for projects that came into commercial operations between 2014 to 2016. ROR projects that went online between 2017 to 2019 have a FIT rate of Php5.8705 per kWh.

The DOE Certification effectively gives ROR projects already under development and construction an assured market on a first come-first served basis wherein projects that are completed and have declared commercial operations ahead of the other projects would be entitled to FIT, until the full 350MW is fully subscribed.

Two (2) of AHC's ROR projects are already under full swing construction and another ROR project is expected to issue Notice to Proceed (NTP) to commence early works construction. AHC's ROR projects are listed under the DOE's FIT hydro monitoring that are expected to be completed to secure an approved FIT allocation.

DENR Environmental Compliance Certificate

Under Presidential Decree No. 1586 (Establishing an Environmental Impact Statement System including other Environmental Management Related Measures and for other purposes), all proponents of projects and undertakings, whether private or government-owned, are required to undergo the Environmental Impact Assessment ("EIA") process, with the objective of securing an Environmental Compliance Certificate (ECC) from the Environmental Management Bureau ("EMB") of the Department of Environment and Natural Resources ("DENR").

Under DENR Administrative Order No. 2003-30 (Implementing Rules and Regulations of the Philippine Environmental Impact Statement System), projects that pose potential significant impact to the environment shall be required to secure ECCs.

The ECC is a document issued by the DENR/EMB after a positive review of an ECC application, certifying that based on the representations of the proponent, the proposed project or undertaking will not cause significant negative environmental impact. The ECC also certifies that the proponent has complied with all the requirements of the EIS System and has committed to implement its approved Environmental Management Plan. The ECC contains specific measures and conditions that the project proponent has to undertake before and during the operation of a project, and in some cases, during the project's abandonment phase to mitigate identified environmental impacts.

LGU Endorsement

Under Section 27 of Republic Act No. 7160 or the Local Government Code ("LGC"), no project or program shall be implemented by government authorities unless the consultations mentioned in Sections 2 (c) and 26 of the LGC are complied with, and prior approval of the sanggunian concerned is obtained.

Section 26 of LGC provides that it shall be the duty of every national agency or government-owned or controlled corporation authorizing or involved in the planning and implementation of any project or program that may cause pollution, climatic change, depletion of non-renewable resources, loss of crop land, rangeland, or forest cover, and extinction of animal or plant species, to consult with the local government units, non- governmental organizations, and other sectors concerned and explain the goals and objectives of the project or program, its impact upon the people and the community in terms of environmental or ecological balance, and the measures that will be undertaken to prevent or minimize the adverse effects thereof.

Based on the foregoing, two requisites must be met before a national project that affects the environmental and ecological balance of local communities can be implemented: (i) prior consultation with the affected local communities, and (ii) prior approval of the project by the appropriate sanggunian. Absent either of these mandatory requirements, the project's implementation is unlawful.

NCIP Certificate of Non-Overlap

Republic Act No. 8371, or The Indigenous Peoples Rights Act of 1997 ("IPRA"), provides that no department or governmental agency shall issue, renew or grant any concession, license or lease, or enter into any production-sharing agreement without prior certification from the National Commission on Indigenous Peoples (NCIP) that the area affected does not overlap with any ancestral domain.

Under the Implementing Rules and Regulations of the IPRA, the Ancestral Domain Office shall issue the certification only after a field-based investigation that such areas are not within any certified or claimed ancestral domains are conducted. The Certificate of Non-Overlap ("CNO") shall be issued by the NCIP Regional Director (RD) and concurred with by the concerned NCIP Commissioner.

DAR Land Conversion Clearance/Exemption Clearance

Under DAR Administrative Order No. 1, series of 1990 (Revised Rules and Regulations Governing Conversion of Private Agricultural Land to Non- Agricultural Uses), "agricultural land" refers to the following: (1) those devoted to agricultural activity as defined in RA 6657 or the Comprehensive Agrarian Reform Law (CARL) and not classified as mineral or forest by DENR and its predecessor agencies, and (2) not classified in town plans and zoning ordinances as approved by the HLURB and its preceding competent authorities prior to 15 June 1988 for residential, commercial or industrial use.

Thus, in Heirs of Luna vs. Afable (G.R. No. 188299 dated January 23, 2013), the Court held that land is not agricultural, and therefore, outside of the ambit of the CARP if the following conditions concur: (i) the land has been classified in town plans and zoning ordinances as residential, commercial or industrial; and (ii) the town plan zoning ordinances embodying the land classification has been approved by the HLURB and its preceding competent authorities prior to 15 June 1988.

In DOJ Opinion No. 44, series of 1990 (the DOJ Opinion), the DOJ opined that, with respect to the conversion of agricultural lands covered by CARL to non-agricultural uses, the authority of DAR to approve such conversion may be exercised from the date of its effectivity, on June 15, 1988. Thus, all lands that are already classified as commercial, industrial or residential before June 15, 1988 no longer need any conversion clearance.

Thus, under DAR AO No. 6, series of 1994 (Guidelines for the Issuance of Exemption Clearances based on Sec. 3(c) of RA 6657 and the DOJ Opinion) and DAR AO No. 4, series of 2003 (2003 Rules on Exemption of Lands from CARP Coverage under Sec. 3(c) of RA 6657 and the DOJ Opinion), conversion clearances are no longer needed for lands already classified as non-agricultural prior to the enactment of the CARL. Any landowner or his duly authorized representatives whose lands are covered by the DOJ Opinion, and desires to have an exemption clearance from the DAR, should file the application with the Regional Office of the DAR where the land is located.

Under DAR AO No. 01, series of 1999 (Revised Rules and Regulations on the Conversion of Agricultural Lands to Non-Agricultural Uses), Sec. 3 provides that these rules shall apply to agricultural lands that were "reclassified to residential, commercial, industrial, or other non-agricultural uses on or after the effectivity of RA 6657 on June 15, 1988 pursuant to Section 20 of RA 7160 and other pertinent laws and regulations, and are to be converted to such uses. However, for those reclassified prior to June 15, 1988, the guidelines on securing exemption clearance shall apply."

NGCP Review Report of Grid Impact Study

Pursuant to ERC Resolution No. 16, series of 2011 entitled "Resolution Adopting the Amended Rules on the Definition of Boundaries of Connection Assets for Customer of Transmission Provider", the Customer shall be connected to the Transmission System of the NGCP based on the System Impact Study ("SIS") and Facility Study ("FS") approved by NGCP.

1. System Impact Study ("SIS")
   A SIS is an assessment made or conducted by the transmission provider/system operator or by the NGCP in addition to the Grid impact studies prepared by it in accordance with the Grid Code, to determine: (i) the adequacy of the Transmission System and its capability to accommodate a request for Power Delivery Service; and (ii) the costs, if any, that may be incurred in order to provide Power Delivery Service to a Transmission Customer.

2. Facilities Study
   A feasibility study and engineering study conducted by the Transmission Provider or Transmission Customer to determine the modification to the Transmission Provider's facilities, or the new facilities required by the Transmission Customer, including the cost and scheduled completion date for such modifications or new facilities, required to provide services under these OATS Rules.

NATIONALITY RESTRICTION

The Philippine Constitution and Philippine statutes set forth restrictions on foreign ownership of companies engaged in certain activities.

The ownership of private lands in the Philippines is reserved for Philippine Nationals and Philippine corporations at least 60% of whose capital stock is owned by Philippine Nationals. The prohibition is rooted in Sections 2, 3 and 7 of Article XII of the 1987 Philippine Constitution, which states that, save in cases of hereditary succession, no private lands shall be transferred or conveyed except to individuals, corporations or associations qualified to acquire or hold lands of the public domain. In turn, the nationality restriction on the ownership of private lands is further underscored by Commonwealth Act No. 141 which provides that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens.

Furthermore, the Foreign Investments Act and the Eleventh Regular Foreign Investment Negative List categorize the ownership of private lands as a partly-nationalized activity, such that the operation, ownership, or both thereof is partially reserved for Filipinos. Thus, landholding companies may have a maximum of 40% foreign equity.

On September 29, 2022, the DOJ issued Opinion No. 21, series of 2022, where it opined that the exploration, development, and utilization of solar, wind, hydro, and ocean or tidal resources should not be subject to the forty percent (40%) foreign equity limitation under Section 2 of Article XII of the

1987 Constitution. The Opinion, however, is subject to Section 19 of the Implementing Rules and Regulations of Republic Act No. 9513, which provides that solar, wind, hydro, and ocean or tidal energy is subject to the 40% foreign equity limitation, unless this is amended. It is also subject to the Water Code of the Philippines and case law that limits the appropriation of water direct from the source to Filipino nationals. On November 15, 2022, the DOE issued Department Circular No. DC2022-11-0034 amending Section 19(B) of the Implementing Rules and Regulations of Republic Act No. 9513 to provide that the State may directly undertake the exploration, development, and utilization of RE resources or it may enter into RE Service or operating contracts with Filipino and/or foreign citizens and/or foreign-owned corporations or associations.

PROPERTY REGISTRATION

The Philippines has adopted a system of land registration, which evidences land ownership that is binding on all persons. Title to registered lands cannot be lost through possession or prescription. Presidential Decree No. 1529, as amended, otherwise known as the Property Registration Decree, codified the laws relating to land registration to strengthen the Torrens system and streamline and simplify registration proceedings and the issuance of certificates of title.

After proper surveying, application, publication, service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals or the Supreme Court. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration.

Similarly, in an administrative proceeding, the land is granted to an applicant by DENR through issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents (i.e. homestead, sales and free patent) must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer or encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new transfer certificate of title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

ZONING AND LAND USE

Land use may be limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the Department of Agrarian Reform (“DAR”), land classified for agricultural purposes as of, or after, June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

LOCAL GOVERNMENT CODE

Republic Act No. 7160, as amended, otherwise known as the Local Government Code ("LGC") establishes the system and powers of provincial, city, municipal, and barangay governments in the country. The LGC general welfare clause states that every local government unit ("LGU") shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

LGUs exercise police power through their respective legislative bodies. Specifically, the LGU, though its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of prosperity, and the promotion of morality, peace, good order, comfort, convenience, and general welfare for the locality and its inhabitants. Ordinances can reclassify land, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

An ordinance may be repealed by a subsequent ordinance expressly repealing or declaring it as invalid. An ordinance may also be repealed by implication by a subsequent ordinance that is inconsistent or contrary, in whole or in part, to the previous ordinance. Under the LGC, the Sangguniang Panlalawigan (provincial council) has the power to review ordinances passed by a component city council and can declare ordinances invalid, in whole or in part, if it finds that the lower council exceeded its authority in enacting the ordinance.

Real Property Taxation

Real property taxes are payable annually based on the property's assessed value. Under the LGC, the assessed value of property and improvements vary depending on the location, use and the nature of the property. An additional special education fund tax of 1% of the assessed value of the property may also be levied annually by the local government unit.

However, in the case of realty and other taxes on civil works, equipment, machinery, and other improvements by a registered renewable energy developer actually and exclusively used for renewable energy facilities shall not exceed one and a half percent (1.5%) of their original cost less accumulated normal depreciation or net Book Value provided that in case of integrated renewable energy resource development and generation facility as provided under Republic Act No. 9316, the real property tax shall be imposed only on the plant.

The basic real property tax and any other tax levied on real property constitute a lien on the property subject to tax, superior to all liens, charges or encumbrances in favor of any person, irrespective of the owner or possessor thereof, enforceable by administrative or judicial action, and may only be extinguished upon payment of the tax and the related interests and expenses. Should the reasonableness or correctness of the amount assessed be questioned, a protest in writing may be filed with the treasurer of the local government unit, but the taxpayer must first pay the tax, and the tax receipts shall be annotated with the words "paid under protest."

LABOR LAWS

The Philippine Constitution

The Philippine Constitution provides that the State shall regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth. The seven basic rights that are specifically guaranteed by the Philippine Constitution are as follows:

a. Right to organize;
b. Right to conduct collective bargaining or negotiation with management;
c. Right to engage in peaceful concerted activities, including strikes in accordance with law;
d. Right to enjoy security of tenure;
e. Right to work under humane conditions;
f. Right to receive a living wage; and
g. Right to participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

Labor Code of the Philippines

The Department of Labor and Employment ("DOLE") is the Philippine government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws such as the Labor Code of the Philippines ("Labor Code") and the Occupational Safety and Health Standards, as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE. All doubts in the implementation and interpretation of the provisions of the Labor Code shall be resolved in favor of labor. The Labor Code and other statutory laws specify the minimum statutory benefits that employers are required to grant to their employees.

Contracting and subcontracting

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work, or service within a definite or predetermined period, regardless of whether such job, work, or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a "trilateral relationship" among: (i) the principal who decides to farm out a job, work, or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

On March 16, 2017, Department Order No. 174 (2017) ("D.O. No. 174-17") was issued by the DOLE providing for the guidelines on contracting and subcontracting, as provided for under the Labor Code. It has reiterated the policy that Labor-only Contracting is absolutely prohibited where: (1) (a) the contractor or subcontractor does not have substantial capital, or does not have investments in the form of tools, equipment, machineries, supervision, work premises, among others; and (b) the contractor's or subcontractor's employees recruited and placed are performing activities which are directly related to the main business operation of the principal; or (2) the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. Subsequently, DOLE issued Department Circular No. 1 (2017) clarifying that the prohibition under D.O. 174 does not apply to business process outsourcing, knowledge process outsourcing, legal process outsourcing, IT Infrastructure outsourcing, application development, hardware and/or software support, medical transcription, animation services, and back office operations or support.

D.O. No. 174-17 provides that if there is a finding that the contractor or subcontractor is engaged in labor-only contracting or other illicit forms of employment arrangements, the principal shall be deemed the direct employer of the contractor's or subcontractor's employees. Further, in the event of a violation of any provision of the Labor Code, including the failure to pay wages, there exists a liability on the part of the principal and the contractor for purposes of enforcing the provisions of the Labor Code and other social legislation, to the extent of the work performed under the employment contract.

On May 2, 2018, President Rodrigo Duterte signed Executive Order No. 51, reiterating the prohibition on the practice of illegal contracting or subcontracting in the country. The executive order aims to protect the worker's right to security of tenure, self-organization, and collective bargaining and peaceful concerted activities.

Occupational Safety and Health Standards Law

On August 17, 2018, Republic Act No. 11058, or the Occupational Safety and Health Standards Law, was signed into law. It mandates employers, contractors, or subcontractors and any person who manages, controls or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. It also requires providing complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed to, preventive measures to eliminate or minimize the risks and steps to be taken in cases of emergency.

The Rules for Occupational Safety and Health Standards ("OSHS") issued by the Bureau of Working Conditions of the DOLE establishes the threshold limit values ("TLV") for toxic and carcinogenic substances which may be present in the atmosphere of the work environment. The TLV refer to airborne concentration of substances and represent the conditions under which it is believed that nearly all workers may be repeatedly exposed daily without adverse effect. The TLV also pertains to the time weighted concentrations for an eight- hour workday and a total of 48 work hours per week.

The employees' exposure to the substances identified in the OSHS must be limited to the ceiling value given for the relevant substance in the OSHS or must not exceed the eight-hour time weighted average limit given for that substance in the OSHS, as the case may be.

To protect the employees, an employer is required to furnish its workers with protective equipment for the eyes, face, hands, and feet as well as protective shields and barriers, whenever necessary, by reason of the hazardous nature of the process or environment, chemical or radiological or other mechanical irritants or hazards capable of causing injury or impairment in the function of any part of the body through absorption, inhalation, or physical contact. The employer is responsible for ensuring the adequacy and proper maintenance of personal protective equipment used in its workplace.

To ensure compliance with the OSHS, every establishment or place of employment will be inspected at least once a year. Special inspection visits may be authorized by the Regional Labor Office to investigate accidents, occupational illnesses or dangerous occurrences, especially those resulting in permanent total disability or death, to conduct surveys of working conditions for the purpose of evaluating and assessing environmental contaminants and physical conditions, or to conduct investigations, inspections or follow-up inspections upon request of an employer, worker or a labor union of the establishment.

Any violation of the provisions of the OSHS will be subject to the applicable penalties provided under Department of Labor and Employment Department Order No. 198-18 and is imposable upon any employer, contractor, or subcontractor who willfully fails or refuses to comply with the OSHS standards or a compliance order issued by the Secretary of Labor and Employment or his/her authorized representative.

Depending on the size of the workforce and the nature of the workplace as either hazardous or non-hazardous, an employer is obliged to provide certain free medical and dental attendance and facilities. For large-scale industries with workers of 200 to 600, the employer is required to provide the services of a part-time occupational health physician and a part-time dentist, each of whom is required to stay on the premises of the workplace at least four hours a day, six times a week, and each working in alternate periods. It is also required to provide the services of a full-time occupational health nurse and a full-time first aider. The employer must further maintain an emergency clinic, unless there is a hospital or dental clinic within 25 minutes of travel, and ensure that it has facilities readily available for transporting its workers to the hospital or clinic in case of an emergency.

Under the OSHS, every place of employment is required to have a health and safety committee. Further, the employer has the duty to write administrative policies on safety in conformity with OSHS. It must provide to DOLE copies of the policies adopted and the health and safety organization established to carry out the program on safety and health within one month after the organization or reorganization of the health and safety committee.

Moreover, Republic Act No. 7877 makes it the duty of every employer to create a committee on decorum and investigation of sexual harassment cases. Such committee must be composed of at least one representative each from management, the union, the employees from the supervisory rank, and the rank-and-file employees. In addition, it is likewise the duty of the employer to promulgate rules and regulations prescribing the procedure for the investigation of sexual harassment cases and the administrative sanctions therefor, which rules must be formulated in consultation with, and approved by, the employees.

An employer, contractor or subcontractor who willfully fails or refuses to comply with the Occupational Safety and Health Standards shall be administratively liable for a fine. Further, the liability of the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls or supervises the work, shall be solidary.

Social Security System, PhilHealth, and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under Republic Act No. 8282 to ensure coverage of employees following procedures set out by the law and the Social Security System ("SSS"). Under the said law, social security coverage is compulsory for all employees under sixty (60) years of age. An employer must deduct and withhold from its compulsorily covered employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations.

Employers are likewise required to ensure enrollment of its employees in a National Health Program administered by the Philippine Health Insurance Corporation ("PhilHealth"), a government corporation attached to the DOH tasked with ensuring sustainable, affordable, and progressive social health insurance pursuant to the provisions of the National Health Insurance Act of 1995, as amended by the Republic Act No. 11223, otherwise known as the Universal Health Care Act. The registration, accurate and timely deductions and remittance of contributions to the Philippine Health Insurance Corporation is mandatory as long as there is employer-employee relationship. The law provides that a member should have paid his contributions for at least three months within the six months prior to the first day of availment, including those of his dependents, to be entitled to the benefits of the program.

Under the Home Development Mutual Fund Law of 2009, all employees who are covered by the Social Security Act of 1997 must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund to provide affordable shelter financing to Filipino employees. The employer is likewise mandated to deduct and withhold, pay and remit to the Pag-IBIG Fund the respective contributions of the employees under the prescribed schedule.

Other Labor-Related Laws and Regulations

Employment of Foreign Nationals

Under Department Order No. 186, Series of 2017 ("D.O. No. 186-17"), issued by the DOLE, all foreign nationals who intend to engage in gainful employment in the Philippines shall apply for an Alien Employment Permit ("AEP"). However, D.O. No. 186-17 clarifies that an AEP is not an exclusive authority for a foreign national to work in the Philippines. It is just one of the requirements in the issuance of a work visa (9g) to legally engage in gainful employment in the country. The foreign national must obtain the required special temporary permit from the Professional Regulation Commission in case the employment involves practice of profession and Authority to Employ Alien from the Department of Justice where the employment is in a nationalized or partially nationalized industry, as well as from the Department of Environment and Natural Resources in case of employment in a mining company. D.O. No. 186-17 also provides for the list of foreign nationals who are exempt and excluded from securing an AEP.

Under D.O. No. 186-17, the Regional Director shall impose a fine of ₱10,000.00 for every year or a fraction thereof to foreign nationals found working without a valid AEP. Employers found employing foreign nationals without a valid AEP shall also pay a fine of ₱10,000.00 for every year or a fraction thereof. Further, an employer who is found to have failed to pay the penalty provided under D.O. No. 186-2017 shall not be allowed to employ any foreign national for any position in the employer's company.

On January 6, 2021, the DOLE issued Department Order No. 221, Series of 2021, or the Revised Rules and Regulations for the Issuance of Employment Permits to Foreign Nationals. It shall take effect after fifteen (15) days from its publication in two (2) newspapers of general circulation. One of the notable revisions in the new Rules with respect to the processing of the AEP application is the requirement of publication in a newspaper of general circulation by the employer of the job vacancy to which the foreign national is intended to be hired at least fifteen (15) calendar days prior to the application for an AEP. An additional requirement in the AEP application is a duly notarized affidavit stating that no applications were received or that no Filipino applicant was considered for the position. Moreover, foreign nationals providing consultancy services were removed in the list of categories excluded from the AEP.

DOLE Mandated Work-Related Programs

Under the Comprehensive Dangerous Drugs Act, a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with ten (10) or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational, or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases. Under the Anti-Sexual Harassment Act, the employer will be solidarity liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalized by imprisonment of not less than one month nor more than six months, or a fine of not less than

₱10,000 nor more than ₱20,000, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it are strictly limited to medical personnel. All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control.

ENVIRONMENTAL LAWS

Environmental Impact Statement System

The Philippine Environmental Impact Statement System (the "EISS Law") established under Presidential Decree No. 1586, which is implemented by the DENR, is the general regulatory framework for any project or undertaking that is either (i) classified as environmentally critical or (ii) is situated in an environmentally critical area. The Department of Environment and Natural Resources ("DENR"), through its regional offices or through the Environmental Management Bureau (the "EMB"), determines whether a project is environmentally critical or located in an environmentally critical area and processes all applications for an ECC.

As a requirement for the issuance of an ECC, which is a result of a positive determination by the EMB on the preventive, mitigating, and enhancement measures adopted addressing possible adverse consequences of the project to the environment. To apply for an ECC, the entity must submit an EIS, prepared and submitted by the project proponent and/or the Environmental Impact Assessment Consultant, which provides for a comprehensive study of the significant impacts of a project to the environment. On the other hand, a non- environmentally critical project in an environmentally critical area is generally required to submit an Initial Environmental Examination (the "IEE") to the proper EMB regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required in addition to the IEE.

The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas. While the terms and conditions of an EIS or an IEE may vary from project to project, as a minimum, these contain all relevant information regarding the project's environmental effects. The entire process of organization, administration, and assessment of the effects of any project on the quality of the physical, biological and socioeconomic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC.

The issuance of an ECC is a Philippine government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System; and that the proponent is committed to implementing its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the abandonment phase of the 258rojectt. Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property, and the environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures.

Aside from the EIS and IEE, engineering geological and geo-hazard assessments are also required for ECC applications covering subdivisions, housing and other land development and infrastructure projects.

Power plant operations are considered environmentally critical projects for which an EIS and an ECC are mandatory.

Philippine Clean Water Act

In 2004, Republic Act No. 9275, or the "Philippine Clean Water Act of 2004," was enacted to streamline processes and procedures in the prevention, control, and abatement of pollution in the country's water resources and provide for a comprehensive water pollution management program focused on pollution prevention. The law primarily applies to the abatement and control of water pollution from land-based sources. The EMB, in partnership with other Philippine government agencies and the respective local government units, is tasked by the Implementing Rules of the Clean Water Act to identify existing sources of water pollutants and strictly monitor pollution sources which are not in compliance with the effluent standards provided in the law. The Philippine Clean Water Act also authorizes the DENR to formulate water quality criteria and standards for oil and gas exploration which encounter re-injection constraints.

The Clean Water Act requires owners or operators of facilities that discharge regulated effluents (such as wastewater from manufacturing plants or other commercial facilities) to secure a discharge permit from the DENR which authorizes the owners and operators to discharge waste and/or pollutants of specified concentration and volumes from their facilities into a body of water or land resource for a specified period of time.

Philippine Clean Air Act

R.A. 8749, or "The Philippine Clean Air Act of 1999", is a comprehensive air quality management program which aims to achieve and maintain healthy air for all Filipinos. Under this law, the DENR is mandated to formulate a national program on how to prevent, manage, control, and reverse air pollution using regulatory and market-based instruments, and setup a mechanism for the proper identification and indemnification of victims of any damage or injury resulting from the adverse environmental impact of any project, activity or undertaking.

The Philippine Clean Air Act of 1999 requires enterprises that operate or utilize air pollution sources to obtain an Authority to Construct or a Permit to Operate from the DENR with respect to the construction or use of air pollutants. The imposition of requiring of said permits seeks to ensure that regulations of the DENR with respect to air quality standards and the prevention of air pollution are achieved and complied with by such enterprises.

The Toxic Substances and Hazardous and Nuclear Waste Control Act

R.A. No. 6969, or "The Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990," regulates, restricts or prohibits the (i) importation, manufacture, processing, handling, storage, transportation, sale, distribution, use and disposal of chemical substance and mixtures that present unreasonable risk or injury to health or the environment, and (ii) entry into the Philippines or the keeping in storage of hazardous wastes which include by-products, process residue, contaminated plant or equipment or other substances from manufacturing operations. The said law is implemented by the DENR.

Hazardous wastes are substances brought into the country without any safe commercial, industrial, agricultural or economic usage. On the other hand, toxic wastes are substances that are poisonous and have carcinogenic, mutagenic, or teratogenic effects on human or other life forms.

Ecological Solid Waste Management Act

R.A. No. 9003, or "The Ecological Solid Waste Management Act of 2000", provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The same law mandates all, especially, the local government units, to adopt a systematic, comprehensive and ecological solid waste management program which shall ensure protection of public health and environment, utilize environmentally sound methods, set targets and guidelines for solid waste avoidance and reduction, and ensure proper segregation, collection, transport and storage of solid waste. Pursuant to R.A. 9003, solar operating plants are required to establish a Material Recovery Facility (MRF) for biodegradable wastes (composting area), reusable and recycled materials. A zero-waste management scheme should be adapted to minimize disposal of garbage site.

The National Solid Waste Management Commission, together with other government agencies and the different local government units, are responsible for the implementation and enforcement of the said law.

DATA PRIVACY LAWS

Data Privacy Act

RA No. 10173, otherwise known as the Data Privacy Act of 2012 or DPA, was signed into law on August 15, 2012, to govern the processing of all types of personal information (i.e., personal, sensitive, and privileged information) in the hands of the government or private natural or juridical person through the use of Information and Communications System or ICT, which refers to a system for generating, sending, receiving, storing or otherwise processing electronic data messages or electronic documents and includes the computer system or other similar device by or which data is recorded, transmitted or stored and any procedure related to the recording, transmission or storage of electronic data, electronic message, or electronic document. While the law expressly provides that it does not apply to certain types of information, including those necessary for banks and other financial institutions under the jurisdiction of BSP to comply with the AMLA and other applicable laws, the said law applies to all other personal information obtained by banks for other purposes.

It mandated the creation of a National Privacy Commission, which shall administer and implement the provisions of the DPA and ensure compliance of the Philippines with international standards set for data protection. The Philippines recognizes the need to protect the fundamental human right of privacy and of communication, while ensuring free flow of information to promote innovation and growth. It also identifies the vital role of information and communications technology in nation building and its inherent obligation to ensure that personal information in ICT in the government and in the private sector are secured and protected.

The DPA seeks to protect the confidentiality of "personal information," which is defined as "any information, whether recorded in material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual." The law provides for certain rights of a data subject or an individual whose personal information is being processed. The law imposes certain obligations on "personal information controllers" and "personal information processors." It also provides for penal and monetary sanctions for violations of its provisions.

ANTITRUST LAWS

Philippine Competition Act

Republic Act No. 10667, or the Philippine Competition Act (the "PCA"), went into effect August 5, 2015 and is the primary competition law in the Philippines.

The PCA was enacted to provide free and fair competition in trade, industry and all commercial economic activities. To implement its objectives, the PCA provides for the creation of a Philippine Competition Commission (the "PCC"), an independent quasi-judicial agency with powers to conduct investigations, issue subpoenas, conduct administrative proceedings, and impose administrative fines and penalties. To conduct a search and seizure, the PCC must apply for a warrant with the relevant court. It aims to enhance economic efficiency and promote free and fair competition in trade, industry and all commercial economic activities.

The PCA prohibits and imposes sanctions on:

a. Anti-competitive agreements between or amongst competitors that restrict competition as to price or other terms of trade and those fixing price at an auction or in any form of bidding including cover bidding, bid suppression, bid rotation and market allocation and other analogous practices of bid manipulation; and those which have the object or effect of substantially preventing, restricting or lessening competition;
b. Practices which are regarded as abuse of dominant position by engaging in conduct that would substantially prevent, restrict or lessen competition; and
c. Mergers or acquisitions which substantially prevent, restrict or lessen competition in the relevant market or in the market for goods or services.

Effective March 1, 2022, parties to a merger or acquisition agreement, wherein the value of the transaction exceeds the threshold amount of Two Billion Four Hundred Million Pesos (Php2,400,000,000.00) are prohibited from consummating their agreement until thirty (30) days after providing notification to the PCC. Parties to a merger or acquisition that satisfy the threshold amount are required to notify PCC before the execution of the definitive agreements relating to the transaction. In the formation of a joint venture (other than in connection with a merger or consolidation), the contributing entities shall be deemed acquiring entities, and the joint venture shall be deemed the acquired entity.

In a notifiable joint venture transaction, an acquiring entity shall be subject to the notification requirements if either the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds Two Billion Four Hundred Million Pesos (Php2,400,000,000.00) or the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceeds Two Billion Four Hundred Million Pesos (Php2,400,000,000.00 In determining the assets of the joint venture, the following shall be included:

a) All assets which any entity contributing to the formation of the joint venture has agreed to transfer, or for which agreements have been secured for the joint venture to obtain at any time, whether or not such entity is subject to the requirements of the PCA; and
b) Any amount of credit or any obligations of the joint venture which any entity contributing to the formation has agreed to extend or guarantee, at any time.

If within the above periods, the PCC determines that such agreement is prohibited under the PCA and does not qualify for exemption, the PCC is given the power to:

a) Prohibit the implementation of the agreement;

b) Prohibit the implementation of the agreement unless and until it is modified by changes specified by the PCC; and
c) Prohibit the implementation of the agreement unless and until the pertinent party or parties enter into legally enforceable agreements specified by the PCC.

A transaction that meets the thresholds and does not comply with the notification requirements shall be considered void and will subject the parties to an administrative fine of a maximum of Php110 Million for cartels, prohibited mergers and abuse of dominance, and Php2.2 Million for belated merger notification.

Prohibited merger or acquisition agreements may be exempt from prohibition by the PCC when the parties establish either of the following:

a) The concentration has brought about or is likely to bring about gains in efficiencies that are greater than the effects of any limitation on competition that result or likely to result from the merger or acquisition agreement; or
b) A party to the merger or acquisition agreement is faced with actual or imminent financial failure, and the agreement represents the least anti-competitive arrangement among the known alternative uses for the failing entity's assets.

An entity shall not be prohibited from continuing to own and hold the stock or other share capital or assets of another corporation which it acquired prior to the approval of the PCA or acquiring or maintaining its market share in a relevant market through such means without violating the provisions of the PCA.

Furthermore, the acquisition of the stock or other share capital of one or more corporations solely for investment and not used for voting or exercising control and not to otherwise bring about, or attempt to bring about the prevention, restriction, or lessening of competition in the relevant market shall not be prohibited

CORPORATION CODE

Revised Corporation Code

Republic Act No. 11232, or the Revised Corporation Code of the Philippines ("Revised Corporation Code"), was signed into law on February 20, 2019 and became effective on March 8, 2019. Among the salient features of the Revised Corporation Code are:

- Corporations are granted perpetual existence, unless the articles of incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Code, unless a corporation, upon a vote of majority of the stockholders of the outstanding capital stock notifies the Philippine SEC that it elects to retain its specific corporate term under its current Articles of Incorporation.
- An eligible natural person, trust, or estate may create a "One Person Corporation" ("OPC"), which is a corporation composed of a single stockholder. No minimum authorized capital stock is required for an OPC, unless provided for under special laws.
- Material contracts between a corporation and its own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least 2/3 of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same.
- The right of stockholders to vote in the election of directors or trustees, or in shareholders meetings, may now be done through remote communication or in absentia if authorized by the corporate by-laws. However, as to corporations vested with public interest, these votes are deemed available, even if not expressly stated in the corporate by-laws. The shareholders

who participate through remote communication or in absentia are deemed present for purposes of quorum. When attendance, participation and voting are allowed by remote communication or in absentia, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option; and

- In case of transfer of shares of listed companies, the SEC may require that these corporations whose securities are traded in trading markets and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the rules of the SEC.

The Revised Corporation Code refers to the PCA in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the PCA thresholds.

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BOARD OF DIRECTORS AND OFFICERS

The Company is ultimately managed and supervised by its Board of Directors. The Company's executive officers provide the Company's Board of Directors the appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review and decision for short term and long-term plan of action. Pursuant to the Company's Amended Articles of Incorporation, the Board shall consist of seven (7) members of which two (2) are independent directors.

Board of Directors

The Board of Directors is responsible for the Company's overall management and direction. The Board meets to review and monitor the Company's future plans. Each Board member serves for a term of one (1) year, subject to re-election. A director who was elected to fill any vacancy holds office only for the unexpired term of his/her predecessor.

The Board were elected on June 1, 2022 during the Company's annual shareholders' meeting, and on June 10, 2022 during the Company's special shareholders' meeting. As of Prospectus Date, the composition of the Board is as follows:

Name	Age	Citizenship	Present Position	Year Position was Assumed
Vicente S. Pérez Jr.	64	Filipino	Chairman	2008
Gerry P. Magbanua	49	Filipino	Director	2008
Eduardo Martinez Miranda	62	Filipino	Director	2014
Knud Hedeager	62	Danish	Director	2008
Annette M. Rafael	52	Filipino	Director	2014
Maria Theresa Dela Peña Marcial	52	Filipino	Independent Director	2022
Gregory L. Domingo	68	Filipino	Independent Director	2022

Principal Officers

As of Prospectus Date, the following are the Company's principal officers:

Name	Age	Citizenship	Present Position	Year Position was Assumed
Vicente S. Pérez Jr.	64	Filipino	Chairman	2008
Gerry P. Magbanua	49	Filipino	President	2008
Eduardo Martinez Miranda	62	Filipino	CEO, Alternergy Mini Hydro Holdings	2014
Knud Hedeager	62	Danish	Business Development Advisor	2008
Janina C. Arriola	51	Filipino	Vice President and General Counsel	2021
Annette M. Rafael	52	Filipino	Vice President for Government Affairs	2014
Luisito S Pangilinan	47	Filipino	Treasurer	2008
Anna Melissa R. Lichaytoo	56	Filipino	Corporate Secretary	2021
Sherleen Lourds R. Macatangay	34	Filipino	Asst. Corp. Secretary	2021

To describe the business experience of the Company's directors and principal officers, the Company has outlined hereunder their professional and business affiliations, as follows:

Vicente S. Pérez Jr.

Mr. Vicente Pérez (Vince) is the Founder and current Chairman of Alternergy. He was Philippine Energy Secretary from June 2001 to March 2005. He promoted clean indigenous energy and crafted a ten-year renewable energy policy framework. Vince played a key role in President Arroyo's economic diplomacy, by forging strategic energy partnerships with several Asian countries, the UK and USA. He served briefly in early 2001 as Undersecretary at the Department of Trade and Industry. Prior to his government service, Vince had 17 years' experience in debt restructuring, capital markets, and private equity in emerging markets. He joined Mellon Bank in Pittsburgh in 1983 as Latin American credit analyst and Mexico desk officer. In 1987, Vince joined Lazard Brothers' debt trading team in London. The following year he moved to Lazard Frères in New York and formed its emerging markets team. At 35, he became the first Asian General Partner at Lazard Frères. He was Managing Director of Lazard Asia from 1995 to 1997. Vince founded Next Century Partners in 1997, a private equity firm, and launched the Philippine Discovery Fund and the Asian Conservation Company. He assisted several investee companies with their Singapore Stock Exchange listings. He was also Chairman of Merritt Partners, an energy advisory firm focused on Asia. He has served as independent director of Energy Development Corporation and SM Investments and is currently an independent director of Banco de Oro Universal Bank and Double Dragon Properties. He is on the advisory boards of Pictet Clean Energy Fund and Yale Center for Business in the Environment. He was Chairman of WWF-Philippines and trustee of WWF-International and was Vice Chairman of National Renewable Energy Board from 2009 to 2010. Vince obtained an MBA from the Wharton Business School of the University of Pennsylvania and a Bachelor's Degree in Business Economics from the University of the Philippines. He was a World Fellow at Yale University, where he lectured an MBA class on renewable energy in emerging countries.

Gerry P. Magbanua

Gerry Magbanua is a co-founder and President of Alternergy Holdings Corporation. Prior to joining Alternergy in June 2007, Gerry spent nine years with InterGen, a leading global green-field power developer with plants in Australia, Mexico, Netherlands, Philippines, Singapore and UK. Gerry worked as Commercial Manager for InterGen in the Philippines for four years, responsible for financial modeling and planning, asset management, and contracts management. He also served as Controller responsible for accounting, tax and treasury. Before joining InterGen, he spent 4 years with SGV, an affiliate company of Ernst & Young, as an auditor for the power, oil and gas industry. Gerry completed his degree in Bachelor of Science in Accountancy at the Philippine School of Business Administration and is a Certified Public Accountant. He served briefly as CFO of NorthWind in 2008 and 2009.

Knud Hedeager

Knud Hedeager is a co-founder and Business Development Director. Prior to joining Alternergy in January 2007, he gained extensive experience in management and has worked in the wind industry for 11 years initially as Senior Vice President in NEG Micon, one of the world's leading wind turbine manufacturers, with responsibility for its business in Southeast Asia and its worldwide hybrid power business (combining diesel and wind turbines in off-grid applications). In 2004, when he took up residence in Manila, Knud founded the Moorland Group investing in renewable energy projects primarily in Asia. Until March 2011, Moorland had a 28% equity stake in NorthWind Power which successfully developed, built and operates the first commercial wind farm in Southeast Asia in northern Philippines. He also developed a 1.8MW mini hydro project for Smith Bell Mini Hydro Corporation. Knud graduated with a degree in Mechanical Engineering from Aarhus Technical University in Denmark.

Eduardo Martinez Miranda

Eduardo Martinez-Miranda is the CEO of Alternergy Mini Hydro Holdings Corporation. Prior to joining Alternergy in 2014, Eduardo has extensive experience in banking and management. Eduardo has more than 30 years of experience working in commercial banking, investment banking, private equity and multilateral finance firms both in the Philippines, Hong Kong and New York. He started as an Assistant Secretary at the Far East Bank and Trust Company, and then joined Irving Trust Company based in New York as a Syndications Representative where he successfully initiated analysis to restructure, securitize and price the bank's mortgage and retail portfolios. He later joined Drexel Burnham Lambert Inc. also based in New York, as an Associate of the firm's Capital Markets Strategies Group where he actively managed investment portfolios ranging from US$25 million to US$2 billion for various U.S. financial institutions. Back in Manila, he became the Senior Vice President and Managing Director of PCI Capital Corporation, Director and Head of Corporate Finance of Merrill Lynch Securities Philippines, Managing Director of NCP Advisors Philippines, and Managing Director and Head of Philippine Investment Banking operations of Macquarie Securities Philippines. He later became the Senior Investment Officer and Hub Leader for the International Finance Corporation (IFC) Financial Institutions Group in the Philippines.

Janina C. Arriola

Janina C. Arriola is Vice President and General Counsel of Alternergy and as such acts as internal legal, regulatory, and contractual advisor to the Company. Her experience and expertise span all stages of power plant project development, as well as energy and electric power industry regulation. Ms. Arriola started her career as an associate at Puno Law Offices and then went on to work as in-house counsel (Assistant Vice President) at First Gen Corporation and the First Gas Group of Companies, where she also served as Corporate Secretary. She was later seconded to Energy Development Corporation after its acquisition by First Gen in 2007. Ms. Arriola established an independent consultancy after her stint at EDC, advising clients engaged in developing and operating natural gas, geothermal, hydro, wind, and solar power plants. Prior to joining Alternergy in May 2021, Ms. Arriola was Legal Group Head at Federal Land, Inc., one of the largest real estate developers in the country, and co-founded Winnergy Holdings Corp., the renewable energy company that built and operated the first ever floating solar farm in the Philippines. Ms. Arriola has a Juris Doctor Degree from the Ateneo de Manila College of Law and a Bachelor of Arts degree in Comparative Literature from the University of the Philippines, Diliman.

Annette M. Rafael

Annette Rafael is Alternergy's Vice President for Government Affairs and Vice President for Hydro. In these roles, she views herself as a springboard for technical considerations, regulatory matters and contractual work, providing the insight and resources needed to empower her teammates with the tools they need to address the issues at hand. A beacon for the highest ethical standards, Annette is dedicated to showcasing Alternergy's unwavering commitment to the highest ethical standards. Before joining Alternergy in 2014, Annette served in the Philippine Government for 17 years. She worked at the National Economic and Development Authority (NEDA), and became a Director at the Department of National Defense (DND) and at the Department of Interior and Local Government (DILG). She was an Assistant Secretary of the Department of Environment and Natural Resources (DENR) and Assistant Secretary of the Department of Energy (DOE). After her civil service career, Annette had eight years of extensive experience in the renewable energy industry with Constellation Energy and Sunwest, where she focused on government permitting and regulatory compliance issues. Annette earned a Master of Science degree in Geo Information Systems for urban applications from the International Institute for Geo Information Systems and Earth Observation of the University of Twente in the Netherlands, and a Bachelor of Science in Information Technology, cum laude, from the Polytechnic University of the Philippines.

Luisito S. Pangilinan

Louie is Alternergy's Treasurer, responsible for managing company finances and maintaining budget accounts. He ensures Alternergy is in compliance with reporting requirements and on time when it comes to billing and payments. Louie is responsible for supervising and training Alternergy's administrative and accounting staff, as well as developing new systems and processes that increase efficiency and accuracy. Louie has nearly two decades of experience in the accounting field, spanning industries including property development, energy, tourism, and renewable energy. He has honed his accounting expertise at firms including Rockwell Land Corporation, Caltex Asia, and Ten Knots Development Group, the developer for El Nido Resorts. Louie received his Bachelor of Science in Accountancy from San Sebastian College – Recoletos. A marathoner and triathlete, he trades counting receivables for counting kilometers in his pre-dawn runs across Manila.

Maria Theresa Dela Peña Marcial

Ms. Maria Theresa Dela Peña Marcial was elected Independent Director of AHC in June 2022. She is a seasoned banker and has 27 years of experience in banking and finance. Ms. Marcial is President & CEO of BPI Asset Management & Trust Corporation, providing a wide range of investment, trust and wealth management solutions to corporate, institutional, high net worth, mass affluent and retail client segments. Ms. Marcial has held senior leadership positions in BPI. From April 2017 to May 2022, Ms. Marcial served as BPI's Chief Finance Officer, responsible for driving the bank's strategic planning and budget process, performance management, capital structure and sustainability agenda, and was concurrent Chief Sustainability Officer of the bank. She is currently a Board Director of BPI Europe Plc. Prior to her banking career, Ms. Marcial worked at the Agricultural Policy Credit Council and the National Economic and Development Authority. In 2014, Ms. Marcial was recognized as one of the Top 25 Most Influential Women in Asset Management in Asia by Asian Investor, Most Outstanding Alumnus of the University of the Philippines Los Baños in 2006, and received the CEM Centennial Outstanding Alumni Award from the University of the Philippines Los Baños in 2019. Ms Marcial is an advocate of marine conservation and renewable energy. She is a Trustee and Treasurer of WWF Philippines, a member of WWF Asia Pacific Council, a Board Director of Philippines Inter-Island Sailing Federation and a fellow of the Foundation for Economic Freedom. She obtained the Royal Yachting Association Skipper Certification in Sydney, Australia in 2015. In 2018, she participated in the Rolex Middle Sea Race, a 606-nautical mile Category 2 offshore yacht race around Sicily organized by the Royal Malta Yacht Club. She obtained her master's degree in economics from the University of the Philippines Diliman in 1994 and graduated cum laude with a Bachelor's Degree in Economics from the University of the Philippines Los Baños in 1990. She completed the Advanced Management Program at Harvard Business School in 2010 and the CFA Institute Investment Management Workshop at the Harvard Business School in 2006.

Gregory L. Domingo

Mr. Domingo was elected Independent Director of AHC in June 2022. He served as Department of Trade and Industry (DTI) Secretary from July 2010 to December 2015 and previously was the DTI Industry and Investments Group Undersecretary and Board of Investments Managing Head from May 2001 to April 2004. Mr. Domingo is currently Senior Adviser to SM Investments Corporation and is a director of BDO Private Bank and a few other companies. He has served as director of Belle Corporation, Pico de Loro Beach & Country Club, Pampanga Sugar Development Company, Carmelray JTCI Corp, and Manila Electric Company. He has a distinguished banking career for over 15 years, with Chase Manhattan Bank (Manila), Chemical Bank (New York), and other financial institutions in Philadelphia, Pittsburgh, and New York including First Boston, Drexel Burnham Lambert, and Mellon Bank. He finished his Bachelor of Science in Management Engineering at the Ateneo de Manila University, graduated with distinction at the Asian Institute of Management (AIM) with his Master's in Business Administration, and completed his diploma for Master of Science in

Operations Research at the Wharton School at the University of Pennsylvania. To better understand digitalization, in 2016 he took a 12-week data science bootcamp in New York.

Anna Melissa Rosario-Lichaytoo

Ms. Rosario-Lichaytoo is Corporate Secretary of AHC since 2021. She is the Founding Partner and Managing Partner of Roxas de los Reyes Laurel Rosario & Gonzales Law Offices, established in 1996. Ms. Rosario-Lichaytoo has been engaged for more than 30 years in the general practice of corporate law such as: corporate restructuring, securities registration, corporate governance, mergers and acquisitions, commercial and information technology contracts, proxy contests, and intra corporate disputes. She has acted as Counsel for various companies engaged in energy, information technology, manufacturing, real estate, insurance, pharmaceutical, banking and environment conservation. A member of the Philippine Bar Association, Integrated Bar of the Philippines, and Shareholders Association of the Philippines, Ms Rosario-Lichaytoo graduated with a Bachelor of Science, Major in Legal Management from Ateneo de Manila University and a Bachelor of Laws from Ateneo Law School.

Sherleen Lourds R. Macatangay

Ms Macatangay is Assistant Corporate Secretary of AHC since 2021. She is a Senior Associate of Roxas de los Reyes Laurel Rosario & Gonzales Law Offices, established in 1996. Ms. Macatangay has been engaged in the general practice of law specializing in corporate law and estate settlement. Her specific legal work is in areas such as establishment of corporations and corporate vehicles, acquisitions, corporate governance, contract negotiations, and corporate restructuring. Ms. Macatangay has acted as Counsel for various companies engaged in energy, banking, airline, insurance, food, tobacco, financing, real estate, environment conservation, stock transfer agency and holding companies, and as Corporate Secretary and Assistant Corporate Secretary of various companies. A member of the Philippine Bar Association, Ms Macatangay graduated with a Bachelor of Science, Management, Major in Legal Management from Ateneo de Manila University and a Juris Doctor from Ateneo Law School.

Significant Employees

The Company believes that the success of its operations is a result of collective efforts of its personnel. Only when there is a mass resignation will the Company's operations create a negative impact on the immediate term.

Family Relationships

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

Corporate Governance

The Company and its respective directors, officers and employees have complied with the best practices and principles on good corporate governance as embodied in its Corporate Governance Manual. An evaluation system has been established by the Company to measure or determine the level of compliance of the Board of Directors and top level management with its Manual of Corporate Governance. The Board of Directors is required to conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. This self-assessment should be supported by an external facilitator every three (3) years.

The Board of Directors is primarily responsible for the governance of the Company. In addition to setting the policies for the accomplishment of corporate objectives, it has the duty to provide an independent check on the Management. The Board is mandated to attend its regular and special meetings in person or through teleconferencing. The Company's board's independent directors are aware of their duties as such under the Manual. These independent directors are expected to look after the interests of minority shareholders as well as other stakeholders.

The Company is unaware of any non-compliance with or deviation from its Manual of Corporate Governance. The Company will continue to monitor compliance with the SEC Rules on Corporate Governance, and shall remain committed in ensuring the adoption of other systems and practices of good corporate governance to enhance its value for its shareholders.

In adopting the Manual, the Company understands the responsibilities of the Board and its members, in governing the conduct of the business of the Company and the Board Committees, in focusing on specific board functions to aid in the optimal performance of its roles and responsibilities, and the officers, in ensuring adherence to corporate principles and best practices.

Committees of the Board

To aid in complying with the principles of good governance, the Manual provides that the Board shall create and appoint Board members to each of the committees set forth below. Each member of the respective committees named below holds office as of the date of this Prospectus and will serve until his successor is elected and qualified.

Audit Committee

The Audit Committee shall enhance the Board's oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. It shall be responsible for the setting up of the Internal Audit Department and for the appointment of the Internal Auditor as well as the independent external auditor who shall both report directly to the Audit Committee. It shall monitor and evaluate the adequacy and effectiveness of the internal control system. Further, the Audit Committee shall have explicit authority to investigate any matter within its terms of reference, full access to and cooperation by management and full discretion to invite any director or executive officer to attend meetings, and adequate resources to enable it to effectively discharge its functions.

The Audit Committee shall be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the chairperson, should be independent directors. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The chairperson of the Audit Committee should not be the chairperson of the Board or of any other committees. Preferably, the members shall have accounting and finance backgrounds, and at least one (1) member shall have audit experience. Each member shall have adequate understanding at least, or competence at most, of the Company's financial management systems and environment.

The Audit Committee shall have the following duties and responsibilities:

- Provide oversight over management's activities in managing credit, market, liquidity, operational, legal, and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- Recommends the approval of the Internal Audit (IA) Charter, which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;

- Through the IA Department, monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to i) safeguard the Company's resources and ensure their effective utilization, ii) prevent occurrence of fraud and other irregularities, iii) protect the accuracy and reliability of the Company's financial data and information technology security, and iv) ensure compliance with applicable laws and regulations;
- Oversees the IA Department and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, the Internal Auditor should directly report to the Audit Committee;
- Reviews and monitors management's responsiveness to the Internal Auditor's findings and recommendations;
- Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources, and budget necessary to implement it;
- Prior to the commencement of the audit, discusses with the external auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- Evaluates and determines the non-audit work, if any, of the external auditor, and periodically reviews the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report;
- Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
    - Any change/s in accounting policies and practices
    - Areas where a significant amount of judgment has been exercised
    - Significant adjustments resulting from the audit
    - Going concern assumptions
    - Compliance with accounting standards
    - Compliance with tax, legal and regulatory requirements
- Reviews the disposition of the recommendations in the external auditor's management letter;
- Performs oversight functions over the Company's internal and external auditors, including the review of reports submitted by them. It ensures the independence of internal and external auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- Coordinates, monitors and facilitates compliance with laws, rules and regulations;
- Recommends to the Board the appointment, reappointment, removal and fees of the external auditor, duly accredited by the Commission, who undertakes an independent

audit of the Company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

The Audit Committee meets with the Board without the presence of the CEO and periodically meets with the head of the internal audit.

The Audit Committee is chaired by Maria Theresa Dela Peña Marcial, and has Gregory L. Domingo, and Eduardo M. Miranda as members.

Board Risk Management Committee

The Board Risk Management Committee is responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.

It should be composed of at least three members, at least two of whom shall be independent directors including the chairperson of the committee.

The committee is chaired by Gregory L. Domingo and has Maria Theresa Dela Peña Marcial, and Knud Hedeager as members.

Corporate Governance Committee

The Corporate Governance Committee is tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to the nomination and remuneration committee. It should be composed of at least three (3) directors, majority of whom should be independent directors, including the chairperson.

The committee's members are Gregory L. Domingo and Annette M. Rafael while Maria Theresa Dela Peña Marcial serves as chairperson.

Related Parties Transactions Committee

The Related Party Transactions Committee is tasked with reviewing all material related party transactions of the company.

It should be composed of at least three members, at least two of whom shall be independent directors including the chairperson of the committee.

The committee's members are Maria Theresa Dela Peña Marcial, and Gerry P. Magbanua, while Gregory L. Domingo serves as chairperson.

On February 6, 2023, the Company's shareholders likewise approved the amendment of the Company's Amended By-Laws to, among others, create an executive committee of five (5) members, at least three (3) of whom must be members of the board of directors. The members of the executive committee shall be appointed by the Board, who shall also appoint a committee chairperson and a committee secretary. Once created, the executive committee's primary purpose is to function when the Board is not in session and shall have all the power and authority of the Board in the governance, management and direction of the business and affairs of the Company and as may be provided in the Company's Manual on Corporate Governance except for those matters expressly provided for in the Section 35 of the Revised Corporation Code, the Company's by-laws and other pertinent laws, rules and regulations. The Company expects to receive SEC approval of the foregoing amendments after the Listing Date.

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Involvement in Certain Legal Proceedings

There has been no occurrence in the past five (5) years up to the date of this Prospectus 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, executive officer, underwriter, or control person of the Company:

- 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 or otherwise limiting his 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.

Executive Compensation

Information as to the aggregate compensation during the last three fiscal years paid to key executives of the Group are as follows:

Amounts in ₱		**Salary**	**Bonus**	**Total**
Aggregate compensation paid to key executives (Vicente S. Pérez Jr., Gerry P. Magbanua, Knud Hedeager, Eduardo M. Miranda, and Janina C. Arriola)	2019	26,107,600	-	26,107,600
	2020	26,401,867	-	26,401,867
	2021	26,696,133	-	26,696,133
Aggregate compensation paid to all other directors and all other officers as a group	2019	12,743,500.00	980,000.00	13,723,500.00
	2020	13,562,500.00	-	13,562,500.00
	2021	15,566,500.00	2,240,200.00	17,806,700.00

Compensation of Directors

Under the By-Laws of the Company, the directors shall receive, as such directors, reasonable per diems for their attendance at each meeting of the Board. Any compensation other than per diems may be allowed subject to the approval of stockholders representing at least a majority of the outstanding capital stock and in accordance with Section 30 of the Corporation Code (now Section 29 of the Revised Corporation Code).

There are no other arrangements for compensation either by way of payments for committee participation or special assignments. There are also no outstanding warrants or options held by the Company's Chief Executive Officer, other officers and/or directors.

Standard Arrangements and Other Arrangements

As of Prospectus Date, the Company has no existing arrangements with members of the Board of Directors, executive officers, and employees other than the Management Service Agreement with NCP. There were no compensation paid to directors in relation to their participation or special assignments for the last 2 years.

Other than as disclosed, there are no other arrangements pursuant to which the Board of Directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

Warrants and Options

As of Prospectus Date, 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.

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OWNERSHIP

Security Ownership of Certain Record and Beneficial Owners

The following are the stockholders of the Company as of the date of this Prospectus.

Title of Class	Name	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Shares Held
Common Shares					
Common	Vespers Holdings Corporation	Vicente S. Pérez Jr.	Filipino	1,587,651,338	52.24%
Common	Odin Holdings Corporation	Knud Hedeager	Danish	366,812,285	12.07%
Common	Penhurst Kinetic Corp.	Gerry Magbanua	Filipino	255,793,680	8.42%
Common	Marie Antonette A. De Guzman	N/A	Filipino	172,438,338	5.67%
Common	Josan Farms, Inc.	Eduardo M. Miranda	Filipino	129,663,871	4.27%
Common	Michael James Lichtenfeld	N/A	American	48,119,129	1.58%
Common	BDO Unibank, Inc. Trust and Investments Group	Eligible grantees	Filipino	45,083,179	1.48%
Common	Julius Laszlo Sturm	N/A	Danish	39,727,847	1.31%
Common	Sant Charitable Foundation, Inc.	N/A	American	16,117,024	0.53%
Common	Annette M. Rafael	N/A	Filipino	7,433,737	0.24%
Common	Vicente S. Pérez Jr.	N/A	Filipino	20	0.00%
Common	Gerry P. Magbanua	N/A	Filipino	10	0.00%
Common	Eduardo M. Miranda	N/A	Filipino	10	0.00%
Common	Knud Hedeager	N/A	Danish	10	0.00%
Common	Maria Theresa Dela Peña Marcial	N/A	Filipino	1	0.00%
Common	Gregory L. Domingo	N/A	Filipino	1	0.00%
Total Common Shares Issued and Outstanding				**2,668,840,480**	**87.81%**
Preferred Shares					
Preferred	Vespers Holdings Corporation	12.19%	Filipino	370,398,637	12.19%
Total Preferred Shares Issued and Outstanding				**370,398,637**	**12.19%**
Total Shares Issued and Outstanding				**3,039,239,117**	**100.00%**

Source: Information provided by Alternergy

Security Ownership of Directors and Management

The following table shows the security ownership of directors and executive officers in the common shares of the Company as of the date of this Prospectus:

Title of Class	Name	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Shares Held to the total issued and outstanding shares
Common	Vicente S. Pérez Jr.	N/A	Filipino	20 (D) 1,587,651,338 (I)	52.24%
Common	Gerry P. Magbanua	N/A	Filipino	10 (D) 130,454,777 (I)	4.29%
Common	Eduardo M. Miranda	N/A	Filipino	10 (D) 96,029,063 (I)	3.23%
Common	Knud Hedeager	N/A	Danish	10 (D) 38,148,478 (I) 319,860,313(I)*	1.26% 10.52%
Common	Maria Theresa Dela Peña Marcial	N/A	Filipino	1	0.00%
Common	Gregory L. Domingo	N/A	Filipino	1	0.00%
Common	Anna Melissa R. Lichaytoo	N/A	Filipino	-	-
Common	Sherleen Lourds R. Macatangay	N/A	Filipino	-	-
Preferred	Vicente S. Pérez Jr.	N/A	Filipino	370,398,637 (I)	12.19%
Total Issued and Outstanding				**2,542,542,658**	**83.66%**

**Mr Gerry Magbanua is the trustee of Mr. Knud Hedeager with respect to 87.20% of the total outstanding capital stock of Odin Holdings Corporation which in turn owns 12.07% of the Company. In addition to the 87.20% held in trust by Mr. Magbanua, Mr. Hedeager also directly own 10.40% of the total issued and outstanding capital stock of Odin Holdings Corporation.*

No letter from a former director which sets forth a description of a disagreement with the Company that led to the director's resignation or refusal to stand for re-election has been received.

Voting Trust

The Company knows of no person holding more than 5% of shares under a voting trust or similar agreement.

Changes in Control

There are no arrangements which may result in a change in control of the registrant. For more information on Changes in Control, see the section "Description of Shares" of this Prospectus.

Lock-Up

Pursuant to the PSE Amended Listing Rules, an applicant company shall cause its existing stockholders who own an equivalent of at least 10% of the issued and outstanding shares of stock of the Issuer to refrain from selling, assigning, or in any manner disposing of their shares for a period of:

- 180 days after the listing of said shares if the applicant company meets the track record requirements; or

- 365 days after the listing of said shares if the applicant company is exempt from the track record and operating history requirements of the PSE Amended Listing Rules.

Further, if there is any issuance or transfer of shares (i.e. private placements, asset for shares swap, or a similar transaction) or instruments that lead to an issuance of shares (i.e. convertible bonds, warrants, or a similar instrument) done and fully paid for within 180 days prior to the start of the Offering Period, and the transaction price is lower than that of the Offer Price, all such shares issued or transferred shall be subject to a lock-up period of at least 365 days from full payment of such shares.

The following are covered by the 365-day lock-up from Listing Date requirement (whether or not the Over-allotment Option is exercised):

Shareholders	**Number of shares**
Vespers Holdings Corporation	1,587,651,338
Odin Holdings Corporation	366,812,285
Vespers Holdings Corporation (preferred shares)	370,398,637
Total	**2,324,862,260**

The following are covered by the 365-day lock-up from full payment requirement (whether or not the Over-allotment Option is exercised):

Shareholders	**Number of shares**
Penhurst Kinetic Corp	255,793,680
Marie Antonette De Guzman	172,438,338
Josan Farms Inc.	129,663,871
Michael James Lichtenfeld	48,119,129
BDO Unibank, Inc. Trust and Investments Group	45,083,179
Julius Sturm	39,727,847
Sant Charitable Foundation, Inc.	16,117,024
Annette M. Rafael	7,433,737
Vicente S. Pérez Jr.	20
Gerry P. Magbanua	10
Eduardo M. Miranda	10
Knud Hedeager	10
Maria Theresa Dela Peña Marcial	1
Gregory L. Domingo	1
Total	**714,376,857**

To implement this lock-up requirement, the PSE requires, among others, to lodge the shares with the PDTC through a participant of the PDTC system for the electronic lock-up of the shares or to enter into a custodianship agreement with the trust department or custodian unit of an independent and reputable financial institution.

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INVESTOR RELATIONS OFFICE

The Company's Investor Relations Program aims to ensure accurate and timely communication of disclosable information, financial and operational performance, and strategic direction related to the Company to the investing public, analysts, fund managers, partners, media, and financial institutions.

The Company aims to build long-standing and trusted relationships with its stakeholders, as it executes its growth strategy to create lasting value for its stakeholders. The Company is committed to transparent communications to provide investors and other stakeholders with the relevant information they need to make their investment decisions and track the Company's operational and financial performance.

Part of the Investor Relations Program is to institutionalize platforms and activities that will allow current and future investors to gain access to the Investor Relations Office of the Company, keeping them abreast with the Company's latest updates.

The Company aims to communicate effectively with its shareholders and stakeholders through the following:

- Corporate Disclosures;
- Press Releases;
- Annual Stockholders Meeting;
- Quarterly Results Briefings;
- Conference and Non-deal Roadshows; and
- Corporate Website.

Through the Company's website, www.alternergy.com, retail and institutional investors may find relevant disclosed information and materials that the Investor Relations Office will regularly review and maintain. Once listed, the Company will comply with the reportorial requirements of the SEC and the PSE, which will also be posted on the Company's official website.

The Investor Relations Office will be headed by an Investor Relations Officer (IRO). The IRO shall be responsible for ensuring that the Company's shareholders have timely and uniform access to official announcements, disclosures, and market-sensitive information relating to the Company. As the officially designated spokesperson, the IRO will be responsible for receiving and responding to investor and shareholder queries. In addition, it will oversee most aspects of the Company's shareholder meetings, press conferences, investor briefings, non-deal roadshows, one-on-one or group meetings, conference calls, management of the investor relations portion of the Company's website, and the preparation of its annual reports. The IRO will also be responsible for conveying information such as the Company's policy on corporate governance and corporate social responsibility, as well as other qualitative aspects of the Company's operations and performance.

The Investor Relations Office will be located at the principal office of the Company, with contact details as follows:
Company email: contact@alternergy.com
Contact Numbers: +632 7759 4327
IRO email: investorrelations@alternergy.com
Website: www.alternergy.com/investor-relations

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Parties are considered to be related if 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. Under SEC Memorandum Circular No. 24, series of 2019 the term related parties covers the covered entities directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common law, and other persons if these persons have control, joint control or significant influence over the covered entity, and the covered entity's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture, or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party. Related party transactions mean a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. The circular adds that this term should be interpreted broadly to include not only transactions entered into with related parties but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

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

Note 20 of the Group's Audited Financial Statements as of September 30, 2022 discloses related party transactions of the Group as follows:

	Transactions During the Period		Outstanding Balance as of			
	September 30, 2022	June 30, 2022	**September 30, 2022**	June 30, 2022	Terms	Conditions
Due from Related Parties						
Parent:						
VHC						
Cash advances	**₱–**	₱–	**₱3,328,000**	₱3,328,000	On demand; noninterest-bearing	Unimpaired; Unsecured
Assignment of APHC shares	–	458,887	–	458,887	On demand; noninterest-bearing	Unimpaired; Unsecured
Entities under common ownership:						
ASWC						
*Receivable for development costs**	**–**	50	**83,833,750**	72,928,670	On demand; noninterest-bearing	Unimpaired; Unsecured
DMHC						
Cash advances for construction costs	**–**	–	**–**	18,000,000	On demand; noninterest-bearing	Unimpaired; Unsecured
QBL						
Cash advances	**–**	–	**–**	3,549,762	On demand; noninterest-bearing	Unimpaired; Unsecured
NAPI						
*Management services**	**2,535,750**	2,626,260	**5,353,125**	2,704,225	On demand; noninterest-bearing	Unimpaired; Unsecured
Cash advances	**2,614,843**	–	**2,732,093**	109,950		
KSEC						
Advisory services	**–**	1,946,667	–	–	On demand; noninterest-bearing	Unimpaired; Unsecured

	Transactions During the Period		Outstanding Balance as of			
	September 30, 2022	June 30, 2022	**September 30, 2022**	June 30, 2022	Terms	Conditions
SPCC						
Advisory services	**735,000**	1,470,000	–	–	On demand; noninterest-bearing	Unimpaired; Unsecured
Cash advances	–	–	**1,227,238**	1,227,238		
KMHC						
Cash advances for development costs	–	–	–	144,309	On demand; noninterest-bearing	Unimpaired; Unsecured
APIC						
Cash advances	–	13,865,000	**13,865,000**	13,865,000	On demand; noninterest-bearing	Unimpaired; Unsecured
Assigned receivables	–	28,269,080	**28,269,080**	28,269,080		
APHC						
Cash advances	–	469,000	**490,940**	490,940	On demand; noninterest-bearing	Unimpaired; Unsecured
KTEC						
Cash advances	–	101,068	**2,178,326**	2,179,394	On demand; noninterest-bearing	Unimpaired; Unsecured
LSEC						
Cash advances	–	100,000	**3,704,485**	3,704,485	On demand; noninterest-bearing	Unimpaired; Unsecured
			₱144,982,037	₱150,959,940		

**Outstanding balance includes unrealized foreign exchange gain amounting to ₱11,018,231 and nil as of September 30, 2022 and June 30, 2022.*

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	Transactions During the Period		Outstanding Balance as of			
	September 30, 2022	June 30, 2022	**September 30, 2022**	June 30, 2022	Terms	Conditions
Due to Related Parties						
Associate:						
SPCC						
Cash advances	**₱1,000,000**	₱–	**₱1,000,000**	₱–	On demand; noninterest-bearing	Unsecured
Entities under common ownership:						
NAPI						
Cash advances	**–**	–	**4,406,525**	4,406,525	On demand; noninterest-bearing	Unsecured
Rent	**689,493**	88,908	–	–	On demand; noninterest-bearing	Unsecured
QBL						
Purchase of shares in KSEC	**–**	93,817,948	**93,817,948**	93,817,948	On demand; noninterest-bearing	Unsecured
APHC						
Cash advances	**88,489**	2,452,917	**2,541,406**	2,452,917	On demand; noninterest-bearing	Unsecured
Shareholder:						
Josan						
Purchase of shares in KSEC	–	93,817,948	**93,817,948**	93,817,948	On demand; noninterest-bearing	Unsecured
			₱195,583,827	₱194,495,338		

- SPEC entered into an advisory agreement with KSEC and SPCC. The advisory services rendered by SPEC for SPCC for the three-month period ended September 30, 2022 and KSEC and SPCC for the three-month period ended September 30, 2021 consists of administrative and support services amounting to ₱0.74 million and ₱1.65 million, respectively.

- The Group entered into a lease agreement with NAPI for the office spaces of certain subsidiaries until December 31, 2022.

- In April 2022, APHC assigned its receivable from APIC to PACO amounting to ₱28.22 million.

- The Group did not employ any personnel for the three-month periods ended September 30, 2022 and 2021. In accordance with their respective service agreements, NAPI performs management, project development, technical, administrative and finance functions on behalf of the Group. NAPI performs day-to-day management services under the supervision and direction of the subsidiaries' BOD. Administrative and finance functions include, but are not limited to, treasury and cash management, accounting and bookkeeping and administrative services.

NAPI entered into a management services agreement with SPEC, AMHHC and ATWC. The services rendered by NAPI for SPEC, AMHHC and ATWC for the three-month period ended September 30, 2022 consists of administrative and support services amounting to ₱2.37 million, ₱4.19 million and ₱2.56 million, respectively. The administrative and support services rendered to the same companies for the six-month period ended June 30, 2022 amounted to ₱5.63 million, ₱7.68 million and ₱7.58 million respectively.

COST AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS

The Company has no pending concerns or issues on regulatory compliance related to environmental laws. However, there are costs incurred by the Company in fulfilling the requirements of these laws that support the Government's initiatives in protecting the environment.

Environmental Compliance Certificate ("ECC")

The Company adheres to the requirements of the Department of Environment and Natural Resources ("DENR") Environmental Management Bureau to secure an ECC for each project.

PROJECTS	ECC NO. /CNC NO	PCO NO	NCIP	BOC REGISTRATION DATE
KSEC	ECC-R10-1208-0151	Oliver G Labares / 2021-PCO-1043-1909	CNO issuance on October 10, 2014	September 9, 2021
SSAI	ECC-OL-R03-2020-0498	Mark Alvin Dave L. Soriano / 35100-2022C-03BA-0247	CNO issuance on November 14, 2016	In process (to be renewed in September 2022)
LAMHC	DENR ECC NO. - October 26, 2020	Engr. Charles S. Flores COA No. 2021-CAR-151	Certification Precondition issued on August 26, 2021 Project MOA on October 22, 2019 Transmission Line MOA on October 23, 2019	In process
ATWC (Tanay Wind Farm Project)	DENR EMB R4A ECC - December 10, 2021	In process	In process	In process

Height Clearance Permits ("HCP")

The Company adheres to the requirements of the CAAP to secure an HCP for each Turbine Site and Permanent Met Mast for each wind project.

Company	Number of CAAP HCPs	Issuance Date
ATWC (Tanay Wind Farm Project)	16	January 3, 2023
ATWC (Alabat Wind Farm Project)	15	June 10, 2021; July 7, 2021

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RENEWABLE ENERGY SERVICE CONTRACTS

The tables below depict the Group's renewable energy portfolio and the service contracts obtained for each project.

Wind Projects						
Project Company	**Relationship**	**Project**	**Status**	**Capacity (MW)**	**Service Contract No.**	**Date**
AWOC	Affiliate	Pililla Wind	Commercial Operation	54.00	WESC 2009-09-018-AF1	March 1, 2010
ATWC	Subsidiary	Tanay Wind	Under Development	to be finalized upon DOC	WESC 2017-01-104	March 15, 2017
		Alabat Wind		to be finalized upon DOC	WESC 2019-09-134	December 23, 2019
		Abra de Ilog Wind[25]		to be finalized upon DOC	WESC 2009-10-020	October 23, 2009
ASWC	Affiliate	Sembrano Wind	Under Development	to be finalized upon DOC	WESC 2009-018-AP2	February 24, 2014
CPWPC	Subsidiary	Calavite Offshore	Under Development	to be finalized upon DOC	WESC 2022-02-198	March 4, 2022
TSOWPC	Subsidiary	Tablas Strait Offshore	Under Development	to be finalized upon DOC	Cleared DOE documentary review in January 20, 2023	Latest application filed in December 20, 2022
Solar Projects						
Project Company	**Relationship**	**Project**	**Status**	**Capacity (MW_p)**	**Service Contract No.**	**Date**
KSEC	Subsidiary	Kirahon Solar	Commercial Operation	12.50	2012-03-004	May 3, 2012
SPCC	Affiliate	CM Kabankalan SRPP	Commercial Operation	0.605	2016-06-317	November 7, 2016
		CM Tagum SRPP		1.11	2016-06-316	December 1, 2016
		CM Victorias SRPP		0.635	2016-06-318	November 7, 2016
		CM Dumaguete SRPP		0.265	2016-06-314	December 1, 2016
		CM Boracay SRPP		0.364	2016-08-325	November 7, 2016
		CM Kalibo SRPP		0.218	2016-06-312	November 7, 2016
		CM Dau SRPP		0.238	2018-05-484	August 22, 2018
		CM Mandalagan SRPP		0.634	2018-05-481	August 22, 2018
		Cadiz Solar SRPP	Pre-Construction	to be finalized upon DOC	2018-05-480	August 22, 2018
		San Carlos SRPP		to be finalized upon DOC	2018-05-482	August 16, 2018
		Goldenfields SRPP		to be finalized upon DOC	2018-05-485	August 22, 2018
		Imus SRPP	Under Development	1.021	2020-11-573	February 9, 2021
		Cotabato SRPP		1.025	2020-11-574	February 9, 2021
SSAI	Subsidiary	Solana	Financial Close	27.998	2021-02-579	April 8, 2021
SPPPI	Subsidiary	Palau - PV and Battery Energy	Financial Close	13.20 (MVA)	*not covered by PH service contract*	
Mini Hydro Projects						
Project Company	**Relationship**	**Project**	**Status**	**Capacity (MW)**	**Service Contract No.**	**Date**

[25] In December 2008, the Department of Energy awarded a Wind Energy Service Contract for the Abra de Ilog Wind Project in Occidental Mindoro to Alternergy Philippine Holdings Corp. ("APHC"). It is the Company's intent to cause the assignment of the WESC from APHC to a new special purpose vehicle organized for the purpose of undertaking the Abra de Ilog Wind Project

KMHC	Affiliate	Asin-Hungduan Consolidated	Under Construction	9.80	HSC 2020-03-854	February 26, 2021
		Ibulao 1 Hydro Project		7.60	HSC 2013-06-261	September 3, 2013
DMHC	Affiliate	Dupinga Project	Under Construction	4.80	HSC 2010-02-074	February 2, 2010
					HSC 2010-02-074-A	November 3, 2017
LAMHC	Subsidiary	Lamut-Asipulo Hydro Project	Financial Close	6.80	HSC 2013-06-264	February 21, 2020
IMHC	Subsidiary	Ibulao 2 Hydro Project	Under Development	7.40	HSC 2013-06-262-A	September 3, 2013

The effective interest of the Company in these projects are reflected as follows:

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Project Co	Project Status	Economic Interest (direct + indirect)	Control/ Voting (direct + indirect)	Capacity (MW)	Net Generation (MWh/year)	Start of Commercial Operations	Target Start of Commercial Operations
SOLAR ENERGY							
Solar Pacific Energy Corp. (Sub-Holding Company, 60.00% economic interest and 77.76% voting interest owned by AHC)							
Subsidiaries:							
Kirahon Solar Energy Corporation	Operating	64.99%	69.43%	10.00	18,125	October 2015	
Solana Solar Alpha, Inc	Finance Close	60.00%	77.76%	20.00	42,800		Q4 2023
Solar Pacific Pristine Power, Inc	Constructing	17.60%	45.27%	13.20	23,137		Q1 2023
WIND ENERGY							
Pililla AVPC Corporation (Sub-Holding, 100.00% owned by AHC)							
Subsidiary:							
Calavite Passage Wind Power Corp.	Early Stage	16.00%	60.00%	~1000.00			TBD
Tablas Strait Offshore Wind Power Corp	Early Stage	16.00%	60.00%				TBD
Alternergy Tanay Wind Corporation (100.00% owned by AHC)							
Tanay Wind Power Project	Developing	100.00%	100.00%	99.20	252,983		Q4 2025
Alabat Island Wind Power Project	Early Stage	100.00%	100.00%	49.60	169,920		Q3 2026
Abra de Ilog Wind Project	Early Stage	100.00%	100.00%	-	-		TBD
MINI HYDRO ENERGY							
Alternergy Mini Hydro Holdings Corporation (Sub-Holding, 100.00% owned by AHC)							
Subsidiaries:							
Lamut Asipulo Mini Hydro Corp.	Finance Close	100.00%	100.00%	6.80	33,270		Q2 2025
Ibulao Mini Hydro Corporation	Early Stage	100.00%	100.00%	7.42	34,441		Q2 2026
SOLAR ENERGY							
Solar Pacific Energy Corp.							
Affiliates:							
Solar Pacific CitySun Corporation	Operating	15.00%	19.44%	3.24	5,452	Phase 1 Batch 1 (6 Projects): September 2018 Phase 1 Batch 2 (2 Projects): May 2019	
WIND ENERGY							
Pililla AVPC Corporation							
Affiliates:							
Alternergy Wind One Corporation	Operating	5.00%	5.00%	54.00	133,500	June 2015	
Alternergy Sembrano Wind Corp.	Developing	5.00%	5.00%	84.00	277,529		Q3 2024
MINI HYDRO ENERGY							
Alternergy Mini Hydro Holdings Corporation							
Affiliates:							
Kiangan Mini Hydro Corporation	Constructing	15.00%	30.00%	17.40	83,000		Q4 2024
Dupinga Mini Hydro Corporation	Constructing	4.00%	4.00%	4.60	21,712		Q2 2024
TOTAL				**1,369.46**	**1,095,869**		

MATERIAL CONTRACTS AND AGREEMENTS

The Group has a strong track record of renewable power in the Philippines, proven capability to secure Power Supply Agreements (PSAs) with local utilities and private commercial customers, proven construction and Operation and Maintenance (O&M) capabilities through operational projects, and proven permitting capability through repeated track record of securing approvals from the Philippine Department of Energy (DOE), Energy Regulatory Commission (ERC), Department of Environment and Natural Resources (DENR), National Commission on Indigenous Peoples (NCIP), Bureau of Investments (BOI), Bureau of Customs (BOC), Securities and Exchange Commission (SEC), local governmental units, and others.

Over the course of its more than a decade-old operations, the Group have entered into various contracts in relation to the financing, design, construction and operations of its power projects. Material contracts that the Subsidiaries entered into over the past two years are listed below:

Power Sale Agreements

Below is the list of Power Sale Agreements secured for the Group's Subsidiaries.

- Kirahon Solar Energy Corporation: Power Supply Agreement with Cagayan Electric Power & Light Company (CEPALCO) dated November 21, 2013, valid for 25 years or until 2040
- Solana Solar Alpha Inc.: Power Supply Agreement with Peninsula Electric Cooperative (PENELCO) dated February 4, 2022, valid for 20 years or June 30, 2023 to June 2043
- Solar Pacific Pristine Power Inc.: Power Purchase Agreement with Palau Public Utilities Corporation (PPUC) dated April 14, 2021, valid for 20 years with an option for 5 year extension, or April 1, 2023 to April 2048

Management Service Agreement

The key management team of the Company namely Vicente S. Pérez Jr., Gerry P. Magbanua, Eduardo M. Miranda, Knud Hedeager, and Janina C. Arriola are seconded from NCP Advisors Philippines (NCP), who is their direct employer. NCP is an investment management company based in Singapore and Manila founded in 1996 by a small select team of experienced investment professionals with complementary skills in originating, executing and divesting profitable direct investments in Southeast Asia. They have substantial experience in executing direct investments either for their own account, or in conjunction with business associates, or on behalf of institutionally funded investment funds such as the Philippine Discovery Fund, Cambridge Pacific, Asian Conservation Company, Soros Funds, and Alternergy Holdings Corporation.

No	Shared Service Provider	Client	Engagement
1	NCP Advisors Philippines Inc.	Alternergy Mini Hydro Holdings Corp.	Administrative Agreement
2	NCP Advisors Philippines Inc.	Solar Pacific Energy Corporation	Administrative Agreement
3	NCP Advisors Philippines Inc.	Alternergy Tanay Wind Corporation	Management Services Agreement
4	Solar Pacific Energy Corporation	Kirahon Solar Energy Corporation	Administrative Agreement
5	Solar Pacific Energy Corporation	Solana Solar Alpha Inc.	Administrative Agreement
6	NCP Advisors Philippines Inc.	Alternergy Mini Hydro Holdings Corp.	Sub-lease Agreement (in process)
7	NCP Advisors Philippines Inc.	Solar Pacific Energy Corporation	Sub-lease Agreement (in process)

Investment Agreements/Shareholders Agreement

Lamut-Asipulo Mini Hydro Corporation

On March 15, 2022, the Company, Alternergy Mini Hydro Holdings Corporation, Exeter Portofino (Export) Holdings Inc. (EXETER) and Lamut-Asipulo Mini Hydro Corporation entered into an Investment Framework Agreement for the inclusion of EXETER as co-shareholder in Lamut-Asipulo Mini Hydro Corporation. LAMHC owns and is undertaking the development, construction, and implementation of approximately 6.8MW run-of-river hydropower generation project in the Municipalities of Lamut and Asipulo, Ifugao.

Kiangan Mini Hydro Corporation

On April 23, 2021, the Company, Alternergy Mini Hydro Holdings Corporation, Renova Renewables Philippines Pte Ltd., Sta. Clara International Corporation and Kiangan Mini Hydro Corporation entered into an Investment Framework Agreement for the inclusion of Renova Renewables Philippines Pte Ltd and Sta. Clara International Corporation as co-shareholder in Kiangan Mini Hydro Corporation. KMHC owns and is undertaking the development, construction and implementation of approximately 18MW run-of-river hydropower generation project in the Municipality of Kiangan, Ifugao.

Calavite Passage Wind Power Corporation

PACO has entered into a shareholders agreement with Shell Overseas Investments B.V with current interests in operational offshore wind farms and several more in development, to jointly develop the Calavite Passage Offshore Wind Project of Calavite Passage Wind Power Corporation ("CPWPC").

Tablas Strait Offshore Wind Power Corporation

PACO has entered into a shareholders agreement with Shell Overseas Investments B.V. with current interests in operational offshore wind farms and several more in development, to jointly develop the Tablas Strait Offshore Wind Project of Tablas Strait Offshore Wind Power Corporation ("TSOWPC").

Financing Agreements

The Company and its Subsidiaries have entered into the following outstanding financing agreements in the past 2 years:

Date	Borrower	Lender	Principal	Term	Purpose
April 6, 2021	AHC	China Banking Corporation	₱150 million	5 Years from Drawdown Date	For the purpose of financing AHC's investments and development costs in various renewable energy projects. Fully pre-paid on December 29, 2022
June 28, 2022	AHC	Oversea - Chinese Banking Corporation Limited	US$3,000,000	2 Years from Drawdown Date	For the purpose of financing AHC's investments and development costs in various renewable energy projects.
December 30, 2020	Solana Solar Alpha, Inc.	Renova Renewables Asia Pte. Ltd. (Renova)	₱94,250,000	1 year, [extended by 6 months]	A non-interest loan bearing agreement with Renova amounting to

					₱94,250,000 for the acquisition of parcels of land in Brgy. Balsic, Hermosa, Bataan for the 28 MWDC solar project in Hermosa, Bataan.
January 31, 2022	Solar Pacific Pristine Power, Inc.	Export Finance Australia	US$18,000,000	17 years from initial draw	Partially fund the construction, testing, commissioning and operation of solar projects
January 31, 2022	Solar Pacific Pristine Power, Inc.	Department of Foreign Affairs and Trade	US$4,000,000	Grant Facility (AIFFP funding Agreement)	Partially fund the construction, testing, commissioning and operation of solar projects
December 9, 2022	AHC	Rizal Commercial Banking Corporation	₱250,000,000	1 year	To fund pre-payment of the China Bank loan and general working capital

The project assets of KSEC, SPCC, KMHC, DMHC and SSAI are all encumbered in favor of the relevant creditors under the above credit agreements. The project site land leases and the power plant of SPPC, which is under construction, are mortgaged in favor of Export Finance Australia as part of SPPP's project financing amounting to USD18 million with a tenor of 17 years from 2022.

Other Agreements

<u>Acquisition of Additional Shares of Kirahon Solar Energy Corporation</u>

On June 10, 2022, AHC entered into separate Share Purchase Agreements with each of Josan Farms, Inc., QBL ECO Corporation, and Sant Charitable Foundation, its co-shareholders in Kirahon Solar Energy Corporation (KSEC), whereby said co-shareholders sold their respective shares in KSEC to AHC as follows:

Seller	No of Common Shares	No of Series A Preferred Shares	No of Series B Preferred Shares	Consideration
Josan Farms, Inc	250,750	2,438	3,140	₱104,813,500
QBL ECO Corporation	250,750	2,438	3,140	₱104,813,500
Sant Charitable Foundation	747,750	7,271	9,365	₱312,559,500

Under the terms of the Share Purchase Agreements, the shares subject matter thereof were transferred absolutely and unconditionally to AHC as of the date of execution of each of the agreements with the respective purchase price payable nine (9) months from the date of execution of each of the agreements ("Payment Date"). Pending full payment of the consideration, AHC was obligated to pay to each seller all accrued dividends pertaining to the shares during the period as interest. As of September 30, 2022, the consideration remains unpaid. With such acquisition, AHC's direct and indirect interest in KSEC increased from 12.77%% to 62.74%.

Subsequently, the Company and each seller also executed separate individual Amended and Restated Share Purchase Agreements and Deeds of Sale of Shares of Stock where the Company and each seller agreed that allowed the parties to negotiate an extension of the maturity date with the intent of preserving, to the maximum extent permitted by law, their respective rights under the original Share Purchase Agreements. This includes a situation where the consideration and accrued interest are not paid in full by the earlier of (i) 5 Banking Days after receipt of proceeds from the initial public offering in the relevant escrow account or (ii) the maturity date.

The Certificates Authorizing Registration (CARs) covering the transfers were issued on the following dates: (a) Josan Farms Inc. - October 24, 2022, (b) QBL Eco Corporation - October 25, 2022, and (c) Sant Charitable Foundation Inc. - October 26, 2022. The transfers were recorded in KSEC's stock and transfer book on October 26, 2022.

Until the consideration is fully paid, AHC is obligated to pay to each seller all accrued dividends pertaining to the shares as interest.

Project Finance Mandate

On May 5, 2022, SSAI mandated RCBC Capital Corporation as lead arranger in the up to ₱1 Billion long term financing facility for SSAI's construction and development of a 28 MW_{DC} solar project in Hermosa, Bataan.

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PHILIPPINE FOREIGN INVESTMENT, EXCHANGE CONTROLS, AND FOREIGN OWNERSHIP

Under current BSP regulations, an investment in listed Philippine securities must be registered with the BSP if the foreign exchange needed to service the repatriation of capital and the remittance of dividends, profits, and earnings derived from such shares is to be sourced from the Philippine banking system. If the foreign exchange required to service capital repatriation or dividend remittance is sourced outside the Philippine banking system, registration is not required. BSP Circular No. 471 (Series of 2005), as amended, however, subjects foreign exchange dealers and money changers to RA No. 9160, or the Anti-Money Laundering Act of 2001, as amended, and requires these nonbank sources of foreign exchange to require foreign exchange buyers to submit supporting documents in connection with their application to purchase foreign exchange for purposes of capital repatriation and remittance of dividends.

Registration of Philippine securities listed on the PSE may be done directly with the BSP or through an investor's designated custodian bank on behalf of the BSP. A custodian bank may be any authorized agent bank (as defined below) of the BSP or an offshore banking unit registered with the BSP to act as such and appointed by the investor to register the investment, hold shares for the investor, and represent the investor in all necessary actions in connection with his investments in the Philippines. The term authorized agent bank refers to all categories of banks, except offshore banking units, duly licensed by the BSP. Applications for registration must be accompanied by: (a) a purchase invoice, subscription agreement, and proof of listing on the PSE (either or both); and (b) the original Certificate of Inward Remittance of foreign exchange and its conversion to Pesos through an authorized agent bank of the BSP in the format prescribed by the BSP.

Upon registration of the investment, proceeds of divestments, or dividends of registered investments are repatriable or remittable immediately and in full through the Philippine banking system, net of applicable tax, without need of BSP approval. Capital repatriation of investments in listed securities is permitted upon presentation of the BSP registration document from the registering custodian bank and the broker's sales invoice, at the exchange rate prevailing at the time of purchase of the foreign exchange from the banking system. Remittance of dividends is permitted upon presentation of: (a) the BSP registration document from the registering custodian bank; (b) the cash dividends notice from the PSE and the PCD printout of cash dividend payment or computation of interest earned; (c) copy of the secretary's sworn statement on the board resolution covering the dividend declaration; and (d) detailed computation of the amount applied for in the format prescribed by the BSP. Pending reinvestment or repatriation, divestment proceeds, as well as dividends of registered investments, may be lodged temporarily in interest-bearing deposit accounts. Interest earned thereon, net of taxes, may also be remitted in full. Remittance of divestment proceeds or dividends of registered investments may be reinvested in the Philippines if the investments are registered with the BSP or the investor's custodian bank.

The foregoing is subject to the power of BSP, with the approval of the President of the Philippines, to restrict the availability of foreign exchange during an exchange crisis, when an exchange crisis is imminent, or in times of national emergency.

FOREIGN INVESTMENTS

Foreign Investment Act

Republic Act No. 7042, or The Foreign Investment Act ("FIA"), liberalized the entry of foreign investment into the Philippines. Under the FIA, in domestic market enterprises, foreigners can own as much as 100% equity except in areas specified in the Eleventh Regular Foreign Investment Negative List (the "Negative List") signed on October 29, 2018. This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, land ownership, telecommunications, mining, and the operation of public utilities.

For the purpose of complying with nationality laws, the term "Philippine National" is defined under the Foreign Investments Act as any of the following:

- a citizen of the Philippines;
- a domestic partnership or association wholly owned by citizens of the Philippines;
- a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines;
- a corporation organized abroad and registered to do business in the Philippines under the Corporation Code, of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos; or
- a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals.

For as long as the percentage of Filipino ownership of the capital stock of the corporation is at least 60% of the total shares outstanding and voting, the corporation shall be considered as a Philippine National. A corporation with more than 40% foreign equity may be allowed to lease private land for a period of 25 years, renewable for another 25 years.

Restriction on Foreign Ownership

Foreign investors are permitted to invest in only a limited number of securities of Philippine corporations due to restrictions on foreign ownership imposed under the Constitution and by Philippine statutes, particularly in respect of securities of corporations engaged in restricted business activities. The principal restricted business activities are the ownership of land, exploitation and development of natural resources, ownership of educational institutions, operation of public utilities, and advertising, commercial banking, mass media, retail trade and rural banking activities.

Under the FIA, as amended, foreign investments in any Philippine corporation not engaged in a restricted business activity may not exceed 40% of a corporation's outstanding capital stock unless such foreign investment represents an inward remittance of at least Two Hundred Thousand US Dollars (US$200,000.00).

Land Ownership

The Philippine Constitution and related statutes set forth restrictions on foreign ownership of owning land in the Philippines. Article XII, Section 7 of the Philippine Constitution, in relation to Article XII, Section 2 of the Philippine Constitution and Chapter 5 of Commonwealth Act No. 141, states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens.

THE PHILIPPINE STOCK MARKET

The information presented in this section has been extracted from publicly available documents that have not been prepared or independently verified by the Company, or any of their respective subsidiaries, associates, or advisors in connection with listing of the Offer Shares.

Brief History

The Philippines initially had two (2) stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulating, governed by their respective Boards of Governors elected annually by their respective members.

Several steps initiated by the Government have resulted in the unification of the two bourses into the PSE. The PSE was incorporated in 1992 by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two (2) separate exchanges were revoked. While the PSE maintains two (2) trading floors, one in Makati City and the other in Pasig City, these floors are linked by an automated trading system that integrates all bids and ask quotations from the bourses.

In June 1998, the SEC granted the Self-Regulatory Organization status to the PSE, allowing it to impose rules as well as implement penalties on erring PSE Trading Participants and listed companies. On August 8, 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC.

The PSE has an ACS of ₱120,000,000.00. As of 30 June 2020, the PSE has 85,164,091 issued and outstanding shares, of which 3,513,954 are treasury shares, resulting in 81,650,137 total shares outstanding. Each of the then 184 member-brokers was granted 50,000 Common Shares of the new PSE at a par value of ₱1.00 per share. In addition, a trading right evidenced by a Trading Participant Certificate was immediately conferred on each member broker allowing the use of the PSE's trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non brokers, one of whom is the President of the PSE. On 15 December 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE's Main Board or the Small, Medium and Emerging Board (SME Board). In 2013, the PSE issued Rules on Exchange Traded Funds (ETF) which provides for the listing of ETFs on an ETF Board separate from the PSE's existing boards. Previously, the PSE allowed listing on the First Board, Second Board, or the SME Board. With the issuance by the PSE of Memorandum No. CN-No. 2013-0023 dated 6 June 2013, revisions to the PSE Listing Rules were made, among which changes are the removal of the Second Board listing and the requirement that lock-up rules be embodied in a company's articles of incorporation of the Issuer. Each index represents the numerical average of the prices of component shares.

The PSE has a benchmark index, referred to as the PSEi (previously PHISIX), which as of the date thereof reflects the price movements of selected shares listed on the PSE, based on traded prices of shares from the various sectors. The PSE shifted from full market capitalization to free float market capitalization effective 3 April 2006, simultaneous with the migration to the free float index and the renaming of the PHISIX to PSEi. The PSEi is composed of shares of 30 selected companies listed on the PSE. On 26 July 2010, the PSE launched a new trading system, PSE Trade. In June 2015, the PSE Trade system was replaced by PSE Trade XTS.

In December 2013, the PSE EDGE, a new disclosure system co-developed with the Korea Exchange, went live. The PSE EDGE system provided a dedicated portal for listed company disclosures and offered a free-to download mobile application for easy access by investors.

With the increasing calls for good corporate governance, the PSE has adopted an online daily disclosure system to improve the transparency of listed companies and to protect the investing public.

The PSE launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of ten guidelines embodying principles of good business practice and based on internationally recognized corporate governance codes and best practices.

The PSE issued Memorandum LA No. 2011-0032 dated 1 September 2011, regarding the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy (**RE**) Companies (PRE Rules). In addition to the general listing requirements, Petroleum and RE Companies are required to submit the documentary requirements set forth in the Checklist of Documentary Requirements for Petroleum and RE Companies in case of an IPO or Listing by way of Introduction. Moreover, existing listed companies and Petroleum and RE Companies that will apply for initial listing with the PSE shall comply with the supplemental disclosure requires specified in the Supplemental Disclosure Guidelines and Requirements for Petroleum and Renewable Energy Companies.

The PSE Rules provide that an applicant Petroleum or RE company must, at a minimum, demonstrate to the PSE that it is an operator or a co-venturer of a valid and subsisting Service/Operating Contract duly approved and awarded by the DOE. Moreover, an applicant Petroleum or RE company should prove that it has the right to participate actively in the exploration for and/or extraction of natural resources through adequate control over the assets, or through adequate rights which give it sufficient influence in decisions over the exploration for and/or extraction of natural resources.

The table below sets out movements in the composite index as of the last business day of each calendar year from 1995 to 2022, and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

Selected Stock Exchange Data				
Year Ended	**PSEi Level**	**Number of Listed Companies**	**Aggregate Market Capitalization**	**Combined Value of Turnover**
			(in ₱Billions)	
1995	2,594.2	205	1,545.7	379.0
1996	3,170.6	216	2,121.1	668.8
1997	1,869.2	221	1,251.3	586.2
1998	1,968.8	222	1,373.7	408.7
1999	2,142.9	225	1,936.5	781.0
2000	1,494.5	229	2,576.5	357.7
2001	1,168.1	231	2,141.4	159.6
2002	1,018.4	234	2,083.2	159.7
2003	1,442.4	236	2,973.8	145.4
2004	1,822.8	235	4,766.3	206.6
2005	2,096.0	237	5,948.4	383.5
2006	2,982.5	239	7,173.2	572.6
2007	3,621.6	244	7,976.8	1,338.3
2008	1,872.9	246	4,072.2	763.9
2009	3,052.7	248	6,032.2	994.2

Selected Stock Exchange Data				
Year Ended	PSEi Level	Number of Listed Companies	Aggregate Market Capitalization (in ₱Billions)	Combined Value of Turnover (in ₱Billions)
2010	4,201.1	253	8,866.1	1,207.4
2011	4,372.0	253	8,697.0	1,422.6
2012	5,812.7	254	10,930.1	1,771.7
2013	5,889.8	257	11,931.3	2,546.2
2014	7,230.6	263	14,251.7	2,130.1
2015	6,952.1	265	13,465.6	2,151.4
2016	6,840.6	265	14,438.8	1,929.5
2017	8,558.4	267	17,583.1	1,958.4
2018	7,446.0	267	16,146.7	1,736.8
2019	7,815.3	268	16,705.3	1,772.6
2020	7,139.7	271	15,888.9	1,770.9
2021	7,122.6	280	18,081.1	2,233.1
2022	6,566.4	286	16,558.5	1,788.7

Source: PSE data

Trading

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Payment of purchases of listed securities must be made by the buyer on or before the third Trading Day (the settlement date) after the trade.

Equities trading on the PSE starts at 9:30 a.m. and ends at 12:00 p.m. for the morning session and resumes at 1:30 p.m. and ends at 3:30 p.m. for the afternoon session. Trading days are Monday to Friday, except legal and special holidays and days when the BSP clearing house is closed. Commencing on 19 March 2020 on account of the COVID-19 pandemic, trading in the PSE is a continuous session from 9:30 a.m. to 1:00 p.m. daily. Beginning on 1 March 2022, trading hours have resumed its full-day five (5) hour schedule.

Minimum trading lots range from five to 1,000,000 shares depending on the price range and nature of the security traded. The minimum trading lot for a company's shares is 100 shares. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, when the price of a listed security moves up by 50% or down by 50% in one day (based on the previous closing price or last posted bid price, whichever is higher), the price of that security is automatically frozen by the PSE, unless there is an official statement from the company or a government agency justifying such price fluctuation, in which case the affected security can still be traded but only at the frozen price. If the issuer fails to submit such explanation, a trading halt is imposed by the PSE on the listed security the following day. Resumption of trading shall be allowed only when the disclosure of the company is disseminated, subject again to the trading ban.

In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

- In case the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50% of the previous day's reference or closing price, or the last adjusted closing price); otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%. All orders breaching the 60% static threshold will be rejected by the PSE.
- In case the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20% for security cluster A and newly listed securities, 15% for security cluster B, and 10% for security cluster C); otherwise, such order will be rejected by the PSE.

Non-Resident Transactions

When the purchase/sale of Philippine shares of stock involves a non-resident, whether the transaction is effected in the domestic or foreign market, it will be the responsibility of the securities dealer / broker to register the transaction with the BSP. The local securities dealer / broker shall file with the BSP, within three (3) business days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP rules, all registered foreign investments in Philippine securities including profits and dividends, net of taxes and charges, may be repatriated.

Settlement

The Securities Clearing Corporation of the Philippines (SCCP) is a wholly owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on 17 January 2002. It is responsible for:

- Synchronizing the settlement of funds and the transfer of securities through Delivery versus Payment clearing and settlement of transactions of Clearing Members, who are also PSE Trading Participants;
- Guaranteeing the settlement of trades in the event of a PSE Trading Participant's default through the implementation of its Fails Management System and administration of the Clearing and trade Guaranty Fund; and
- Performance of Risk Management and Monitoring to ensure final and irrevocable settlement.

The SCCP settles the PSE trades on a three (3) -day rolling settlement environment, which means that settlement of trades takes place three (3) Trading Days after transaction date (T+3). The deadline for settlement of trades is 12:00 n.n. of T+3. Securities sold should be in scripless form and lodged under the book-entry system of the PDTC. Each PSE Broker maintains a Cash Settlement Account with one of the nine existing settlement banks of SCCP, which are BDO Unibank, Inc., Rizal Commercial Banking Corporation, Metropolitan Bank & Trust Company, Deutsche Bank AG Manila Branch, The Hong Kong Shanghai Banking Corporation Limited, Union Bank of the Philippines, Maybank Philippines Inc., Asia United Bank Corporation, and China Banking Corporation. Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its Central Clearing and Central Settlement system on 29 May 2006. Central Clearing & Central Settlement employs multilateral netting, whereby the system automatically offsets buy and sell transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each Clearing Member. All cash debits and credits are also netted into a single net cash position for each Clearing Member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

Scripless Trading

In 1995, the PDTC (formerly the Philippine Central Depository, Inc.), was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On 16 December 1996, the PDTC was issued a temporary license to operate by the SEC as a depository for equity securities.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including stockholders' meetings, dividend declarations, and Offer Shares. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which stockholders transfer legal title (but not beneficial title) over their shares of stock in favor of the PCD Nominee Corporation, a corporation wholly owned by the PDTC, whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. Immobilization is the process by which the warrant or share certificates of lodging holders are canceled by the transfer agent and a new warrant or stock certificate (Jumbo Certificate) covering all the warrants or shares lodged is issued in the name of the PCD Nominee. This trust arrangement between the participants and PDTC through the PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the SEC. No consideration is paid for the transfer of legal title to the PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g., brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, each beneficial owner of shares, through his participant, will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP, and into the PDTC system. Once it is determined on the settlement date (T+3) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account the participant-buyer, the PSE trades are automatically settled in the PDTC system, in accordance with the PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his shareholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the upliftment of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PCD Nominee. The expenses for upliftment are for the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of ownership of the shares in the issuing corporation's' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are canceled, and a new Jumbo Certificate is issued in the name of PCD Nominee Corp. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of the PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the PCD Nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current de facto custodianship role.

Amended Rule on Lodgment of Securities

On 24 June 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that commencing on 1 July 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the SEC, without any jumbo or mother certificate in compliance with the requirements of Section 43 of the SRC. Actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III Part A of the PSE Listing Rules.

Part A of the Revised Listing Rules of the Exchange shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the SEC.

For listing applications, the amended rule on lodgment of securities is applicable to:

- the offer shares/securities of the applicant company in the case of an initial public offering;
- the shares/securities that are lodged with the PDTC, or any other entity duly authorized by the SEC in the case of a listing by way of introduction;
- new securities to be offered and applied for listing by an existing listed company; and additional listing of securities of an existing listed company; and
- additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof to wit:

- For a new company to be listed at the PSE as of 1 July 2009, the usual procedure will be observed but the transfer agent of the company shall no longer issue a certificate to PCD Nominee but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the depository participants on listing date.
- For existing listed companies, the PDTC shall wait for the advice of the transfer agent that it is ready to accept surrender of PCD Nominee Jumbo Certificates and upon such advice, the PDTC shall surrender all PCD Nominee Jumbo Certificates to the transfer agent for cancellation. The transfer agent shall issue a Registry Confirmation Advice to PCD Nominee evidencing the total number of shares registered in the name of PCD Nominee in the listed company's registry as of confirmation date.

Issuance of Stock Certificates for Certificated Shares

On or after the listing of the shares on the PSE, any beneficial owner of the shares may apply with PDTC through his broker or custodian-participant for withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his shareholdings from the PDTC system, the PDTC has a procedure of upliftment under which the PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a registry confirmation advice to the PDTC covering the new number of shares lodged under the PCD Nominee.

Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company's transfer agent.

Amended Rule on Minimum Public Ownership

On 1 December 2017, the SEC issued SEC Memorandum Circular No. 13, Series of 2017 (SEC MC 13-2017) on the rules and regulations on minimum public ownership (MPO) on initial public offerings.

Under SEC MC 13-2017, companies filing a registration statement pursuant to Sections 8 and 12 of the SRC and with intention to list their shares for trading in an exchange shall apply for registration with a public float of at least 20% of the companies' issued and outstanding shares. It shall, at all times, maintain an MPO of at least 20%. If the MPO of the company falls below 20% at any time after registration, such company shall bring the public float to at least 20% within a maximum period of 12 months from the date of such fall.

The determination of whether shareholdings are considered public or non-public is based on: (a) the amount of shareholdings and its significance to the total outstanding shares; (b) the purpose of investment; and (c) the extent of involvement in the management of the company.

The shares held by the following are generally considered as held by the public: (a) individuals whose shares are not of significant size and which are non-strategic in nature; (b) PSE trading participants (such as brokers) whose shareholdings are non-strategic in nature; (c) investment funds and mutual funds; (d) pension funds which hold shares in companies other than the employing company or its affiliates; (e) PCD Nominee provided that none of the beneficial owners of the shares has significant holdings (i.e., shareholdings by an owner of 10% or more are excluded and considered non-public); and (f) Social Security funds.

If an investment in a listed company is meant to partake of sizable shares for the purpose of gaining substantial influence on how the company is being managed, then the shareholdings of such investor are considered nonpublic. Ownership of 10% or more of the total issued and outstanding shares of a listed company is considered significant holding and therefore non-public.

Listed companies which become non-compliant with the minimum public ownership requirement will be suspended from trading for a period of not more than six months and will be automatically delisted if it remains non-compliant with the said requirement after the lapse of the suspension period.

Notwithstanding the quarterly public ownership report requirement of the PSE, listed companies listed on the PSE are required to (a) establish and implement an internal policy and procedure to monitor its MPO levels on a continuous basis; and (b) immediately report to the SEC within the next business day if its MPO level falls below 20%. Listed companies are also required to submit to the SEC a time-bound business plan describing the steps that the company will take to bring the public float to at least 20% within a maximum period of 12 months from, within ten days from knowledge that its MPO has become deficient. Listed companies are also required to submit to the SEC a public ownership report and progress report on any such submitted business plan within 15 days after end of each month until such time that its MPO reaches the required level.

The MPO requirement also forms part of the requirement for the registration of securities. Non-compliance with these MPO requirements subject publicly listed companies to administrative sanctions, including suspension and revocation of their registration with the SEC.

On 3 August 2020, the PSE issued Guidelines on MPO Requirement for Initial and Backdoor Listings, effective immediately. Under the guidelines, companies applying for initial listing through an IPO are required to have a minimum public offer size of 20% to 33% of its outstanding capital stock, as follows:

Market Capitalization	**Minimum Public Offer**
Not exceeding ₱500 million	33% or ₱50 million, whichever is higher
Over ₱500 million to ₱1 billion	25% or ₱100 million, whichever is higher
Over ₱1 billion	20% or ₱250 million, whichever is higher

A company listing through an IPO is required to maintain at least 20% public ownership level at all times, whether the listing is initial or through backdoor listing. For companies doing a backdoor listing, the 20% MPO requirement shall be reckoned from the actual issuance or transfer (as may be applicable) of the securities which triggered the application of the Backdoor Listing Rules or from actual transfer of the business in cases where the Backdoor Listing Rules are triggered by a substantial change in business.

PHILIPPINE TAXATION

The following is a general description of certain Philippine tax aspects of the investment in the Company. This discussion is based upon laws, regulations, rulings, income tax conventions, treaties, administrative practices, and judicial decisions in effect at Prospectus Date. Subsequent legislative, judicial, or administrative changes or interpretations may be retroactive and could affect the tax consequence to the prospective investor.

The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to an investor.

This general description does not purport to be a comprehensive description of the Philippine tax aspects of the investment in shares and no information is provided regarding the tax aspects of acquiring, owning, holding, or disposing of the shares under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding, and disposing of the shares in such other jurisdictions.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE SUBJECT SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

As used in this Section, the term resident alien refers to an individual whose residence is within the Philippines and who is not a citizen thereof.

A non-resident alien is an individual whose residence is not within the Philippines and who is not a citizen thereof. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a non-resident alien engaged in trade or business in the Philippines; otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a non-resident alien not engaged in trade or business in the Philippines.

A domestic corporation is created or organized under the laws of the Philippines; while a foreign corporation is one which is not domestic.

A resident foreign corporation is a foreign corporation engaged in trade or business in the Philippines; and a non-resident foreign corporation is a foreign corporation not engaged in trade or business in the Philippines.

The Tax Reform for Acceleration and Inclusion Act (TRAIN) and Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)

President Rodrigo Roa Duterte signed into law the RA No. 10963 (TRAIN) and RA No. 11534 (CREATE) on 19 December 2017 and 26 March 2021, respectively. The objectives of these two laws are as follows:

The Tax Reform for Acceleration and Inclusion (TRAIN):

a. To enhance the progressivity of the tax system through the rationalization of the Philippine internal revenue tax system, thereby promoting sustainable and inclusive economic growth;
b. To provide, as much as possible, an equitable relief to a greater number of taxpayers and their families in order to improve levels of disposable income and increase economic activity; and
c. To ensure that the Government is able to provide for the needs of those under its jurisdiction and care through the provision of better infrastructure, health, education, jobs, and social protection for the people.

The Corporate Recovery and Tax Incentives for Enterprises Act (CREATE):

a. Improve the equity and efficiency of the corporate tax system by lowering the rate, widening the tax base, and reducing tax distortions and leakages;
b. Develop a more responsive and globally competitive tax incentives regime that is performance-based, targeted, time-bound, and transparent;
c. Provide support to businesses in their recovery from unforeseen events such as an outbreak of communicable diseases or a global pandemic, and strengthen the nation's capability for similar circumstances in the future; and
d. Create a more equitable tax incentive system that will allow for inclusive growth and generation of jobs and opportunities in all the regions of the country and ensure access and ease in the grant of these incentives especially for applicants in least developed areas.

Corporate Income Tax

While Republic Act No. 10963, or the Tax Reform for Acceleration and Inclusion (TRAIN), which took effect on 1 January 2018 and is the first package of the Comprehensive Tax Reform Program (CTRP) of the Duterte administration, brought about extensive changes to individual income taxation, the first package of the CTRP did not include changes in corporate income taxation. This was addressed in the second package of the CTRP or Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE), which was signed into law on 26 March 2021, amending provisions of the Tax Code, related to, among others, corporate income tax, lowering corporate income taxes and modernizing fiscal incentives in a bid to complement the expected incremental revenues from the first package. CREATE was published in the Business Mirror on 27 March 2021 and took effect on 11 April 2021.

A domestic corporation is subject to a tax of 25% of its taxable income from all sources within and outside the Philippines beginning 1 July 2020, provided that domestic corporations with net taxable income not exceeding ₱5,000,000.00 and with total assets not exceeding ₱100,000,000.00 (excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed) (MSMEs), shall be taxed at 20%. Taxable net income refers to items of income specified under Section 32(A) of the Tax Code less the items of allowable deductions under Section 34 of the Tax Code or those allowed under special laws.

Passive income of a domestic corporations are taxed as follows: (a) gross interest income from Philippine currency bank deposits and yield from deposit substitutes, trust funds and similar arrangements as well as royalties from sources within the Philippines which are generally taxed at the lower final withholding tax rate of 20% of the gross amount of such income; and (b) interest income from a depository bank under the expanded foreign currency deposit system which is subject to a final tax at the rate of 15% of such income.

Minimum Corporate Income Tax (MCIT), beginning 1 July 2020 and until 30 June 2023, shall be computed at 1% of the gross income as of the end of the taxable year. MCIT is imposed on a domestic corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum corporate income tax is greater than the ordinary corporate income tax. Any excess MCIT over the ordinary corporate income tax shall be carried forward and credited against the latter for the three immediately succeeding taxable years. After 30 June 2023, the rate of MCIT shall be 2% of the gross income as of the end of the taxable year.

Subject to certain conditions, the MCIT may be suspended by the Secretary of Finance with respect to a corporation which suffers losses on account of a prolonged labor dispute, force majeure, or due to legitimate business reverses.

Tax on Dividends

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to a final withholding tax at the rate of 10%, which shall be withheld by the company issuing the dividends. Cash and property dividends received by non-resident alien individuals engaged in trade or business in the Philippines are subject to a 20% final withholding tax on the gross amount thereof, while cash and property dividends received by non-resident alien individuals not engaged in trade or business in the Philippines are subject to a final withholding tax at 25% of the gross amount, subject, however, to the applicable preferential tax rates under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals.

Cash and property dividends received from a domestic corporation by another domestic corporation or by resident foreign corporations are not subject to tax while those received by non-resident foreign corporationsare subject to a final withholding tax at the rate of 25%, starting 1 January 2021. The 25% final withholding tax rate for inter-corporate cash and/or property dividends paid by a domestic corporation to a non-resident foreign corporation may be reduced depending on the country of domicile of the non-resident foreign corporation if it has an existing tax treaty with the Philippines. A country with a tax treaty may have a reduced preferential tax rate depending on the provisions of the corresponding tax treaties. On the other hand, the tax rate for a country without a tax treaty may be reduced to 15% (tax sparing rate) if (a) the country in which the non-resident foreign corporation is domiciled imposes no tax on foreign-sourced dividends or (b) if the country of domicile of the non-resident foreign corporation allows a credit equivalent to 10% for taxes deemed to have been paid in the Philippines.

Revenue Memorandum Order No. 46 – 2020 (*Guidelines and Procedures for the Availment of the Reduced Rate of 15% on Intercompany Dividends Paid by a Domestic Corporation to a Non-resident Foreign Corporation Pursuant to Section 28(B)(5)(b) of the National Internal Revenue Code of 1997, as amended)* states that in order to avail the 15% tax sparing rate, the non-resident foreign corporation or its authorized representative shall file with the Bureau of Internal Revenue (BIR), through the International Tax Affairs Division, a request for confirmation of the applicability of the reduced dividend rate of 15%, with the following documentary requirements: (a) letter request which shall provide a background of the transaction, the relief sought and legal basis; (b) duly accomplished BIR Form No. 0901-TS; (c) original copy of the apostilled/duly authenticated Tax Residence Certificate issued by the tax authority of the country of domicile; (d) apostilled/duly authenticated copy of the non-resident foreign corporation's articles of incorporation or proof of establishment in its country of residence; (e) original copy of apostilled/duly authenticated special power of attorney (SPA) issued by the non-resident foreign corporation to its authorized representative; (f) certified true copy of the Board of Directors' resolution of the domestic corporation approving the issuance of dividends, which shall include the amount of dividends, and dates of declaration, record and payment, among others; (g) original copy of the sworn statement executed by the corporate secretary of the domestic corporation/custodian banks/depository account holders/broker dealers stating the legal and beneficial owners, if applicable, of all issued and outstanding shares as of record date, their corresponding subscriptions, date/s of acquisition, percentage of ownership and the allocation of dividend; (h) certified true copy of the General Information Sheet (GIS) of the domestic corporation for the year or period immediately preceding the date of declaration, whichever is more applicable; (i) certified true copy of Audited Financial Statements (AFS) of the domestic corporation stamped "received" by the BIR and Securities and Exchange Commission, which was used as the basis of such dividend declaration; and (j) proof of remittance of the dividend payments. If the dividend is taxable in the country of domicile of the non-resident foreign corporation, the following documents shall also be required to be submitted to the BIR: (a) duly authenticated or apostilled copy of the law of the country of domicile allowing a tax credit for taxes actually paid in the Philippines and for taxes deemed paid in the Philippines equivalent to at least 15% of the dividends and (b) duly authenticated or apostilled copy of any document issued by, or filed with, the foreign tax authority showing the amount of deemed paid tax credit actually granted by the foreign tax authority. On the other hand, if the dividend is exempt from tax in the country of domicile of the non-resident foreign corporation, the following documents shall likewise be submitted to the BIR: (a) duly authenticated or apostilled copy of the law of the country of domicile and (b) duly authenticated or apostilled copy of any document issued by the foreign tax authority confirming that the non-resident foreign corporation is exempt from income tax on dividends received from the Philippine corporation.

The abovementioned tax rates are without prejudice to applicable preferential tax rates under income tax treaties in force between the Philippines and the country of domicile of the non-resident holder (please see discussion on tax treaties below).

If a company withholds the regular tax rate instead of the reduced rate applicable under an income tax treaty, a nonresident holder of the company's shares may file a claim for a refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information and may also involve the filing of a judicial appeal, it may be impractical to pursue such a refund.

Transfer taxes (e.g., DST, local transfer tax) may be payable if the dividends declared are property dividends, depending on the type of property distributed as dividends. Stock dividends distributed pro rata to all the shareholders of the corporation are generally not subject to Philippine income tax. However, the subsequent sale, exchange, or disposition of shares in a domestic corporation received as stock dividends by the shareholder is subject to either: (a) stock transaction tax, if the transfer is through a local stock exchange, or (b) capital gains tax and DST, if otherwise.

Tax Treaties

The following table lists some countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

Table 1: Countries with which the Philippines has Tax Treaties

	Dividends (%)	Stock transaction tax on sale or disposition effected through the PSE (0.00%)[9]	Capital Gains tax due on disposition of shares outside the PSE (0.00%)
Canada	25[1]	0.6	May be exempt[13]
China	15[2]	Exempt[10]	May be exempt[13]
France	15[3]	Exempt[11]	May be exempt[13]
Germany	15[4]	Exempt[12]	May be exempt[13]
Japan	15[5]	0.6	May be exempt[13]
Singapore	25[6]	0.6	May be exempt[13]
United Kingdom	25[7]	0.6	Exempt[14]
USA	25[8]	0.6	May be exempt[13]

Notes:

1. *15% if recipient company which is a resident of Canada controls at least 10% of the voting power of the company paying the dividends; 25% in all other cases.*
2. *10% if the recipient company which is the beneficial owner of the dividends holds directly at least 10% of the capital of the company paying the dividends; 15% in all other cases.*
3. *10% if the recipient company (excluding a partnership) which is the beneficial owner of the dividends holds directly at least 10% of the voting shares of the company paying the dividends; 15% in all other cases.*
4. *5% if the recipient company (excluding a partnership) which is the beneficial owner of the dividends holds directly at least 70% of the capital of the company paying the dividends; 10% if the recipient company (excluding a partnership) which is the beneficial owner of the dividends*

holds directly at least 25% of the capital of the company paying the dividends; 15% in all other cases.

5. *10% if the recipient company which is the beneficial owner of the dividends holds directly at least 10% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six (6) months immediately preceding the date of payment of the dividends; 15% in all other cases.*
6. *15% if the recipient company which is the beneficial owner of the dividends owns at least 15% of the outstanding shares of the voting stock of the paying company during the part of the paying company's taxable year which precedes the date of payment of dividends and during the whole of its prior taxable year (if any); 25% in all other cases.*
7. *15% if the recipient company which is the beneficial owner of the dividends controls directly or indirectly at least 10% if the voting power of the company paying the dividends; 25% in all other cases.*
8. *20% if the recipient company owns at least 10% of the outstanding shares of the voting stock of the paying company during the part of the paying corporation's taxable year which precedes the date of payment of dividends and during the whole year of its prior taxable year (if any); 25% in other cases. Notwithstanding the rates provided under the Convention between the Government of the Republic of the Philippines and the Government of the United States of America with respect to Taxes on Income, corporations which are residents of the United States may avail of the 15% withholding tax rate under the tax-sparing clause of the Philippine Tax Code provided certain conditions are met.*
9. *Article 2(1)(b) of the Agreement between the Government of the Republic of the Philippines and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed on November 18, 1999.*
10. *Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic Signed on January 9, 1976 was signed in Paris, France on June 26, 1995.*
11. *Article 2 (3)(a) of Agreement between the Government of the Republic of the Philippines and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxes on Income and Capital signed on September 9, 2013.*
12. *Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.*
13. *Capital gains on the sale of shares of stock in a domestic corporation are taxable only in the country where the seller is a resident, provided the assets of the company whose shares are being sold does not principally consist of real or immovable property situated in the Philippines; otherwise, the sale is subject to Philippine taxes.*
14. *Under the income tax treaty between the Philippines and the United Kingdom, capital gains on the sale of the stock of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.*

When availing of capital gains tax exemption on the sale of shares of stock under a tax treaty, a tax treaty exemption certificate or ruling shall be necessary in order to completely implement the transfer. For sale of shares made outside the PSE, a certificate authorizing registration (CAR) from the BIR is required before the transfer is registered in the stock and transfer book. The BIR issues the CAR only after verifying that the applicable taxes have been paid. Thus, in lieu of proof of payment of capital gains tax, the tax treaty relief certificate or ruling should be submitted to the BIR office processing the CAR.

On 31 March 2021, the BIR issued Revenue Memorandum Order No. 14-2021 which repealed the provisions of Revenue Memorandum Order No. 8-2017 (*Procedure for Claiming Tax Treaty Benefits for Dividend, Interest and Royalty Income of Nonresident Income Earners,* dated 24 October 2016) insofar as the submission of a Certificate of Residence for Treaty Relief (CORTT) in order to avail of preferential treaty rates. Such submission of a CORTT shall be discontinued, provided that previously submitted CORTT Forms prior to effectivity of Revenue Memorandum Order No. 14-2021 shall still be forwarded to the relevant Revenue District Offices for compliance checks. The said revenue memorandum order streamlined the process in securing tax treaty relief. A withholding agent or income payor may decide whether to apply the preferential tax treaty rates based on the prescribed documents submitted by a non-resident taxpayer prior to payment of income for the first time. Should the withholding agent or income payor decide to apply the preferential tax treaty rate, the said withholding agent or income payor is required to file with the BIR-International Tax Affairs Division (ITAD) at any time after the payment of the withholding tax but in no case later than the last day of the fourth month following the close of the relevant taxable year a request for confirmation on the propriety of the withholding tax rates applied. Should the withholding agent or income payor decide not to apply the preferential tax treaty rate, the nonresident taxpayer may at any time after receipt of income file a tax treaty relief application with the BIR- International Tax Affairs Division.

IPO Tax

Republic Act No. 11494, otherwise known as the Bayanihan to Recover As One Act took effect on 15 September 2020. Section 6 of this law repealed Section 127(B) of the Philippine Tax Code on the IPO Tax. As such, the Offer Shares is not subject to the IPO Tax.

Under Revenue Regulations No. 23-2020 issued by the BIR, tax on shares of stocks sold, bartered, exchanged or other disposition through IPO provided under Section 127(B) of the Philippine Tax Code is repealed. Every sale, barter, exchange, or other disposition through IPO of shares of stock in closely held corporations shall no longer be subject to IPO Tax.

Sale, Exchange, or Disposition of Common Shares after the IPO

Capital Gains, if Sale was made Outside of the PSE

The net capital gains realized from the sale, exchange, or other disposition of shares of stock outside the facilities of the PSE by an individual citizen, resident alien, or a domestic corporation (other than a dealer in securities) during each taxable year are subject to capital gains tax at the rate of 15% of the net capital gains realized during the taxable year. For non-resident alien individuals, such sale, exchange, or disposition is also taxable at the rate of 15%, except that this constitutes final withholding tax.

Upon the effectivity of CREATE Law, the net capital gains realized by a resident foreign corporation or a non-resident foreign corporation during each taxable year from the sale, exchange, or disposition of shares of stock in a domestic corporation outside the facilities of the PSE are subject to 15%:

The transfer of shares shall not be recorded in the books of a company, unless the BIR certifies that the capital gains and DST relating to the sale or transfer have been paid, or where applicable, a tax treaty relief has been confirmed by the International Tax Affairs Division of the BIR or other conditions have been met.

Taxes on Transfer of Shares Listed and Traded at the PSE

Unless an applicable treaty exempts the sale from income and/or percentage tax, a sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident shareholder (other than a dealer in securities) is subject to a stock transaction tax at the rate of 0.6% of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed. This tax is required to be collected by and paid to the Government by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax and is in lieu of a capital gains tax. Under certain tax treaties, the exemptions from capital gains tax discussed herein may not be applicable to stock transaction tax.

In addition, VAT of 12% is imposed on the commission earned by the PSE-registered broker and is generally passed on to the client.

Tax-Free Exchanges of Property

Pursuant to CREATE, the BIR issued Memorandum Circular No. 19-2022 dated 4 February 2022 in relation to Section 40 (C) (2) of the National Internal Revenue Code and Section 8 of BIR Revenue Regulation 5-2021. MC No. 19-2022 in essence exempts tax-free exchanges of properties from the requirement of a prior favorable opinion from the BIR. Previously, tax free exchanges of property (such as shares for assets, assets for assets or shares for shares) were subject to a prior favorable opinion from the BIR; otherwise, the exchange will be fully taxable on the part of the owners of the properties exchanged with respect to any gains realized from the exchange.

Documentary Stamp Tax

Under the TRAIN Act, the original issue of shares of stock is subject to DST of ₱2.00 for each ₱200.00 par value, or fraction thereof, of the shares of stock issued.

The transfer of shares of stock is subject to a DST of ₱1.50 for each ₱200.00 par value or a fractional part thereof of the share of stock transferred. The DST is a neutral tax and parties to the transaction may contractually agree on who will shoulder and remit the tax.to the tax authorities. However, the sale, barter, or exchange of shares of stock listed and traded at the PSE is exempt from DST.

Estate and Gift Taxes

Under the TRAIN Act, the transfer of the Common Shares upon the death of a registered holder to his heirs by way of succession, whether such an individual was a citizen of the Philippines or an alien, regardless of residence, will be subject to Philippine estate tax at a rate of 6% based on the value of the net estate. Under the TRAIN Act, the transfer of the Common Shares by gift or donation would be subject to a uniform rate of 6% for both individuals and corporate holders.

Estate and gift taxes will not be collected in respect of intangible personal property, such as shares, (a) if the deceased at the time of death, or the donor at the time of donation, was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country, or (b) if the laws of the foreign country of which the deceased or the donor was a citizen and resident at the time of his death or donation allow a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

Revenue Regulations No. 006-08 prescribes that in case the fair market value of the shares of stock sold, bartered or exchanged is greater than the amount of money and/or fair market value of the property received, the excess of the fair market value of the shares of stock sold, bartered or exchanged over the amount of money and the fair market value of the property, if any, received as consideration shall be deemed a gift subject to the donor's tax under the Tax Code. Nevertheless, Section 100 of the Tax Code provides that a sale, a sale, exchange, or other transfer of property made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

Income Tax Holiday

Pursuant to the Renewable Energy Act of 2008, renewable energy projects are entitled to an ITH of seven (7) years from commencement of commercial operations. For RE projects, the start of commercial operations shall refer to the state at which the RE plant generated the first kilowatt-hour of energy after commissioning or testing, or two (2) months from the date of such commissioning or testing, whichever comes earlier, as certified by the DOE.

Application for registration must be accompanied by a copy of the DOE Certificate of Registration, Certificate of Accreditation or DOE endorsement, whichever is applicable. Applicant enterprises shall elect to be governed by the provisions of E.O. No. 226 otherwise known as the Omnibus Investment Code or the Renewable Energy Act of 2008 at the time of their application for registration.

Notwithstanding the changes brought by CREATE Law on the rationalization of tax incentives, ITH granted to BOI-registered RE Developers are not affected.

Taxation outside the Philippines

Shares of stock in a domestic corporation are considered under Philippine law as situated in the Philippines and the gain derived from their sale is entirely from Philippine sources; hence, such gain is subject to Philippine income or capital gains tax and the transfer of such shares by gift (donation) or succession is subject to the donors' or estate taxes stated above.

The tax treatment of a foreign or non-resident shareholder in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax considerations of foreign or non-resident holders of shares of stock under laws other than those of the Philippines.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS/HER OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING, AND DISPOSING OF THE SUBJECT SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, AND NATIONAL TAX LAWS.

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LEGAL MATTERS

Certain legal matters as to Philippine law relating to the Offer Shares were passed upon by Martinez Vergara & Gonzalez Sociedad Law Offices for the Company and by Romulo Mabanta Buenaventura Sayoc & de los Angeles for the Underwriters. Matters requiring the opinion of independent counsel shall be passed upon by Cayetano Sebastian Ata Dado & Cruz.

Each of the foregoing legal counsels has neither shareholding in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for securities in the Company. None of the legal counsels will receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer Shares.

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INDEPENDENT AUDITORS

The audited financial statements of the Company as of December 31, 2019, 2020, and 2021, and June 30, 2022 and September 30, 2022 and for the years ended December 31, 2019, 2020, and 2021 and for three-month periods ended September 30, 2022 and 2021 and six-month periods ended June 30, 2022 and 2021 have been audited by SGV, a member firm of Ernst & Young Global Limited, independent auditors, as set forth in their report appearing herein.

The following table sets out the aggregate fees billed for each of the last 3 calendar years for professional services rendered by SGV.

Audit and Non-Audit Related Fees			
Amounts in ₱	**December 31, 2019**	**December 31, 2020**	**December 31, 2021**
Audit and Audit-Related Fees[(1)]	1,921,100.00	1,971,100.00	2,570,090.00
Non-Audit Services [(2)]	1,131,358.00	229,600.00	533,554.94
Total	**3,052,458.00**	**2,200,700.00**	**3,103,644.94**

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. This includes tax advisory fees and other non-audit services rendered by SGV for the last three (3) calendar years.*

In 2022, the Company engaged the services of SGV & Co. to review of financial model of Palau project for which the Company paid ₱1.1 million.

Except for the abovementioned services, the independent auditor provided no other types of services.

SGV & Co. has acted as the Company's independent auditor since its incorporation in 2008. Ms. Leovina Mae V. Chu is the current audit partner and has served as such since 2016. The Company has not had any material disagreements on accounting and financial disclosures with SGV & Co. SGV & Co. has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. SGV & Co. will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission of the Philippines.

Audit and Risk Management Committee

The Audit and Risk Management Committee shall be responsible for: recommending the appointment of external auditors whose report they review; monitoring the system of internal controls and corporate compliance with laws, regulations, and code of ethics; and serve as a direct channel of communications to the Board for the internal auditors.

The Audit and Risk Management Committee performs oversight functions over the Company's external auditors. It should ensure that the external auditors act independently from 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 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. It reviews the reports submitted by the internal and external auditors.

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.

APPENDICES

APPENDIX A. Consolidated Audited Financial Statements as of and for the years ended December 31, 2018, 2019, 2020, 2021 and as of September 30, 2022 and June 30, 2022 and for the three-month periods ended September 30, 2022 and 2021 and six-month periods ended June 30, 2022 and 2021

APPENDIX B. Unaudited Pro Forma Financial Statements as of December 31, 2021 and for the years ended December 31, 2019, 2020, 2021 and six months ended June 30, 2022

APPENDIX C. KSEC Audited Financial Statements as of and for the years ended December 31, 2018, 2019, 2020, 2021 and nine months ended September 30, 2022