

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 12-1, AS AMENDED

REGISTRATION STATEMENT UNDER THE SECURITIES REGULATION CODE



1. SEC Identification Number CS201019693

2. KING ENERGY GENERATION, INC.  
Exact name of registrant as specified in its charter

3. Misamis Oriental, Philippines  
Province, country or other jurisdiction of incorporation or organization

4. 007-935-629-000  
BIR Tax Identification Number

5. A stock corporation with primary purpose to build, construct, erect, own, equip, install, operate, maintain, sell and lease power generation plants and related facilities, machineries, equipment for the generation and supply of electric power utilizing any fuel or energy source; to provide ancillary services and to supply services such as billing, collection, customer service, energy trading and electricity sales for the contestable market and/or customers, including, but not limited to, electric cooperatives and private distribution utilities.  
General character of business of registrant.

6. Industry Classification Code: (SEC Use Only)

Address: Misamis Oriental Power Plant (MOPP1), Along National Highway, Brgy. San Luis, Gingoog City, Misamis Oriental, Philippines, 9014

Telephone No.: 0917-713-8782

Fax Machine: Not Applicable

Address, including postal code, telephone number, FAX number including area code, of registrant's principal offices

7. Not Applicable

If registrant is not resident in the Philippines, or its principal business is outside the Philippines, state name and address including postal code, telephone number and FAX number, including area code, and email address of resident agent in the Philippines.

8. Fiscal Year Ending Date (Month and Day) : December 31

### Computation of Registration Fee

Title of each class of securities to be registered	Amount to be registered	Proposed Maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common Shares	4,500,000.00	122.026709	549,10,190.50	
Common Shares	25,500,0000.00	100	2,550,000,000.00	
<b>TOTAL</b>	<b>30,000,000.00</b>		<b>3,099,120,190.50</b>	<b>1,337,280.05</b>

Registration Fee is broken down as follows:

SEC Registration Fee	PhP	1,337,280.05
UP Legal Research Fee		13,372.80
Documentary Stamp Tax		30.00
<b>TOTAL</b>	<b>PhP</b>	<b>1,350,682.85</b>

Registration Statements filed pursuant to Section 12 of the Code shall be accompanied  
by a fee as follows:

Maximum aggregate price of securities to be offered	Amount of filing fee
Not more than P500 Million	0.10% of the maximum aggregate price of the securities to be offered
More than P500 Million but not more than P750 Million	P500,000 plus 0.075% of the excess over P500 Million
More than P750 Million but not more than P1 Billion	P687,500 plus 0.05% of the excess over P750 Million
More than P1 Billion	P812,500 plus 0.025% of the excess over P1 Billion

In the case of warrants which have no issue value, the filing fee shall be P50,000.

A legal research fee of 1% of the filing fee paid for filings made pursuant to SRC Rule 8.1  
shall also be paid at the time of the filing.



**KING ENERGY GENERATION, INC.**  
(A corporation organized under Philippine laws)

This Prospectus relates to the offer of 4,500,00 shares of KING ENERGY GENERATION, INC. ("KEGI"), to be offered at Net Asset Value Per Share ("NAVPS"). However, per SEC mandate, all 30,000,000 common shares, unissued and issued, shall be registered.

The gross proceeds of the 4,500,000 Offer Shares are estimated at PhP549,120,190.50 (computed as follows: 4,500,000 unissued shares by multiplying by PhP122.026709/share offer price – NAVPS as of 12/31/2021).

The 4,500,000 share being offered is a compliance with the mandate of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), as well as its Implementing Rules and Regulation in which generation companies, where KEGI belongs, which are not publicly listed shall offer and sell to the public a portion not less than fifteen percent (15%) of their common shares. As of year 2021, KEGI has 30,000,000 authorized common shares, on which 15% is 4,500,000 common shares.

The net proceeds from the sale of securities will be used to invest in renewable generation sources. For more detailed discussion, please refer to the section entitled "Use of Proceeds".

The Offer Shares are being offered in the Philippines through the STOCK-PUBLIC OFFERING DIVISION – KEGI ("SPOD-KEGI"). Since SPOD-KEGI is part of KEGI, it will not be paid any fees in relation to transactions involving transfers of stocks. It will only be paid remuneration as managers, supervisors and employees. For more detailed discussion on SPOD-KEGI, please refer to the section entitled "Plan of Distribution".

All the offered shares are common shares, voting with identical rights and privileges, and may be owned by any person or entity, regardless of nationality. The shares are eligible for payment of dividends, which depends, among other factors, upon the funds unrestricted retained earnings, cash flow and financial condition.

The Board of Directors of KEGI has the power to fix and determine the amount to be reserved or provided for declaration and payment of dividends from KEGI's unrestricted retained earnings. The amount of such dividends (either in cash, stock, property or combination of the foregoing) will depend on KEGI's profits, cash flows, capital expenditure, financial condition, and other factors and will follow SEC's guidelines on determining retained earnings available for dividend declaration. The existence of surplus profit is a condition precedent before a dividend can be declared. The surplus profits or income must be a bona fide income founded upon actual earning or profits. Actual earnings or profits shall be the net income for the year based on the audited financial statements, adjusted for unrealized items, capital expenditure, investment objective and financial condition.

Dividends so declared will be automatically reinvested in additional shares on behalf of the shareholders, without sales charges, at the NAVPS on the payment date established for such dividends. Shareholders may also elect not to have dividends reinvested and receive payment in cash, net of tax.

Unless otherwise stated, the information contained in this Prospectus has been supplied by KEGI, which accepts full responsibility for the accuracy of the information and confirms, having made all reasonable inquiries, that to the best of its knowledge and belief, there are no material facts the omission of which would make any statement in this Prospectus misleading in any material respect. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the date hereof.

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

**EDELYN JANE A. SALVAME**  
President

**SUBSCRIBED AND SWORN TO BEFORE ME** this \_\_ day of \_\_\_\_\_ 2022 in \_\_\_\_\_, affiant exhibiting to me his Passport P3611431B issued by Department of Foreign Affairs.

Notary Public

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**PRINCIPAL PARTIES TO THE OFFER**

**REGISTRANT**

**KING ENERGY GENERATION, INC. (KEGI)**

Misamis Oriental Power Plant (MOPP1), Along National Highway, Brgy. San Luis,  
Gingoog City, Misamis Oriental, Philippines, 9000

[KEGI@kingenergy.info](mailto:KEGI@kingenergy.info)

[myp@kingenergy.info](mailto:myp@kingenergy.info)

Contact No. 0917-802-4216

**INVESTMENT COMPANY ADVISER, DISTRIBUTOR AND TRANSFER AGENT**

**STOCK - PUBLIC OFFERING DIVISION – KEGI (SPODKEGI)**

Tepolo St. Purok 10 Baloy,

Cagayan de Oro, 9000 Misamis Oriental

[myp@kingenergy.info](mailto:myp@kingenergy.info)

Contact No. 0917-802-4216

**CUSTODIAN BANK**

**BDO UNIBANK, INC.**

Limketkai Branch

Cagayan de Oro City

**LEGAL COUNSEL**

**ATTY. ALBERT WENCES C. DABA III**

Patag, Cagayan de Oro City

**INDEPENDENT AUDITOR**

**BACONGA PATRIANA & CO.**

TTK Tower Imperial Appliance Plaza Building,

Don Apolinar Velez St, Cagayan de Oro, 9000 Misamis Oriental

**GLOSSARY**



## GLOSSARY

ACS	Authorized Capital Stock
BANKING DAYS	Are days other than Saturdays, Sundays and other legal holidays or days on which the principal office of the Bank is closed.
BDO	Banco De Oro Unibank, Inc.
BETZ LAW	Betz's law indicates the maximum power that can be extracted from the wind, independent of the design of a wind turbine in open flow. It was published in 1919 by the German physicist Albert Betz.
BSP	Bangko Sentral ng Pilipinas
BUSINESS DAY	Are days from Monday to Saturday, from 10:00 AM to 3:00 PM, except for declared non-working holidays and declared non-working days due to calamities, emergencies and all categories under fortuitous event.
COMMON STOCK	Common stocks can be defined as securities that represent individuals' ownership in a said corporation and their claim on the venture's accrued profits. Such stock option offers individuals a power to elect the company's board of directors and further extends them voting rights to formulate corporate policies.
COS	Certificate of Stock
DFFS	Deposit for Future Subscription
DSC	Deferred Sales Charge is a charge you pay when you sell your shares.
DU	Distribution Utilities
KEGI	King Energy Corporation Inc.
LGU	Local Government Unit
NAVPS	Net Asset Value Per Share
OFFER	The offering for subscription of additional shares of common stock at an offer price of the current NAVPS.



- ensuring that business units identify plausible risk scenarios;
- Ensuring that risk-based measurement and reporting metrics, including risk limits and exception reporting are established; assigning risk category to the final risk lists;
- Providing expertise in the development of action plans to address the risks identified;
- Reviewing and updating the risk report quarterly; identifying and escalating as appropriate any missed target dates for key risk action plans; and
- Providing documented quarterly status updates on key risks to the audit and compliance committee.

The Risk Officer shall report to directly to the Board of Directors.

Pursuant to the foregoing, the Risk Officer has identified the risks enumerated below in the order of their importance:

**Equity Risk:** Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic picture influence its stock price. When the economy is expanding, the outlook for many companies will be positive and the value of their stocks should rise. The opposite is also true. The value of **KEGI** is affected by changes in the prices of the stocks it holds. The risks and potential rewards are usually greater for small companies, start-ups, resource companies and companies in emerging markets.

**Index Risk:** The performance of **KEGI** may not precisely duplicate the performance of the benchmark index being used. **KEGI** may rebalance the portfolio to account for changes in the composition or valuation of the stocks within the index. This creates the possibility of a marked difference between **KEGI's** performance and that of the Index. Lacking active risk management, **KEGI** is fully exposed to all of the changes to the market benchmark. Considering that this risk is inherent to the **KEGI**, investors must be fully aware of it prior to investing.

**Liquidity Risk:** **KEGI** is usually able to service redemptions of investors within seven (7) business days after receipt of the notice of redemption by paying out redemptions from available cash or cash equivalents. When redemptions exceed these liquid holdings, **KEGI** will have to sell less-liquid assets, and during periods of extreme market volatility, **KEGI** may not be able to find a buyer for such assets. Consequently, **KEGI** may not be able to generate enough cash to pay for the redemptions within the normal 7-day period.

**KEGI** manages liquidity risk in a variety of ways. First, at least 5% of total assets are in the form of cash or cash equivalents. Second, **KEGI** invests a majority of their money in securities and issues with sufficient liquidity to ascertain that **KEGI** will be able to meet its financial obligations in a timely manner.

The following are additional risks present in managing **KEGI**, however, non-quantifiable.

**Passive Management Risk:** **KEGI** is a passively managed **KEGI**. Passively managed **KEGIs** would not sell a security if the security's issuer was in financial trouble, unless the security is removed from the applicable index being replicated. The passively managed **KEGI** must continue to invest in the securities of the index, even if the index is performing poorly. That means the passively managed **KEGI** won't be able to reduce risk by diversifying its investments into securities listed on other indices. As a result, the performance of a passively managed **KEGI** may differ significantly from the performance of an actively managed **KEGI**.

**Large Transaction Risk:** if an investor in **KEGI** makes a large transaction, **KEGI**'s cash flow may be affected. For example, if an investor redeems a large number of shares of **KEGI**, it may be forced to sell securities and other liquid assets at unfavourable prices to pay for the proceeds of redemption. This unexpected sale may have a negative impact on the net asset value of **KEGI**.

**Non-Guarantee Risk:** Unlike deposits made with banks, an investment in the **KEGI** is neither insured nor guaranteed by the Philippine Deposit Insurance Corporation



of their Common Shares of Stock Pursuant to Section 43 (t) of Republic Act No. 9136 and Rule 3, Section 4 (m) of its Implementing Rules and Regulations (IRR).”

Hence, **KEGI** has no immediate need for cash inflows that needs to be financed by selling **KEGI**'s shares of stocks. KEGI is offering to the public its shares of stock as compliance to ERC's resolution and mandate.

However, proceeds from the sale of the Offer Shares shall be invested in the following:

(1) Investment in renewables sources

Renewable energy is energy derived from natural sources that are replenished at a higher rate than they are consumed. The following are the possible renewable energy projects planned by KEGI:

### **Solar Energy**

From a geographic standpoint, the Philippines (Mindanao) is a strong candidate for the solar power implementation. According to a study conducted by the Nation Renewable Energy Laboratory, the Philippines has an average solar energy potential of 4.5 kWh/m<sup>2</sup> per day throughout the country. Due to the amount of sunlight that the Philippines is exposed to throughout the country, developing solar plants is a good choice in terms of developing alternate energy solutions.

Because of several key benefits that solar energy possesses, it provides a valid solution to the increasing energy needs of the country. The Philippines has enacted legislature in recent years to encourage solar energy as an option, and this action has already proven to be useful in meeting the country's energy needs. Moving forward, it makes sense for the country to continue along this path, as continued investments in solar will continue to benefit the country and help meet its energy needs.

**KEGI** has identified several benefits in investing in solar power plants. First, Solar energy has the least negative impact on the environment compared to any other

energy source. It does not produce greenhouse gases and does not pollute the water. It also requires very little water for its maintenance, unlike nuclear power plants for example, needing 20 times more water. Solar energy production does not create any noise, which is major benefit, since a lot of solar installations are in urban areas.

Secondly, energy demand tends to be higher in the 11:00-16:00 time frame and then early in the evening. Naturally, this is the period when the price of the electricity peaks. Solar energy happens to reach its maximum production capacity during those hours. Electricity produced at that time has higher value than if it was generated at night.

Third, solar energy can be deployed and constructed anywhere in Mindanao. This is particularly useful for remote regions with no access to any other source of electricity.

Fourth, KEGI is committed to provide affordable power supply to its clients. But around 3-5% of energy is lost during transportation and distribution to clients. The longer the distances between the production and the supply points, the more energy is lost. And these losses are charged to the electricity end-users (e.g. households and establishments) as System Loss. Building Solar Power Plants near distribution utilities (clients) significantly reduces energy loss.

Fifth, also one of **KEGI's** commitment to provide reliable and stable energy to clients, building and investing in Solar Power Plants improves Grid Security. The grid is less vulnerable to blackouts if there are many power plants which are spread out. A grid with high penetration of solar energy has thousands of energy production centres which are widely spread out. This improves the security of the grid in case of overload, natural or human-caused disasters.

And lastly, is job creation. Large part of the cost associated with solar systems comes from the installation of the panels. This contributes to local job creation. Using solar systems boosts the economy and positively affects the local community.

## **Wind Energy**

The Philippines and in particular Mindanao (being an island) has significant onshore and offshore wind potential, but it has remained largely untapped. And **KEGI** plans to venture and utilize wind power in Mindanao.

According to the Department of Energy (DOE), The Philippines has an onshore wind installed capacity of 443 megawatts as of 2020. There is significant potential to expand the generation of wind power, especially offshore where wind farms generate more power because of higher wind speeds. A 2021 study by the World Bank identified the country's 3 gigawatts (GW) offshore wind potential by 2040, making up 3 percent of the country's electricity supply. Analysis of the high growth scenario by the Bank shows the potential to install 21GW making up 21 percent of the country's electricity supply as well as support job creation and low-cost sustainable energy.

KEGI also identified benefits in building a Wind Power Plant. First, like with Solar Energy, Wind Energy is also almost everywhere. Not only is wind present almost everywhere, the Philippines have an agency (PAGASA) which studies, monitors and provide information on where wind blows most frequently and powerfully. So it's easy to identify locations on where to build Wind Power Plants.

Secondly, wind power is consistent in the medium and long-term. Unlike Solar Power, wind does not generally depend on specific times of day or the alternation of day and night. So it's a resource that in the medium to long-term offers an excellent guarantee of regularity.

Thirdly, wind power has excellent conversion efficiency. The transformation of wind power into electricity has already reached impressive performance levels. Efficiency ranges from 40% to 50%: very close to the maximum theoretical level, which according to Betz's law is 59%.

Fourth, wind power occupies very little land. Even though they're installed on land, wind turbines do not take up much space. The blades extend vertically and the size at



the base is almost negligible, especially compared with photovoltaic plants, which makes wind power compatible with other uses of the land at the same time.

Fifth, wind power environmental impact is minimal. Although the visual aspect and the low level of noise pollution caused by the rotation of the turbine blades are still a work in progress in order to make wind plants even more environmentally friendly, it's worth noting that the actual impact today is, nonetheless, extremely limited. Wind power is, in fact, the green source with the lowest overall impact because any emissions and consumption of resources is limited solely to the production, transport and installation of the plant.

Sixth, wind power is a green source that is truly economical. Compared to other energy sources, wind power has very low installation and operating costs. Construction times are short: from two to twenty-four months depending on the size of the plant. Moreover, technological advances are driving costs down even further, with a cost per kilowatt hour of energy produced that has become negligible. Finally, wind power is increasingly accessible thanks in part to national incentives, which have reduced the cost to the end user and reduced costs more generally, thanks to the increasingly low cost of this technology.

Seventh, wind power maintenance is simple and only occasionally necessary. Unless there are breakages or exceptional events, which are nonetheless increasingly rare thanks to models that are more and more reliable and digital monitoring systems that are enabling ever higher performance levels, maintenance is minimal and inexpensive. In fact, towers and turbines can stay in operation for years without needing any interventions; with small adjustments they can continue to operate for periods in excess of twenty years.

And lastly, wind power has excellent circularity in the end-of-life phase. It can be said that wind plants are almost perfectly reversible. At the end of their working lives, it's possible to recover practically everything: the land on which they are positioned can be completely returned to its former state, the plant itself can be dismantled into its basic components and the materials can then be recycled. In fact, the same raw

materials can be used to create a new latest generation plant, in line with the circular economy model.

## **Geothermal Energy**

Geothermal energy is a form of renewable energy produced by heat from the earth. It is considerably safer than most other energy sources. The Philippines is identified as one of the world's possible top producers of geothermal power, as it is located along the Ring of Fire zone of Pacific volcanoes. As of February 2021, there were 15 strato volcanoes within the Mindanao region of the Philippines (PHILVOLCS).

KEGI also identifies benefits in constructing geothermal power plants. First, geothermal energy is always available. Aside from being essentially unlimited like many other renewables, geothermal energy is always available. It is not impacted upon by whether it is day or night like solar energy, and does not depend on season, climate or weather conditions like wind and solar power. On average, a geothermal power plant will produce energy for around 8,600 hours a year.

Secondly, geothermal is a silent energy. At least while functioning at full capacity, geothermal power plants produce negligible and imperceptible noise levels. During the construction phase of the plants – including excavations – a certain amount of noise is inevitable, but once construction is complete, everything is silent. This applies to both domestic systems and outside larger power stations that have at most several turbines spinning.

Thirdly, geothermal energy provides more energy for the same nominal power. Because delivery is constant, geothermal energy can work at full capacity non-stop (maintenance aside). This means that the resulting amount of energy will be the equivalent of the power multiplied by the hours of use. This is very different to photovoltaic, hydroelectric and wind systems, which only rarely work at full capacity. So more energy is produced for the same nominal power.

Fourth, geothermal power plants are long-lasting, safe and reliable. Both domestic and large scale plants have very long average life spans – up to 80 to 100 years. This is extraordinary longevity compared to a domestic boiler, which normally lasts around 15 years. The fact that there are no fuels involved also means there is no risk of fire, and the long experience we have gained with this type of system guarantees excellent reliability.

And lastly, geothermal power plants requires very little maintenance. Particularly when it comes to domestic use, geothermal plants do not require any special maintenance. As they are closed systems, the pressure of the fluid in the piping self-regulates, and the number of electrical and mechanical elements that can break down is also very small.

## **Hydropower Energy**

KEGI is also planning Micro Hydropower Plants. Potential sites for mini and micro-hydro projects are evenly distributed in all the regions especially in Mindanao. The National Electrification Administration (NEA), National Power Corporation (NPC) and the DOE have studied specific mini-hydro potential sites and have lined them up as indicative projects.

Also, building Micro Hydropower Plants is supported and encourage by RA 7156, or the Mini-Hydro Law. The said law provides he following rights and privileges of mini-hydro developers, as follows: (1) Special privilege tax rates - Tax payable by developers/grantees to develop potential sites for hydroelectric power and to generate, transmit and sell electric power shall be 2 percent of their gross receipts; (2) Income tax holiday for seven (7) years from start of commercial operations; (3) Tax and duty free importation of machinery, equipment and materials- Exemption from payment of tariff duties and value-added tax (VAT) on importation of machinery and equipment (within seven (7) years from date of awarding of contract); (4) Tax credit on domestic capital equipment - For developers who buy machinery, equipment, materials and parts from a local manufacturers, tax credit is given equivalent to 100 percent of value of VAT and custom duties that would have been paid to import said machinery, equipment, etc.; (5) Special realty tax rates on equipment and machinery - Realty and

other taxes on civil works, equipment, machinery and other improvements of a registered mini-hydroelectric power developer shall not exceed 2.5 percent of their original cost; and (6) VAT Exemption - Exemption from payment of 10 percent VAT on gross receipts derived from sale of electric power whether wheeled via the NPC grid or electric utility lines.

KEGI also identifies benefits in building Micro Hydropower Plants. First, Micro Hydropower plants is decentralised, renewable, robust, and simple technology. It only takes a small amount of flow (as little as few litres per minute) or a drop as low as 1 m to generate electricity with micro hydro. Electricity can be delivered as far as 1 km away to the location where it is being used. If planned carefully and well adapted to the environmental conditions, micro hydropower schemes produce a continuous and predictable supply of electrical energy in comparison to other small-scale renewable technologies.

Secondly, Micro Hydropower plants has low distribution and running costs (requires no fuel and only low maintenance) as well as local implementation and management.

Thirdly, Micro Hydropower plants is a durable and robust technology; systems typically last for 50 years or more without major new investments. Hence, it is also cost effective.

Lastly, Micro Hydropower plants promotes alternative hydro development. The run-of-river schemes of construction will allow for a balance of river ecosystems while providing communities dependent on the river for their livelihood to co-exist with hydropower projects.

## (2) Investing in stocks that make up the Philippine Stock Exchange Index (PSEi)

Although not a primary option for the utilization of proceeds from sales of shares of stocks, KEGI may venture into investing with securities traded in the PSE. However, KEGI's management shall be guided by its investment policies and legal limitations and

(3) all other ventures deemed necessary by the Board of **KEGI**.

All the proceeds from the sale of shares, including the original subscription payments at the time of incorporation constituting the paid in capital of the **KEGI** shall be held by the **KEGI**'s custodian bank.

**KEGI** shall not make loans to other interested persons such as members of its Board of Directors, officers of the **KEGI** and any of its affiliates/affiliated corporations. **KEGI** will not be utilizing the proceeds to settle any existing indebtedness or obligation.

Expenses charged to **KEGI** include, but are not limited to, SEC filing fees, documentary stamp taxes, registration statement fees, transfer, management and distribution fees.

Below are the estimated expenses for the registration of the Offer Shares:

Estimated Expenses for the Registration of the Company

SEC Registration Fees	PhP	1,337,280.05
Legal Research Fee		13,372.80
Documentary Stamp Tax		30.00
Publication		500,000.00
Formation of SPOD-KEGI		1,000,000.00
Professional Fees		<u>500,000.00</u>
<b>TOTAL</b>	<b>PhP</b>	<b><u>3,350,682.85</u></b>

The net proceeds of the **KEGI** are estimated to be as follows:

Gross Proceeds	PhP	549,120,190.50
Less: Estimated Expenses		<u>3,350,682.85</u>
Net Proceeds	PhP	<u>545,769,507.65</u>

The proceeds from the sale of the Offer Shares will not be used to reimburse any officer, director, employee or shareholder for service rendered, assets previously transferred, money loaned or advanced or otherwise.

**Item 5.** Determination of Offering Price.

Furnish the information required by [Part VI](#), paragraph (F) of “[Annex C, as amended](#)”.

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**DETERMINATION OF OFFERING PRICE**

The offer price will be the NAVPS at the end of the day. NAVPS is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and outstanding, plus the total number of units outstanding due to DFFS and for conversion to shares, if any, as of the end of the reporting day.

Completed subscriptions received **SPODKEGI** or its authorized distributors by 12 o'clock noon will be processed at the NAVPS determined by **SPODKEGI** at the close of business that day. If received after 12 o'clock noon, subscriptions will be processed and calculated for the next business day.

**KEGI** will compute and post the NAVPS on a daily basis and will publish such daily prices in its authorized websites.

**Item 6.** Dilution.

Furnish the information required by [Part VI](#), paragraph (G) of “[Annex C, as amended](#)”.

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**DILUTION**

The net tangible book value of the Company at December 31, 2022 was PhP4,740.965,019.00, or PhP 123.070819 per share. “Net tangible book value per share” represents the amount of total tangible assets less total liabilities, divided by



**SPODKEGI** serves as the **KEGI's** Principal Distributor. As principal distributor, **SPODKEGI** will continuously offer for sale shares of **KEGI** through its registered representatives legally qualified to sell **KEGI's** shares.

Any order for shares may be rejected by **SPODKEGI**. The **SEC**, **KEGI**, or **SPODKEGI** may suspend the continuous offering of shares to the general public at any time in response to conditions in the securities markets or otherwise and may thereafter resume such offering from time to time. Neither **SPODKEGI** nor the eligible agents are permitted to withhold placing orders to benefit themselves from a price change.

All proceeds from sale of shares/securities, including the original subscription/payments at the time of incorporation constituting the paid-in capital of **KEGI** shall be held by the designated custodian banks.

#### **CUSTODIANS OF PORTFOLIO SECURITIES**

BDO Unibank, Inc. (BDO) acts as **KEGI's** custodian. In consideration of the services to be rendered by the custodians, **KEGI** shall pay the custodian all fees, charges and obligations incurred from time to time for services rendered pursuant to the direct custodial services agreements between each registrant and custodian with the terms of the fees schedule specified from time to time by the custodian, upon prior notice to the registrants. The custodianship fees are usually quoted as a percentage per annum (% p.a.) of the securities' notional or market value, billed at every month-end. The designated custodians also charge transaction fees for the purchase and sale of portfolio securities, usually at a flat fee per transaction.

As custodian, BDO holds **KEGI's** investments, including the original subscriptions and payments at the time of incorporation, for safekeeping.

#### **INVESTMENT COMPANY ADVISER**



**KEGI** will not be offering and selling its shares of stocks in the PSE, since listing at the PSE is a more expensive mode of compliance with the mandate of ERC. Hence, **KEGI** will not be needing the services of accredited underwriters and any investment houses/corporation that will facilitate the buying and selling of its shares of stocks.

Rule 3, Section 4 (m) of the Implementing Rules and Regulation of RA 9135 recognize the registration of common shares in the SEC as one of the modes of public offering, to wit:

*“Rule 3, Section 4 (m)*

*Modes of Public Offering*

*The EPIRA mandates that generation companies and DUs which are not publicly listed shall offer and sell to the public a portion of not less than fifteen percent (15%) of their common shares of stocks. It does not provide that the only mode of offering is through listing in the PSE. In other words, public offering is not limited to listing in the PSE. Listing in the PSE is only one of the modes of public offering. Any offer of common shares of stocks for sale to the public through any of the following modes shall be deemed as public offering:*

- a. Listing of the generation companies and DUs in the PSE;*
- b. Registration of the common shares of stocks with the SEC;*
- c. Listing of the shares of stocks in any accredited stock exchange or direct offer of the portion of registered enterprises' capital stock to the public and/or their employees, when deemed feasible and desirable by the Board of Investment.”*

Also, on June 13, 2014, the SEC issued SEC-OGC Opinion No. 14-14, clarifying the statutory meaning of “Public Offering”, as follows:

*“Listing in an exchange is a form of public offering. By listing in an exchange, the issuer is randomly and indiscriminately offering for sale or selling of securities to the public. However, listing in an exchange is not the only form of public offering, pursuant to the*

*aforequoted Rule 3, Section (N) of the IRR of the SRC. Hence, public offering does not involve only listing in the stock exchange.”*

In addition, Securities Regulation Code of the SEC does not require the hiring of underwriters in the registration of securities to be sold to the public. Section 8 of Republic Act No. 8799 enumerates and provides the requirements of registration of securities, as provided below:

### *“CHAPTER III*

#### *REGISTRATION OF SECURITIES*

*Section 8. Requirement of Registration of Securities.– 8.1. Securities shall not be sold or offered for sale or distribution within the Philippines, without a registration statement duly filed with and approved by the Commission. Prior to such sale, information on the securities, in such form and with such substance as the Commission may prescribe, shall be made available to each prospective purchaser.*

*8.2. The Commission may conditionally approve the registration statement under such terms as it may deem necessary.*

*8.3. The Commission may specify the terms and conditions under which any written communication, including any summary prospectus, shall be deemed not to constitute an offer for sale under this Section.*

*8.4. A record of the registration of securities shall be kept in Register Securities in which shall be recorded orders entered by the Commission with respect such securities. Such register and all documents or information with the respect to the securities registered therein shall be open to public inspection at reasonable hours on business days.*

*8.5. The Commission may audit the financial statements, assets and other information of firm applying for registration of its securities whenever it deems the same necessary*

*to insure full disclosure or to protect the interest of the investors and the public in general.”*

Therefore, **KEGI** will be creating an office and will be called **STOCK - PUBLIC OFFERING DIVISION – KEGI (SPODKEGI)**. Its primary purpose is to manage, provide and render management and technical advice and service as far as may be permitted by law, to purchase, subscribe for or otherwise acquire, mortgage, sell or otherwise dispose of, and deal in **KEGI** securities including, but not limited to, stocks, bonds, notes, commercial papers and to promote, manage and participate in the distribution of this securities, to the extent provided by law.

There is no share designated to be sold to specified persons. No share is to be designated to an exchange and/or its members, or by an exchange to its members.

The services provided by **SPODKEGI** are subject to the supervision of its officers and directors. They include marketing **KEGI**, being responsible for investments, investor communications, **KEGI** accounting, shareholder record-keeping and other day-to-day administration of matters related to the corporate existence of **KEGI**, maintenance of records and preparation of shareholder reports, Board of Directors’ meetings and annual Shareholders’ Meetings.

**SPODKEGI** may engage the services of consultants and other persons or firms to furnish **SPODKEGI** statistical and other information, advice regarding economic factors and trends, information with respect to technical and scientific developments, and such other information, advice and assistance as **SPODKEGI** may desire, including investment management and other related duties.

## **TRANSFER AGENT**

**SPODKEGI** also serves as **KEGI**’s Transfer Agent. The transfer agent records transactions, cancels and issues certificates, processes investor mailings, and handles a host of other investor problems, including reissuing lost or stolen certificates, account/certificate registration, processing of dividend and capital gains cheques,







And since 2010, **KEGI** has expanded and built seven (7) power plants in Mindanao. And the following are the list of power plants maintained by **KEGI**, as follows:

- (1) Bukidnon 1 Power Plant (BPP-1) located at Brgy. Puntian, Quezon, Bukidnon;
- (2) Bukidnon II Power Plant (BPP-2) located at Brgy. Dologon, Maramag, Bukidnon;
- (3) Camiguin Power Plant (CPP) located at Brgy. Maubog, Mambajao, Camiguin;
- (4) Surigao Sur Power Plant (SSPP) located at Brgy. Talaje, Tandag City, Surigao Del Sur;
- (5) Misamis Oriental 1 Power Plant (MOPP-1) located at Brgy. San Luis, Gingoog City, Misamis Oriental;
- (6) Misamis Occidental II Power Plant (MOPP-2) located at Brgy. Map-an, Panaon, Misamis Occidental; and
- (7) Misamis Occidental III Power Plant (MOPP-3) located at Brgy. San Isidro, Jimenez, Misamis Occidental.

**KEGI** officially started its business operation last December 6, 2010 when its Articles of Incorporation was approved by the Securities and Exchange Commission and was issued a Certificate of Incorporation and Registration No. CS201019693.

(b) Information required by Part I, paragraph (B) of “[Annex C, as amended](#)”, Description of Property;

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**DESCRIPTION OF PROPERTY**

**KEGI** has financial assets in the form of cash, fixed income securities, and equity securities. As prescribed by SEC rules, all of the **KEGI**'s assets must be held by the custodian bank as disclosed on the inside back cover of this Prospectus.

(c) Information required by Part I, paragraph (C) of “[Annex C, as amended](#)”, Legal Proceedings;

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**LEGAL PROCEEDINGS**

There is no material pending legal proceeding to which **KEGI** or any of its affiliates is a party or in which any of its properties are the subject of the proceeding.

- (d) Where common equity securities are being offered, information required by Part II, paragraph (A)(1) through (4) of “**Annex C, as amended**”, Market Price of and Dividends on the Registrant’s Common Equity and Related Stockholder Matters;

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### MARKET PRICE FOR REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

#### Market Information

The shares of **KEGI** are traded over-the-counter, hence, there is no public trading for the registrant’s shares.

**KEGI**’s common stocks are available through the SPOD**KEGI** office.

#### Security Ownership of Certain Records and Beneficial Stockholders

The following are the stockholders of the Company as of June 30, 2022

Title of Class of Shares	Name, Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Amount of Shares Held	Percent
common	EDGARDO L. SALVAME, Casian, Taytay, Palawan	n/a	Filipino	743,200,000.00	29.15%
common	ROSALIE A. SALVAME Casian, Taytay, Palawan	n/a	Filipino	637,500,000.00	25.00%
common	ZHUANG FEI LONG,	n/a	Chinese	382,500,000.00	15.00%



	3315 Hoi lam HSE Hoi Fu CRT Mongkok, Kowloon, Hongkong				
common	CHONG MAN PING, 3315 Hoi lam HSE Hoi Fu CRT Mongkok, Kowloon, Hongkong	n/a	Chinese	382,500,000.00	15.00%
common	RAYMOND B. ANG, 16 Tepolo St. Baloy Tablon, Cagayan De Oro City	n/a	Filipino	255,000,000.00	15.00%
common	SALLY O. ANG, 16 Tepolo St. Baloy Tablon, Cagayan De Oro City	n/a	Filipino	127,500,000.00	5.00%
common	ROSALINDA A. VERGARA, 30 Frost Street, Filinvest 2, Batasan Hills, Quezon City, 2 <sup>nd</sup> District, NCR, 1126	n/a	Filipino	3,000,000.00	0.12%
common	EDWIN T. VERGARA, 30 Frost Street, Filinvest 2, Batasan Hills, Quezon City, 2 <sup>nd</sup> District, NCR, 1126	n/a	Filipino	3,000,000.00	0.12%
common	JOHN H. BANTOG, Brgy. Tulay na Patpat, Ibaan, Batangas	n/a	Filipino	2,000,000.00	0.08%
common	FELIX E. SANTINOR, Brgy. Lapu-lapu, Ibaan, Batangas	n/a	Filipino	2,000,000.00	0.08%

common	MA. ASUNCION S. MAGPANTAY, San Andres, Alaminos, Laguna	n/a	Filipino	2,000,000.00	0.08%
common	LILIA T. CHAN, Brgy. Tulay na Patpat, Ibaan, Batangas	n/a	Filipino	1,000,000.00	0.04%
common	TERESITA G. CENIZA, Brgy. Lapu- Lapu, Ibaan, Batangas	n/a	Filipino	1,000,000.00	0.04%
common	REMEFLOR D. CENIZA, Brgy. Tulay na Patpat, Ibaan, Batangas	n/a	Filipino	1,000,000.00	0.04%
common	JOHN MICHAEL A. YAP, Brgy. Tulay na Patpat, Ibaan, Batangas	n/a	Filipino	1,000,000.00	0.04%
common	ANTONIO P. DALUCAPAS, Brgy. Tulay Na Patpat, Ibaan, Batangas	n/a	Filipino	1,000,000.00	0.04%
common	PAULINO A. AGBU, Blk 17 Lot 22 Phase 1- B Villa Trinitas Subd. Bugo Cagayan de Oro City	n/a	Filipino	600,000.00	0.02%
common	ESRA Prime Corp., Metro Rei Business Park, San Jose Batangas Rd. Ibaan, Palindan, Batangas	n/a	Domestic Corporation	2,000,000.00	0.08%
common	EDELYN JANE A. SALVAME,	n/a	Filipino	100,000.00	0.004%

	Tulay na Patpat, Ibaan, Batangas				
common	ERIKA JEAN A. SALVAME, Tulay na Patpat, Ibaan, Batangas	n/a	Filipino	100,000.00	0.004%
common	Others	n/a	Filipino	2,000,000.00	0.08%
<b>TOTAL</b>				2,550,000,000.00	100%

## Dividends

The Board of Directors of **KEGI** has the power to fix and determine the amount to be reserved or provided for declaration and payment of dividends from **KEGI**'s unrestricted retained earnings. The amount of such dividends (either in cash, stock, property or a combination of the foregoing) will depend on **KEGI**'s profits, cash flows, capital expenditure, financial condition, and other factors and will follow SEC's guidelines on determining retained earnings available for dividend declaration. The existence of surplus profit is a condition precedent before a dividend can be declared. The surplus profits or income must be a bona fide income founded upon actual earnings or profits. Actual earnings or profits shall be the net income for the year based on the audited financial statements, adjusted for unrealized items, which are considered not available for dividend declaration. Taking into account **KEGI**'s cash flows, capital expenditure, investment objective and financial condition, at least 10% of the actual earnings or profits may be declared by the Board of Directors as dividends.



Total Liabilities and Equity	4,637,300,687	4,740,965,019	4,947,107,908	5,259,914,970
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#### Statement of Income

	For the Quarter Ended March 2022	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
Sale of Power	258,623,460	1,078,296,268	1,013,735,821	1,021,044,070
Cost of Service	(198,762,605)	(771,023,757)	(665,701,620)	(681,767,630)
Gross Income	59,860,855	307,272,693	348,034,201	339,276,440
Operating Expenses	(38,129,462)	(132,894,248)	(107,342,035)	(79,607,030)
Finance Cost net of Finance Income	(14,096,056)	(78,901,330)	(141,968,054)	(145,616,683)
Income Tax Expense	(0)	(22,828,762)	(27,149,131)	(34,246,659)
Net Income	7,635,337	65,209,201	69,596,967	80,004,587
Other Comprehensive Income (Loss)	(0)	(38,432)	(0)	(0)
Total Comprehensive Income	7,635,337	65,170,767	69,596,967	80,004,587
Earnings Per Share	0.30	4.10	9.28	10.67

#### Statement of Equity

	For the Quarter Ended March 2022	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
Capital Stock	2,569,600,000	2,569,600,000	750,000,000	750,000,000
Treasury Shares	(21,800,000)	(0)	(0)	(0)
Share Premium	337,469,946	337,469,946	(0)	(0)
Deposit for Future Subscription	0.00	0.00	2,137,469,946	2,137,469,946
Retained Earnings	236,202,139	228,566,802	163,357,601	160,889,499
Cumulative Measurement Loss on Retirement Liability	(38,432)	(38,432)	(0)	(0)
Total Equity	3,121,433,653	3,135,598,316	3,050,827,547	3,048,359,446

#### Statement of Cash Flows

	For the Quarter Ended March 2022	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
Cash Flows From (Used) in Operating Activities	(15,150,855)	246,189,743	253,665,165	362,519,966
Cash Flows From (Used)	(5,678,084)	(27,823,987)	(37,092,202)	(46,109,401)

in Investing Activities				
Cash Flows From (Used) in Financing Activities	(50,869,691)	(187,127,391)	(218,750,000)	(250,000,000)
Net Increase (Decrease) in Cash	(71,698,630)	31,238,365	(2,177,037)	66,410,566
Cash, Beginning	155,295,077	124,056,712	126,233,749	59,823,184
Cash, Ending	83,596,447	155,295,077	124,056,712	126,233,749

Income is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

**KEGI** manages its capital to ensure that **KEGI** will be able to continue as a going concern while maximizing returns to stakeholders through the optimization of the mix of high-quality debt and equity securities from domestic issuers.

**KEGI** is guided by its investment policies and legal limitations. All the proceeds from the sale of shares, including the original subscription payments at the time of incorporation constituting the paid in capital, is held by the pertinent custodian banks.

This Management's Discussion and Analysis of King Energy Generation Inc. should be read in conjunction with the Audited Financial Statements including the notes thereto for the years ended December 31, 2021 and 2020.

King Energy Generation, Inc. (KEGI) has been operating as a power generation company through its seven (7) diesel power plants for twelve (12) years. The ongoing

COVID 19 pandemic has brought about undeniable adverse impacts to all sectors of the Philippine economy and that includes the power industry. During the pandemic, KEGI manages to still continue its operation, avoid layoff and secured additional contractual agreements with customers. In 2021, as a diesel-sourced generation company, the significant increase in the global crude oil price and the continuous weakening of Philippine peso versus other currencies, greatly affects the company's operation. The management has implemented various cost-cutting strategies to counteract the effect of rising prices.

Most of KEGI's power supply agreements are on a 10-year term, and being on business operations for 12 years, some of the company's PSA have ended its term. The management is continuously working on the renewal of the said agreements and started venturing into new contracts most specifically its gear towards renewable energy to address the concern of expiring contracts. In 2021, KEGI has been awarded 12 Hydropower Service Contracts (HSC) by the Department of Energy (DOE) as a RE Developer having the right to conduct hydropower operations on specific areas.

## FINANCIAL RESULTS

### Illustration 1: Income Statement Comparative Report

	<u>2022 - 1st Q</u>	<u>2021</u>	<u>2020</u>
GROSS REVENUE	258,638,805.00	1,078,384,506.00	1,013,901,606.00
COST OF SERVICES	198,762,605.00	771,023,575.00	665,701,620.00
<b>GROSS INCOME</b>	<b>59,876,200.00</b>	<b>307,360,931.00</b>	<b>348,199,986.00</b>
TOTAL OPERATING EXPENSES	52,240,863.00	219,322,968.00	251,453,888.00
<b>NET INCOME (LOSS), BEFORE TAX</b>	<b>7,635,337.00</b>	<b>88,037,963.00</b>	<b>96,746,098.00</b>
INCOME TAX	-	22,828,762.00	27,149,131.00
<b>NET INCOME (LOSS), AFTER TAX</b>	<b>7,635,337.00</b>	<b>65,209,201.00</b>	<b>69,596,967.00</b>

KEGI's gross revenue in 2021 increases to P1.078 billion from 1.013 billion gross revenue in 2020. The increase of 65M arose due to the demand for reactive power support and dispatchable energy reserve. An Ancillary Services Procurement Agreement (ASPA) with National Grid Corporation of the Philippines (NGCP) for two



of the company's power plant has taken effect in the mid of the 2020. In the 1st quarter of 2022, KEGI has around P258 million gross revenue, and if the same sales will continue for the whole year, it is expected that the company will still hit the billion marks in terms of revenue for 2022.

Cost of services' percentage to revenue are 76.85%, 71.5% and 65% in years 2022-1st Q, 2021 and 2020, respectively. The continuing increase of cost of services is due to the increasing price of commodities most specifically fuel cost which is the company's source for power generation.

Total operating expenses for 2022 1st Q and 2021 is 20 % of total revenue while 2020 is 25% of total revenue. The operating expenses for 2021 and 2022 1st Quarter are slightly lower than 2020 due to company's effort to minimize its general and administrative expenses. Also, financing cost decreases continuously from year 2020 to 1st quarter of 2022 since principal loan amount as basis for interest expense also decreases due to repayment, no additional loan was acquired.

#### Illustration 2: Balance Sheet Comparative Report

	<u>2022 - 1st Q</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS	819,954,684.00	850,374,956.00	758,696,573.00
NON-CURRENT ASSETS	3,817,346,003.00	3,890,590,063.00	4,188,411,335.00
<b>TOTAL ASSETS</b>	<b>4,637,300,687.00</b>	<b>4,740,965,019.00</b>	<b>4,947,107,908.00</b>
CURRENT LIABILITIES	577,431,085.00	666,693,702.00	664,476,482.00
NON-CURRENT LIABILITIES	938,435,949.00	938,673,001.00	1,231,803,879.00
<b>TOTAL LIABILITIES</b>	<b>1,515,867,034.00</b>	<b>1,605,366,703.00</b>	<b>1,896,280,361.00</b>
SHAREHOLDER'S EQUITY	3,121,433,653.00	3,135,598,316.00	3,050,827,547.00
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>4,637,300,687.00</b>	<b>4,740,965,019.00</b>	<b>4,947,107,908.00</b>

Current assets increase from P758 million in 2020 to P850 million in 2021, is a result of an increase in the company's trade and other receivables as well as increase in fuel and spare parts inventory. As an effect of the pandemic hit, in 2021, some of the customers requested for deferral on their payments and several payment schemes were arranged that causes trade receivables to increase materially. While in the 1st quarter of 2022, a decrease of P30.4 million in the company's current assets due to

decrease in cash used for payment of payables. Decrease in non-current assets is due to the depreciation of the company's property, plant and equipment.

On the other hand, the substantial decrease of around P89 million in current liabilities for the 1st quarter of 2022 is a result of the payment of accounts payable to contractors and suppliers and repayment of current portion of loan. Noncurrent liabilities represent the noncurrent portion of loan and retirement payable.

Lastly, increase in the shareholders' equity is due to the annual net earnings of the company which is P69.5 million in 2020 and P65 million in 2021.

## CASH FLOW POSITION

Cash Flow Statement shows the change in cash flow from operating activities, investing activities and financing activities at the end of the accounting period, and indicates the ending balance of the cash. As of December 31, 2021, the ending balance of cash is P155 million which is P31.238 million higher from 2020 cash ending balance.

### Illustration 3: Cash Flow Comparative Report

	<b>2021</b>	<b>2020</b>
<b>CASH, Beginning</b>	124,056,712.00	126,233,749.00
NET CASH FLOW FROM OPERATING ACTIVITIES	246,189,743.00	253,665,165.00
NET CASH FLOW USED IN INVESTING ACTIVITIES	-27,823,987.00	-37,092,202.00
NET CASH FLOW USED IN FINANCING ACTIVITIES	-187,127,391.00	-218,750,000.00
<b>NET CHANGES IN CASH</b>	31,238,365.00	-2,177,037.00
<b>CASH, Ending</b>	<b>155,295,077.00</b>	<b>124,056,712.00</b>

Net cash from operating activities totaled P246 million in 2021 and P253 million in 2020. There is an increase of trade and other receivables of P28 million and a decrease of P81 million for payables in year 2021. Finance cost paid in 2021 is P63 million lower than the amount paid in 2020.

Net cash payment for investing activities is P27.8 million in 2021 and P37 million in 2020. Such are used for acquisition of additional property, plant and equipment, and investment to associate.

Net cash payment for financing activities is P219 million in 2021 and P 218.75 million in 2020. Cash was mainly used for payment of loans and borrowings, however in 2021, cash was received from additional issuance of shares amounting to P19.6 million.

## FINANCIAL RATIOS

The management of KEGI uses financial ratio analysis in order to assess the financial health of the company. Line-item data in the financial statements are compared to reveal insights regarding the company's profitability, liquidity, solvency and debt coverage.

Illustration 4: KEGI's Financial Ratios for year ended December 2020 and 2021

	2021		2020	
Liquidity Ratio				
Current Ratio	$\frac{850,374,956}{666,693,702}$	= 1.28	$\frac{758,696,573}{664,476,482}$	= 1.14
Profitability Ratio:				
Gross Margin	$\frac{1,078,296,268-771,023,575}{1,078,296,268}$	= 0.28	$\frac{1,013,735,821-665,701,620}{1,013,735,821}$	= 0.34
Operating Margin	$\frac{174,378,445}{1,078,296,268}$	= 0.16	$\frac{240,692,168}{1,013,735,821}$	= 0.24
Solvency Ratio:				
Solvency	$\frac{65,209,201+314,052,398}{1,605,366,703}$	= 0.24	$\frac{69,596,967+328,221,838}{1,896,280,361}$	= 0.21
Leverage Ratio:				
Debt Service Coverage (DSCR)	$\frac{174,378,445+314,052,398}{78,901,330+219,223,755}$	= 1.64	$\frac{240,692,168+328,221,838}{141,968,054+218,750,000}$	= 1.58
Net Financial Contracting Capacity	$(850,374,956-666,693,702)*20$	= 3,673,625,080.00	$(758,696,573-664,476,482)*20$	= 1,884,401,820.00

## LIQUIDITY RATIO

In order to measure the company's ability to repay its short-term obligations, the management regularly check its current or working capital ratio which is current assets divided by current liabilities. For the two (2) calendar years, 2021 and 2020, the

company's current ratio is above 1 which signifies that the company is liquid enough to pay off its short – term debts.

#### PROFITABILITY RATIO

The company's profitability or its ability to generate income relative to its revenue and operating costs are evaluated through the computation of its annual gross and operating margin. For years 2021 and 2020, the company has 24% and 16% operating margin, and 34% and 28% gross margin, respectively. This indicates that the company's business operation is earning enough to pay for all the associated costs involved in maintaining the business.

#### SOLVENCY RATIO

Solvency ratio is one of the many metrics the management uses to determine whether the company can stay solvent in the long term. The company computes solvency by comparing its net income added with depreciation and other non-cash expenses to its total liabilities to assess the company's capacity to stay afloat. In the above illustration, the company has 24% and 19% solvency for 2021 and 2020, respectively. Such figures are believed to be acceptable since as a general rule of thumb, a solvency ratio of 20% to 30% is considered financially healthy.

#### DEBT SERVICE COVERAGE RATIO (DSCR)

For an industry that is highly levered, evaluation of the company's debt service coverage ratio is very important. The ratio compares its total debt obligations (principal repayments and interest) to its operating income. The Energy Regulatory Commission (ERC) in accordance with the EPIRA law requires 1.25x annual DSCR for every power generation and distribution companies. For the last two years, 2021 and 2020, the company has DSCR of 1.64x and 1.29x which is in compliance of the financial benchmark set by the Energy Regulatory Commission (ERC) and indicates that the company has enough operating cash flow to repay its outstanding debts.

## NET FINANCIAL CONTRACTING CAPACITY (NFCC)

The management also regularly assess the company's financial contracting capacity to determine the capability to venture into new projects or enter new contracts with customers. In 2020, the company has a net financial contracting capacity of P1,884,401,820 and it materially increases in 2021 to a net financial contracting capacity of P3,673,625,080.00. With the presented figures, the company is financially efficient in pursuing its goal to venture into Renewable Energy projects.

## ACCOUNTING POLICIES and ESTIMATES

KEGI prepares its financial statements in accordance with Philippine Financial Reporting Standards (PFRS). All estimates and assumptions made that affects the reported balances for assets, liabilities, income and expenses are based on management's evaluation of relevant facts and circumstances as of date of the financial statements. The management ensures that best judgments and estimates are results of giving due consideration of materiality. With the established company accounting policies, management has made judgments that has most significant effects on amounts in the financial statements.

### Revenue Recognition

As a power generation company, revenue is recognized over time since customers simultaneously receive and consume the benefits as the company supplies power. Revenue recognition is based on:

1. Capacity Fee – fixed capacity payments computed based on the total investment cost and allocated over the term of the contract is billed monthly to customers.
2. Variable Fee – monthly billing to customers computed as actual kilowatt hours dispatched multiplied by the variable rate.

### Income Taxes

The company estimates its income tax expense on a specific period based on the guidelines set forth by the Bureau of Internal Revenue (BIR). In March 26, 2021, Republic Act (RA) 11534 or the CREATE Act has been signed into law which introduces reforms to the corporate income tax and incentives systems. Tax expense for every period comprises current and deferred tax and is recognized in profit or loss.

#### Subsequent Event

KEGI has evaluated subsequent events after December 31 of a specific year through April 15 of the following year, the date the financial statements are available for issuance. As a result of this evaluation, the effectivity of the CREATE Act was considered a subsequent event that requires recognition in the financial statements ending December 31, 2020. While in December 31, 2021, there are no subsequent event that require recognition or disclosure in KEGI's financial statements.

#### **INVESTMENT POLICIES**

**KEGI** is also governed by the following fundamental investment policies:

1. It does not issue senior securities.
2. It does not intend to incur any debt or borrowing. In the event that borrowing is necessary, it can do so only if, at the time of its incurrence or immediately thereafter, there is asset coverage of at least 300% for all its borrowings.
3. It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital.
4. It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects.
5. It does not purchase or sell commodity futures contracts.

6. It does not engage in lending operations to related parties such as the members of the board of directors, officers of **KEGI** and any affiliates, or affiliated corporations of the company.

7. The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions.

8. It does not change its investment objectives without the prior approval of a majority of its shareholders.

(f) Information required by Part III, paragraph (B) of “[Annex C, as amended](#)”, Changes in and Disagreements With Accountants On Accounting and Financial Disclosure;

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## **CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES**

### **Audit and Audit-Related Fees**

There are other assurance and related services rendered by the external auditor that are reasonably related to the performance of the audit of the **KEGI**'s financial statements. The details of said information is provided below, as follows:

YEAR	AUDITOR	AUDIT FEE
2021	Baconga, Patriana and Co.	1,040,351
2021	Cuenca, Ponferrada, Alag and Co.	202,000
2020	Cuenca, Ponferrada, Alag and Co.	202,000
2019	Cuenca, Ponferrada, Alag and Co.	202,000

### **Tax Fees**





She has been designated as the President and Chief Executive Officer of the company. She is backed by seven (7) solid years of remarkable experience as the COO of the company before her current post.

She is also the COO of another company that is in power distribution, Ibaan Electric Corp (IEC) from 2018 – June 30, 2022, and its incumbent President/CEO and Chairman of the Board effective July 01, 2022. Adding a feather to her cap is Maramag Mini-Hydro Power Corporation wherein she is also the President.

Her vast work experience is not only in the power industry. She is also the current President of Meter King Inc. (MKI), a general construction company with a triple-A category, and the President of ESRA Prime Corp., a holding company.

She is highly driven and passionate in all her endeavors and in spearheading the corporation to propel to greater heights.

She is equipped with technical skills that she has acquired from her education and experience in the field of business, information technology, and civil and electrical engineering. She has also honed her skills in personnel management and public relations. She proactively leads the core team in attaining the company's mission and vision while ensuring that the best interest of every stakeholder of the corporation is well taken care of.

Engr. Salvame acquired her bachelor’s degree from the College of St. Benilde in 2008, her Civil Engineering degree from Mapua Institute of Technology in 2013, and her Expanded Tertiary Education Equivalency and Accreditation Program from the University of Cebu in 2016.

Positions and offices held or currently holding with the registrant	President/CEO and Chairman of the Board
Term of office as Director / Officer and period already served with the registrant	Nov. 18, 2014 – June 30, 2021, as COO

Business experience for the past five (5) years	Chief Operating Officer	King Energy Generation Inc.
	Chief Operating Officer	Ibaan Electric Corp.
	Chief Operating Officer	Meter King, Inc.
	Sole Shareholder	Suburban Estate Properties OF
	Sole Shareholder	Eaglewood Heights OPC
	Chief Financial Officer	ESRA Prime Corp.
If a director/officer of a public publicly listed company or company with a secondary license issued by SEC, please identify the company and the position held, and the period served.	Not applicable	

## 2. Dr. Erika Jean Ang Salvame, Vice-President/Chief Financial Officer/Treasurer

An ophthalmologist by profession since 2014. She ranked 5th place in the 2019 Philippine Board of Ophthalmology Diplomate Examination. She was awarded as Most Outstanding Resident in 2018, Department of Ophthalmology by Manila Doctors Hospital and was conferred with the title of Chief Resident in the same year.

Her most noteworthy academic achievements and awards include the following: 1st Place, Surgical Video Presentation, Fellows Surgical Video Contest Unravelling the Retinal Origami: Tips & Tricks in Tackling Giant Retinal Tear” at the 2021 Philippine Academy of Ophthalmology Congress done through online platform last November 18-20, 2021, Finalist, Surgical Video Presentation “Reverse Rolling Pin Delamination in Chronic Retinal Detachment with Proliferative Vitreoretinopathy” at the 2021 Philippine Academy of Ophthalmology Congress done through an online platform last November 18-20, 2021, Finalist, Oral Presentation of Surgical Video, 7th Virtual Egyptian Vitreo-Retina Society Training School 2020 “Retina Maze Runner” via Online Platform: December 4, 2020. Host: Cairo, Egypt, Finalist, Surgical Video Presentation,

Fellows Surgical Video Contest “Retina Mazer Runner: Bimanual Vitrectomy for Severe Combined Diabetic Retinal Detachment” at the 2020 Philippine Academy of Ophthalmology Congress done through online platform last November 27-29, 2020, Finalist, Surgical Video Presentation “M.i: III; Triple Procedure for A Posterior Segment Surgeon, Phacofragmentation, Endoscopic Cyclophotocoagulation and 4-Flange Intrascleral Fixated Rigid IOL” at the 2020 Philippine Academy of Ophthalmology Congress done through online platform last November 27-29, 2020, 2nd Place 3rd Jorge G. Camara Clinico-Pathologic Conference, 2018 Philippine Academy of Ophthalmology Congress, Pasay. She Ranked 3rd in Batch and 4th Place Over-all.

Bagging recognitions, awards, and citations for her dedication and superb skills in the field of ophthalmology while simultaneously sharpening her skills as the CFO of King Energy Generation Inc (**KEGI**) with the support of financial and technical experts. Concurrent with her appointment as the Vice President/CFO/Treasurer of the company, she is also the Vice President/CFO and Corporate Treasurer of Ibaan Electric Corporation.

Dr. Erika Jean A. Salvame acquired her bachelor’s degree in Public Health from the University of the Philippines – Manila in 2010, her postgraduate degree as Doctor of Medicine from the University of the East Ramon Magsaysay Medical Memorial Center in 2014, her medical internship from the Philippine General Hospital in 2015, her Ophthalmology Residency from the Department of Ophthalmology in Manila Doctors Hospital in 2018, her Ophthalmology Fellowship from 2020 up to present.

Positions and offices held or currently holding with the registrant	Vice President/Chief Financial Officer / Treasurer
Term of office as Director / Officer and period already served with the registrant	Not applicable

Business experience for the past five (5) years.	Vice President/CFO/Treasurer  Director 2021 – present	Ibaan Electric Corporationp.  ESRA Prime Corp.
If a director/officer of a public or publicly listed company or company with a secondary license issued by SEC, please identify the company and the position held, and the period served.	Not applicable	

### 3. Congressman Edgardo L. Salvame, former President/CEO and Chairman of the Board

It was a decade ago when the former President of **KEGI**, in collaboration with his dynamic, energetic, and aggressive technical team and consultants from multinational companies started the corporation with the objective of heeding the call of electrical cooperatives to be part of the solution in addressing the power crisis in Mindanao. With prior in-depth corporate experience gained from his business affiliations, the challenge of coming up with business formulations, strategic directions, sound executive judgments, and decisive action steps for the incorporation of the organization became easier. All of these have resulted in the subsequent opening of other power generation plants, diversification, and expansion of **KEGI** in various areas of Mindanao.

Having won as the Congressman for the 1st District of Palawan in the recently concluded national elections, he has tendered his resignation as the President/CEO and Chairman of the Board of **KEGI** and has decided to devote himself fully as a public servant.

Being a Director / Board Member gives him the opportunity to be still part of the governing authority within the management structure.

#### 4. Sally O. Ang, Corporate Secretary /Board Member/Finance Manager

She is a seasoned Finance Manager who plays a vital role in the **KEGI** management of the company. From 2010 to the present, she is able to effectively oversee the finance team, focus on the management of trade accounts, and report directly to the CFO. She has a keen eye for details and is highly organized and efficient. She is one of the incorporators and a valuable member of the core team who is responsible for propelling the company to its present stature in the power generation industry and the preferred trade partner of electric cooperatives in Mindanao.

As a board member since 2010, she has actively participated and supported the Board of Directors in all major decisions such as supporting and reviewing the CEO's platform and analyzing and approving major policies and decisions. She is an inspiring leader. One who possesses great interpersonal communication, and negotiation skills not only for the company's internal circle but for its external environment as well. She is a great asset to the organization.

She is also a Board Member of Meter King, Inc. and a Director / Board Member of Ibaan Electric Corporation.

Mrs. Sally O. Ang acquired units of education in Office Management from Northern Mindanao Polytechnic School in 1994.

#### 5. Raymond B. Ang, Director / Board Member

He has actively participated in all major decisions of the Board of Directors that helped propel the company to its present stature as one of the most dependable and trustworthy power generation companies in Mindanao. Also served as the Chief Operating Officer of the company during its early years of operation. His significant

and valuable contributions as part of the core team had greatly helped the company in minimizing the birth pangs of a newly established player in the power industry.

As a Board Member of the company from 2010 up to the present, his role includes supporting and reviewing the CEO's platform and analyzing and approving major policies and decisions. He also served as the Branch Manager of Meter King, Inc. from 1995 – 2001 and thereafter continuously being elected as Board Member. He is also a Director / Board Member of Ibaan Electric Corporation.

Mr. Raymond B. Ang acquired units of education in Bachelor of Science in Commerce Major in Accounting from Laguna College.

#### 6. Zhuang Fei Long, Director / Board Member

A Hongkong-based Chinese businessman. He has made a significant investment because of his confidence in the technical team composed of experts in their respective fields and in the executive team who would be macro managing the organization.

As a Board Member from the time of its incorporation up to the present, he actively participates and supports all major decisions of the board.

Zhuang Fei Long was able to obtain his bachelor's degree from the Fuzhou Normal University in Hongkong.

#### 7. Chong Man Ping, Director / Board Member

A Chinese businessman based in Hongkong also made a significant investment by being one of its incorporators when he saw the limitless opportunities the company has in the power generation industry.

He actively participates and supports all major decisions of the board.

8. Lilia T. Chan, Director / Board Member

She is one of the Directors / Board Members of the company. Being a member of the board, she is part of the governing body that is responsible for protecting shareholders' interests, establishing policies for management, overseeing the company, and making decisions about important issues the company faces

She is equipped with the corporate skills and technical knowledge of a Director for she is also the incumbent President of High Power Construction Inc., a general construction company. She plays a proactive role in ensuring that the best interest of all stakeholders is well-managed by working hand in hand with the Board of Directors in the realization of the company's mission and vision.

Ms. Chan obtained her computer course from the Marian Computer Institute in 1996 and has two (2) decades of vast corporate experience.

9. Jaime R. Hila, Director / Board Member

One of the Directors of the company. He has brought with him two (2) decades of corporate experience gained from various industries that he is associated with: real estate, general construction, lending/finance, and a holding company.

Being a member of the board, he is part of the governing body that is responsible for protecting shareholders' interests, establishing policies for management, overseeing the company, and making decisions about important issues the company faces.

He obtained his bachelor's degree in Nursing from San Pablo Colleges in Laguna in 1994.

10. Ms. Milagros S. Castro, Director / Board Member

A Certified Public Accountant by profession. With more than forty (40) years of vast experience in finance and **KEGI** management from her previous engagements as an

employee and as a consultant to various corporations having different structures and dynamics such as banking institutions, pharmaceutical companies, logistics, and island resorts, to name a few.

She has seen the enormous possibilities of the company not only in the power generation industry but in other forms of diversifications in renewable energy.

Being one of the directors and members of the board, her participation will be a great asset to the company. It will enable her to look after the best interest of the company, the welfare of shareholders, and all stakeholders. Her expertise in financial management would be a great asset to the Board and the company in designing dividend policies, creating options policies, selection, and support for the CEO, establishing compensation for executives, maintaining company resources, setting general company goals, making sure that the company is equipped with the tools it needs to be managed well, and is capable of continuously improving and reinventing itself, as the need arises, always in a proactive manner.

She earned her bachelor's degree in Accountancy from the University of the East in Manila in 1982 and is a member of the Philippine Institute of Certified Public Accountants (PICPA) since 1984.

#### 11. Engr. Gilbert J. Rodriguez, General Manager

Engr. Gilbert J. Rodriguez is a Registered Electrical Engineer by profession who has extensive experience in technical, operations, research, sales, and marketing gained from multinational companies. He started as the Head of the Technical Consultants of the company in 2010. He was hired and appointed as the General Manager a year after. He possesses a critical and analytical mind and is in constant collaboration with the company's technical team and technical consultants. He directs the entire operations, maintenance, and repair activities, and ensures the achievement of all operational objectives of the company.

It was his valuable contributions that played a vital role in the success of the first power generation plant of the company which paved the way to putting up additional seven



(7) power plants in various areas of Mindanao. He is at the forefront of the research and development of various renewable energy projects of the company.

As the General Manager of the company and an active member of the executive management that is responsible for maintaining and driving operational results within the company, he works closely with the CEO and the CFO as well as other executive management team members. As one of the most critical and essential positions within the company, he is a great communicator, a dynamic leader with an advanced vision, and a highly driven executive who spurs company aggressive growth, constantly innovates on key operational procedures, creates/refines new processes, and ensures day-to-day operational excellence.

He is also instrumental in the successful development, launching, and operations of Maramag Mini Hydro Power Plant as its General Manager/ Board of Director and Corporate Secretary. He is also the President and Chairman of the Board of Diamond Streamworks Inc. which is engaged in the business of bulk water and distribution facilities in Mindanao. In addition to these, he is also General Manager and Board of Director of Metro-Rei Property Ventures, Inc. which is engaged in property development, leasing, and bulk water.

Before his stint with the company, Engr. Rodriguez was the Electrical Engineer and Project Supervisor of Graybar Marketing, in Quezon City from 1989 – 1993 and has worked afterward with Asea Brown Boveri Inc. (ABB) for eighteen (18) years. He started as a Design Engineer and Field Engineer Support and was promoted as Key Accounts Manager in Northern and Southern Mindanao. He was able to obtain an in-depth knowledge of engineering and management; leadership and monitoring; testing and problem solving with a specialization in the electrical system.

He has obtained his degree in Associate Electrical Engineering from Cagayan de Oro College in 1989 and is currently pursuing his Master's degree in Electrical Engineering at one of the most prestigious universities in Mindanao.

The Management Team

The following are the management team of **KEGI**:

NAME	CITIZENSHIP	POSITION
Atty. Marites F. Sangual	Filipino	Legal and Administrative Division Manager
Engr. Ariel J. Buragay	Filipino	MOPP1 Plant Manager Operations and Maintenance Division Manager
Ramil T. Inzo	Filipino	Safety, Health & Environment Division Manager Compliance Officer
Engr. Amorlito D. Melicor, Jr.	Filipino	Power Trading and Billing Department Manager
Tessa Lonica A. Padel	Filipino	Accounting Head
Rose Jane C. Docto	Filipino	Finance Head
Flordemie P. Basa	Filipino	Human Resource Officer
Rita S. Pabular	Filipino	Procurement Head

The following heads of various departments/divisions are expected by the registrant to significantly contribute to the holistic and optimum success of the company because of their respective technical competencies and professional achievements.

**Atty. Marites F. Sangual**, *Legal and Administrative Division Manager*

Atty. Sangual held the position of Corporate Counsel of the company from February 01, 2018, up to December 31, 2021. She was promoted as Legal and Administrative Division Manager on January 1, 2022.

As Legal and Administrative Division Manager of the company, her primary responsibility is to ensure the company's compliance with lawful orders, rules, policies, and laws as well as safeguard the company's rights and interests, among others. Being at the forefront of the legal department, she is steadfast in monitoring the

compliance of the company to government-mandated laws, ruling, and implementing guidelines that applies to the power generation industry by keeping herself knowledgeable on the most recent updates from all possible sources of information.

She also collaborates and provides legal assistance with all stakeholders, department heads, and the core team to educate them on all requirements for compliance, legal, and data protection requirements whenever necessary.

She concurrently handles the Administrative Department and contributes to the strategic planning and day-to-day running of the company, supports operations, and supervises the Human Resources Section.

She is also a Legal Consultant to various companies engaged in the business of construction, plant operation and maintenance, rentals and bulk water system, private electric distribution utility, and hydroelectric power. She is also a private practitioner since her admission to the Philippine Bar in March 2012 up to the present.

As an overview of her track record before her onboarding with the company: she has been consistent in rising from the ranks in practicing her profession for six (6) solid years. Starting from her first tenure as Legal Assistant in December 2011 up to March 2012 and as Associate Lawyer from March 2021 up to August 2012 at San Jose Tagarda & Yap Law Firm; she has served as a Volunteer Lawyer at Xavier University Center for Legal Assistance from October 2012 to May 2013. She initially taught as a part-time College Instructor at Pilgrim Christian College and Bukidnon State University – CDO Extension, respectively, starting June 2013, then moved to public service when she assumed the role of Attorney III at the Provincial Legal Office of Misamis Oriental from August 16, 2013, to December 8, 2014. On December 9, 2014, she was promoted to Attorney IV at the Provincial Legal Office of Misamis Oriental. Following her appointment as Attorney IV, she was then also concurrently designated as the Legal Counsel of the Province in administrative hearings. Thereafter, on September 1, 2016, Atty. Sangual served as the Officer-In-Charge of the Provincial Legal Office of Misamis Oriental until July 1, 2017. She was later on reassigned to the Provincial

Assessor's Office of Misamis Oriental from July 1, 2017, up to January 31, 2018, to handle all legal cases of the Provincial Assessor's Office.

She earned her degree in Bachelor of Science in Psychology from Xavier University – Ateneo de Cagayan in 2006 and her Bachelor of Laws (LL.B.) from the same school (Xavier University – Ateneo de Cagayan) in 2011 and passed the 2011 Philippine Bar Examination. A consistent honor student since her elementary days (when she graduated as Salutatorian) and a Dean's Lister for three (3) semesters during college. She is likewise been conferred a Career Subprofessional Eligibility by the Civil Service Commission.

Her affiliations include membership in the Integrated Bar of the Philippines – Misamis Oriental Chapter from 2012 to date, Ateneo Human Rights Center (AHRC) as an Intern in 2010 which she was assigned with the Non-Governmental Organization Environmental Legal Assistance Center (ELAC) in Puerto Princesa City, Palawan; Xavier University Law Electoral on Commission as Commissioner from 2009-2011; Xavier University Center for Legal Assistance (XUCLA) as a member from 2008 to date; Balay Alternative Legal Advocates for Development in Mindanaw (BALAOD) as an Intern in 2008; Epsilon Beta Kappa Society (EBK) as a member from 2008 to date; Xavier University Moot & Debate Society as a member in 2008; Association of Law Students (ALS) as member/volunteer from 2006 – 2011, and Xavier University Ateneo de Cagayan Softball Varsity Team as a member from 2003-2006.

She has attended various seminars and training about continuing legal education, management, strategic planning, and Executive-Legislative Agenda/Capacity Development, among others.

**Engr. Ariel J. Buragay, REE, RME, *Plant Manager of Misamis Oriental Power Plant 1 (MOPP1) and concurrent Operations and Maintenance Division Manager***

He is a Registered Electrical Engineer (PRC No. 15291) and a Registered Master Electrician (PRC No. 14235) by profession. He joined the company as Plant Manager

of MOPP1 in February 2016. He has brought along with him his nearly three (3) decades of technical experience gained from various industries: engineering services, beverage industry, seafarer manpower services, electro-mechanical construction, steel mill industry, timber, and wood products.

He is responsible for ensuring that all daily operations of the plant run smoothly and effectively. He develops and drives continuous improvement initiatives through collaboration with the General Manager and the technical team. His effective skills in implementing strategies and allocation of resources in alignment with strategic initiatives and in providing a clear sense of direction and focus are imperative to enable the plant to run optimum in its day-to-day operations. His dedication and effectiveness since he joined the company paved the way for his concurrent appointment as Operations and Maintenance Division Manager on January 1, 2022. His main responsibility in his new position is to organize, coordinate and manage all activities related to the development and implementation of monitoring the policies, procedures, and practices of properties and assets management, and maintenance services.

He obtained his Bachelor of Science degree major in Electrical Engineering in 1989 from Cagayan de Oro College. Being in constant search for self-improvement and professional upgrading, he has attended training and seminars over the years such as **Power Monitoring** conducted by Schneider Electric Phils. in 2000, **Variable Speed Drives** conducted by Schneider Electric Phils. in 2000, **Technical Seminar** conducted by the Institute of Integrated Electrical Engineers of the Phils. Inc. in 1999, **Reconstructive Maintenance Welding** conducted by Cro-Magnon Corporation in 1999, **ISTIV** conducted by the Department of Labor and Employment in 1998, **Preventive Maintenance of AC/DC Motors** conducted by the Institute of Integrated Electrical Engineers of the Phils. Inc. in 1991, **Value Creation Workshop** conducted by Cagayan de Oro Chamber of Industries in 2002, **Software/Hardware diagnostics and repair** conducted by Shinko Electric Company of Japan in 2001, **Shaft Alignment** as conducted by Alps Maintaineering Services, **Electrical Maintenance (Supervisory Program)** as conducted by the National Industrial Manpower Training Council Construction Manpower Dev. Foundation in 1990.

**Ramil T. Inzo, *Safety, Health and Environment Division Manager and Compliance Officer***

He started as the Safety and Environment Head of the company (main office) in September 2012. Concurrent to this designation is his appointment as Bukidnon Power Plant 1's (BPP1) Head Safety Officer and Officer-In-Charge. He was able to effectively plan and execute the safety programs of the plant and four (4) power plants undergoing construction then. His tenure with BPP1 ended in May 2013 since he was designated as the Compliance Officer of the company concurrent with his function as Safety, Health, and Environment Head.

His exemplary performance paved the way for his promotion as the company's Safety, Health and Environment Division Manager effective July 1, 2022, up to the present. He is now at the forefront of the development, planning, and implementation of all safety and environmental policies and initiatives including the proper management of hazardous wastes generated by various plants to ensure compliance with local occupational safety, health, and environmental standards using global standards as the benchmark.

He sees to it that all legal documents and permits of the regulating agencies such as the Department of Environment and Natural Resources-Environmental Management Bureau (DENR-EMB), Department of Agrarian Reform (DAR), Department of Agriculture (DAR), Department of Labor and Employment (DOLE), National Water Resources Board (NWRB), applicable Local Government Unit (LGU) and national requirements are complied with in a timely and cost-efficient manner.

He studied Electrical Technology under a full-time scholarship grant by Del Monte Phils. Inc. at Xavier University-Ateneo de Cagayan-Center for Industrial Technology and graduated in March 1996. He earned his Bachelor of Secondary Education major in Mathematics from Bukidnon State University in March 2004 and is a Licensed Professional Teacher. He has earned nine (9) units of Master of Arts in Educational Administration from Bukidnon State University and is a candidate for graduation in his postgraduate study in Master in Business Administration (MBA) at Medina College.

He develops resource plans to ensure budgets and project timelines for safety and environmental programs are achieved. He continuously attends training and seminars to keep himself abreast with the most recent best practices in the industry. The most relevant training and seminars that he has attended are: **Safety Program Audit** (SPA) held from July 15-19, 2019 conducted by HSEIC International Consultancy in Cagayan de Oro City, **Work Environmental Measurement Training Workshop** held from July 31- August 2, 2018 by DOLE-Occupational Safety and Health Center in Cagayan de Oro City, **Training of Trainers** held on November 27-30, 2017 conducted by HSE International at Cagayan de Oro City, **Basic Occupational Safety and Health** held on May 2-5, 2017 conducted by J3 Safety Solutions Company at Cagayan de Oro City; **Environmental Professional Summit** held from November 27-28, 2014 conducted by DENR-EMB at Limketkai, Cagayan de Oro, **Basic Training Course for Pollution Control Officers Part I** held from November 20-21, 2014 conducted by Guardians of the Earth Association, at Cagayan de Oro City, **Oil Spill Management Training** held from October 29-30, 2014 conducted by Petron Corporation at Cebu City, **Basic Training Course for Pollution Control Officers Part 2** held from June 25-27, 2014 conducted by Guardians of the Earth in Cagayan de Oro City, **Loss Control Management Seminar** held from April 22-23, 2014 conducted by Occupational Safety and Health Network (OSHNET) and Polymedic Hospital Kauswagan in Cagayan de Oro City.

His competencies include his special skills in environmental assessment/preparer, land conversion preparer from agriculture to industrial/residential/commercial, resident 3<sup>rd</sup> party safety facilitator/lecturer, safety and environmental management and planning, electrical installation/troubleshooting/preventive maintenance.

**Engr. Amorlito D. Melicor Jr., REE, *Power Trading and Billing Department Manager***

Engr. Amorlito D. Melicor Jr. started his career as Project Planning Assistant and Documentation Staff in one of the leading companies in the country, Nestle Philippines Inc. supervising two (2) 3<sup>rd</sup> party workers during project implementation from April 2012 to July 2013. He joined the company as Electrical Engineer from October 1, 2013, to

January 1, 2015, he then became a Senior Engineer from February 1, 2015, to March 31, 2016, and Dispatch Officer from April 1, 2016, to December 31, 2017. He was appointed as the Regulatory and Compliance Officer in January 2018 and then became the Power Trading and Billing Department Manager on July 1, 2018, until the present.

He earned his degree in Bachelor of Science in Electrical Engineering from Xavier University - Ateneo de Cagayan University in March 2013. He was a scholar of Cagayan Electric Power and Light Company Inc. (CEPALCO) for two (2) years. He was then a student assistant in the school's department for another two (2) years. He participated in an in-house seminar in **Getting an Edge towards Managing Performance for Clients Sustainability** on October 19, 2017.

His affiliations include membership as a finance officer in the Institute of Integrated Electrical Engineers – Council of Student Chapters in the year 2011 – 2012, also a member of the Association of College of Engineering Students, 2010 to 2012, and Christ Youth in action in 2007 – 2009.

**Tessa Lonica A. Padel, CPA, *Accounting Head***

Tessa Lonica A. Padel started her professional career from November 2014 – September 2016 as an Accounting Associate under the Business Process Solution Outsourcing Division of Punongbayan and Araullo (P & A Grant Thornton). She joined the company as a General Accountant from January 2017 – July 2019 and was promoted to Accounting Supervisor in July 2019. After two (2) years of rendering a highly commendable performance and having shown a remarkable leadership style, she was promoted to Accounting Head. To date, she has nearly (8) years of extensive knowledge in the field of Accounting.

Her swift promotions from one level to a higher level are attributable to her passion and commitment to achieving and cost-effectively delivering her key performance indicators. She is highly determined to excel and is constantly honing her skills as a Certified Public Accountant. She can strategically lead, manage and monitor accounting functions. She develops, generates, and manages timely accounting



reports and financial reports that are crucial for the company to arrive at sound executive judgments in all its business decisions and project developments.

She is also particular in ensuring compliance with mandatory and statutory requirements of various government agencies wherein her department's participation is involved and sees to it all tax reportorial requirements are submitted and paid in a timely manner. She is also able to design and implement an effective internal audit system to safeguard the interest of the company and all stakeholders.

She earned her Bachelor of Science degree major in Accountancy from Xavier University – Ateneo de Cagayan in 2014 and is a Certified Public Accountant.

Part of the training and seminars that she has availed are **Empowering Business Leaders; Control Measures in the Midst of Corporate Environment Mutations and Technological Innovations** (webinar) conducted at the 75<sup>th</sup> PICPA Annual National Convention on Nov. 27, 2020; **Updates on Procurement Laws, Rules and Regulations under the Bayanihan to Heal as One and Recover as One** (webinar) conducted at the 75<sup>th</sup> PICPA Annual National Convention on Nov. 27, 2020, **Empowering Digital Entrepreneurs Build a New Economy** (webinar) conducted at the 75<sup>th</sup> PICPA Annual National Convention on Nov. 27, 2020; **Commerce and Industry: Empowering Digital Entrepreneurs Build a New Economy** (webinar) conducted at the 76<sup>th</sup> PICPA Annual National Convention on November 24, 2021; **Regulator's Forum: Plans of BIR, PR-BOA, COA and SEC** (webinar) at the 76<sup>th</sup> PICPA Annual National Convention on November 24, 2021; **Strategic Investment Priority Plan (SIPP) Roadshow** conducted by the Board of Investments on July 26, 2022.

**Rose Jane C. Docto**, *Finance Head*

Rose Jane C. Docto rose from the ranks. She started her career with the company as Secretary from May 2014 to December 2014. She was promoted as Administrative Assistant III in January 2015, moved up as Accounting Assistant III in April 2016, and became an Accounting Assistant IV in January 2018, and was eventually appointed

as the Finance Head of the company from January 2022 up to the present. Her exemplary dedication, efficiency, prudence, and honesty in every task that has been delegated to her paved the way for the recognition of her efforts and the confidence bestowed upon her by the top management.

Her seven (7) years in Accounting Department and her close coordination with the company's financial consultants have equipped her for her significant role in the company. She is more than capable of effectively managing cash, implementing financial control, proper utilization of **KEGIs**, doing an estimate of the amount of capital required, and determining capital structure with the technical knowledge being imparted to her by the company's financial consultants and her quest for continuous learnings through training and development.

She obtained her degree in Bachelor of Elementary Education from Palawan State University in April 2012. To further hone her skills and knowledge, she has attended trainings and seminars (in-house) such as **Leadership Training cum Strategic Planning Workshop, Information Education Campaign cum Workshop on Energy Regulations No. 194 (Benefits to Host Communities), Basic Occupational Safety and Health – 'An act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof', Step- Up Performance Quality Through Effective Coaching, Mentoring, Monitoring and Conflict Management Enhancement Seminar, Getting an Edge towards Managing Performance for Clients Sustainability and other Electrification Programs, Tax Update Seminar on Renewal of Business Registration, Invoicing, and Bookkeeping requirements, Maximizing Tax Incentives and Tax Differentials (8.0hrs) and New Rules in Tax Assessment, eBIR Forms, and eFPS Accounting for Non-Accountants, Basic Accounting for Non-Accountants, BDO and other bank orientations.**

**Rita S. Pabular**, *Procurement Head*

She leads a team of procurement specialists, ensures implementation of standard procurement policies, and supervises and monitors the performance of the

Procurement Section. She is an ex-officio member of the bid and evaluation committee.

She rose from the ranks and was promoted thrice in her five (5) year tenure with the company. She started as an Administrative Assistant during her entry in January 2017. After a year, she was promoted to Procurement Specialist, and barely six (6) months after her first promotion, she was promoted to Procurement Supervisor. Three (3) years after, she was promoted to Procurement Head.

Her fast movement as the head of the Procurement Department would speak of her effectiveness and her credibility in the effective management of her role which is crucial to the entire operations. She demonstrates innovative ways to maintain and improve the procurement process, cycle times, acquisition costs, and end-user service levels. She has a strong drive for process improvements, thus, negotiations for the best prices, credit terms, and lock prices with vendors-partners are some of her noteworthy trademarks, and these best practices are continuously observed within the department with her at the forefront.

She earned her degree in Bachelor of Science in Information Technology from Mindanao University of Science and Technology (now University of Science and Technology of Southern Philippines) in 2013. Her latest seminar attended namely: ***The New Bidding Documents for Procurement of Goods*** was conducted by Center for Global Best Practices.

**Flordemie P. Basa, Human Resource Officer**

She started as Human Resource Assistant of the company on October 2, 2017, and in August 2019, barely less than two (2) years into her tenure, she was promoted to Human Resource Officer. Her ability to surpass target deliverables and perform in a strategic and cost-efficient manner proved to be beneficial to the company and the employees.

Her professional achievements before her stint with the company would prove that she is already a seasoned Human Resource Officer. All in all, she has gained nine (9) solid years of exposure in her profession as an HR practitioner from various industries such as manpower services, liquified petroleum gas, and the power generation industry to which the company belongs.

She is mainly responsible for supporting the company through her efficient management of the five (5) core of human resource which includes recruitment and staffing, compensation & benefits administration, training and development, talent management, safety, and compliance. Her contribution to ensuring timely recruitment of additional competitive personnel whenever needed and in seeing to it that the company's best asset (human resource) is strategically managed in a holistic approach is imperative in keeping the company highly competitive in the industry.

She earned her degree in Bachelor of Science in Psychology from Liceo de Cagayan University in March 2004. She is a grantee of Cagayan de Oro City Barangay College Scholarship Program. She has enriched her craft by attending relevant training and seminars such as: **What's Behind the Box: The Functions and Goals of Human Resource** (webinar) conducted by HR Primo Management Services in September 25, 2021, **Employees' Compensation Program** (webinar) conducted by DOLE – Employees' Compensation Commission in July 23, 2021, **Restoration of Business Confidence through Labor-Management Cooperation, Workplace Safety and Health and Sustainable Livelihood Programs**, conducted by the Regional Conciliation and Mediation Branch 10 in June 25, 2021, **Leadership Resiliency: Turning Challenges into Success** conducted by People Management Association of the Philippines – CDO Chapter in August 28, 2020, **Redefining your HR in the Pandemic Era** (webinar) conducted by Philippine Society of HR and Admin in July 9, 2020, **Occupational First Aid and Basic Life Support Cardiopulmonary Resuscitation for Adult Lay Rescuer Training** conducted by Philippine Red Cross in November 25 – 27, 2019, **Basic Occupational Safety and Health Training – Safety Officer 1** conducted by HSE International Consultancy Health Safety and Environment in April 29, 2019, **Step Up Performance Quality Through Effective Coaching, Mentoring, Monitoring and Conflict**

**Management Enhancement Seminar** (in-house), **Getting an Edge towards Managing Performance for Clients Sustainability** (in-house), **Quality Management Systems** conducted by Pryce Gases, Inc. in November 27, 2013, **3 day Seminar for Job Description Writeshop** conducted by Pryce Gases, Inc. in November 8-10, 2013.

Technical Experts

The following are the technical experts of **KEGI**:

**Dr. Joselyn L. Chavez**, *Licensed Professional Electrical Engineer, Doctor in Philosophy*

Dr. Chavez is one of the brilliant consultants of the company. He is on board since January 2022 and has brought along with him decades of technical expertise in the field of hydropower, hydroelectricity, electro-mechanical, plant control, construction, and safety practice.

He is also the Project Consultant/Project Management Director of Maramag Mini Hydro Power Corporation in Bukidnon from February 2020 up to the present.

He was appointed as VP Project Management Director of Clean n Green Energy Solution Inc from April 2019 to January 2020. He was connected with Clean n Green Energy Solution Inc. from April 2013 to April 2019 as AVP/Project Director/PEE, Electro-Mechanical works. He has been appointed by Phesco Incorporated as the Assistant Vice President for electro-mechanical works from 2012 – 2013.

He was hired as a Consultant by Clean n Green Solution Inc. from 2011 – 2012, and National Power Corporation – Talomo Hydro Electric Plant (Complex) from 2003-2005, respectively. From 1992-2003, he was the Plant Maintenance Superintendent of National Power Corporation in Bukidnon. He was hired as Plant Control/Principal Engineer by National Power Corporation for their Pulangi Hydro Electric Plant in Maramag, Bukidnon from 1985- 1992. He has other prior engagements with various companies before this period.

He earned his bachelor's degree in Electrical Engineering from the Cebu Institute of Technology in 1978. It was on April 24, 2000, when he was conferred with the title of Doctor in Philosophy by Mindanao State University (affiliated with Al-Manaf International Islamic University of Louisiana through a Memorandum of Agreement). He obtained units in his master's study in Management from Liceo de Cagayan University in 1999.

These are some of the awards and citations that he has received: **Pag-asa Award**, the highest award given by former President Gloria M. Arroyo, on 2002 for having an innovation that resulted in significant financial savings, awarding of Pulangi IV Hydroelectric Plant as the **best Hydroelectric Plant** for `1993 – 1995, **Most Outstanding Safety Practitioner** in the whole country as awarded by SOPI in 1996, **Golden Hope Award** conferred by the Asian Experimental Fellowship of the Philippines on Oct. 12, 1989, **Golden Scroll of Honor National Award** in 1990, among other awards and citations.

**Engr. Glenn C. Avila, *Licensed Civil Engineer***

He is a seasoned Civil Engineer and consultant by profession. He has almost two (2) decades of vast technical experience gained from his engagement as a Project Manager / Consultant here and abroad.

He was initially connected with the company as its Project Manager from January 2010 up to January 2020. From 2008- 2010, he was under the employ of Tandag Water District as Project Engineer while from May 2007 – August 2007, he was outside the country and worked as a Site Engineer in Doha Qatar.

He earned his bachelor's degree in Civil Engineering from the University of Cebu in October 2003. He's had prior relevant work experience in line with his field of specialization.

Engr. Avila as the company's Project Consultant is an asset because of his technical expertise and his effective way of communicating and leading the technical team

across all levels while observing cost-efficiency, agreed-upon timelines, and project deliverables.

**Eng. Fibor J. Tan**, *Licensed Civil Engineer, Master of Science in Environmental Engineering,*

*(on-going) Doctor of Philosophy in Civil Engineering (Major in Water Resources)*

One of the technical consultants of the company with multiple areas of specialization. Other than being a licensed Civil Engineer, he pursued post-graduate and doctorate studies to further hone his craft as an expert in Environmental Engineering and Water Resources.

Along with his chosen career and professional path, he is very much inclined to research and some of his research interests are hydrology, hydraulics, hydrometeorology, landslides, slope stability, soil-water interaction, and water supply, and wastewater treatment, flood control, coastal engineering, and renewable energy.

From 2019 to the present, he is teaching as Professor 6 at the School of Civil, Environmental, and Geological Engineering at Mapua University in Intramuros, Manila. From 2019 up to the present, he is also a Project Leader in the **SCaRP Project (Simulating Cascading Rainfall** triggered landslide hazards in the Philippines – a Philippine DOST and UK NERC **KEGI**ed Project of Mapua University in Manila. From March 2018 up to the present, he is also the Project Leader in the **Automated Real-time Monitoring System (ARMS** for Magat and Pantabangan Dams – a DOST and NWRD **KEGI**ed Project of the Mapua University in Manila. From June 2018 up to the present, he is the Hydrologist and GIS Expert on the **Vulnerability Assessment and Prompt Emergency Response System** for LGU's Disaster Risk Reduction in the Philippines (VAPERS) which is a CHED and DOST-**KEGI**ed project for Mapua University.

From June 2014 – May 2017, he is the Chief Science Research Specialist and Hydrologist of Mapua-Phil LIDAR 1 DOST Project (Flood Hazard Modeling and Mapping). From September 2016 to the present, he is the Lead Researcher (Hydrologist and Hydraulics Engineer) for **Automated Real-time Monitoring System (ARMS)** for Ambuklao, Binga, & San Roque Dams Cascade -a DOST & NWRD **KEG**led Project.

He obtained his bachelor's degree in Civil Engineering from the University of the Philippines - Diliman, Quezon City in 2001, his Master of Science in Environmental Engineering from the University of the Philippines, Diliman, Quezon City in 2008, and his (ongoing) Doctor of Philosophy in Civil Engineering (Major in Water Resources) from the University of the Philippines in Diliman, Quezon City.

He is a member of the Philippine Institute of Civil Engineers (PICE) – Quezon Province Chapter and the Water Environment Association of the Philippines (WEAP).

**Jodette P. Ello**, *Certified Public Accountant, Accounting Consultant*

She started as the General Accountant of the company. Her tenure in her initial post was from December 2012 – 2013. In recognition of her effectiveness as a General Accountant, in 2013 she was promoted to Accounting/Administrative Manager. For eight (8) years, she was able to effectively implement accounting workflow, policies, and procedures; analyze the financial position and performance of the company to assure viability and continuity of the operation. She was able to deliver accurate, reliable, and feasible recommendations to the General Manager and the Chief Operating Officer. She was able to proactively contribute to the strategic planning, financial management, and day-to-day operations of the company.

It was in February 2022 when she opted to be retained as an Accounting Consultant rather than work full time as part of her professional growth and advancement. This is to enable her to concurrently handle other engagements: as an Accounting/Administrative Consultant of other companies



All in all, she has fourteen (14) years of corporate exposure in finance and accounting gained from various industries such as banking institutions, general construction, and consultancy firm involved in managing energy or power plants that also engages themselves in contracting, maintaining, and repairing electro-mechanical devices.

As the Accounting Consultant of the company from February 2022 up to the present, she is very meticulous in reviewing accounting policies and process flows. She conducts thorough audits and analysis of accounting transactions, reviews ledger and financial statements reviews tax returns of the company, and provides assistance and advice to Accounting Head. She oversees the overall financials and accounting status of the company. Her participation adds value to all future investments, diversifications, expansions, corporate directions, and executive judgment of the Board of Directors and all stakeholders which includes would-be investors for the Initial Public Offering of the company.

She obtained her degree in Bachelor of Science in Management Accounting from Xavier University- Ateneo de Cagayan in 2006, and her degree in Bachelor of Science in Accountancy from the same university in 2007.

She is a member of the International Institute of Management Accountants (IIMA) and a member of the Philippine Institute of Certified Public Accountants (PICPA).

- (h) Information required by Part IV, paragraph (B) of [“Annex C, as amended”](#), Executive Compensation;

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The Board of Directors and Stockholders does not receive any compensation and other remunerations for their service to KEGI.

- (i) Information required by Part IV, paragraph (C) of [“Annex C, as amended”](#), Security Ownership of Certain Record and Beneficial Owners and Management;

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## Security Ownership of Certain Records and Beneficial Stockholders

The following are the stockholders of the Company as of June 30, 2022

Title of Class of Shares	Name, Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Amount of Shares Held	Percent
common	EDGARDO L. SALVAME, Casian, Taytay, Palawan	n/a	Filipino	743,200,000.00	29.15%
common	ROSALIE A. SALVAME Casian, Taytay, Palawan	n/a	Filipino	637,500,000.00	25.00%
common	ZHUANG FEI LONG, 3315 Hoi lam HSE Hoi Fu CRT Mongkok, Kowloon, Hongkong	n/a	Chinese	382,500,000.00	15.00%
common	CHONG MAN PING, 3315 Hoi lam HSE Hoi Fu CRT Mongkok, Kowloon, Hongkong	n/a	Chinese	382,500,000.00	15.00%
common	RAYMOND B. ANG, 16 Tepolo St. Baloy Tablon, Cagayan De Oro City	n/a	Filipino	255,000,000.00	15.00%
common	SALLY O. ANG, 16 Tepolo St. Baloy Tablon, Cagayan De Oro City	n/a	Filipino	127,500,000.00	5.00%
common	ROSALINDA A. VERGARA, 30 Frost Street, Filinvest 2, Batasan Hills,	n/a	Filipino	3,000,000.00	0.12%

	Quezon City, 2 <sup>nd</sup> District, NCR, 1126				
common	EDWIN T. VERGARA, 30 Frost Street, Filinvest 2, Batasan Hills, Quezon City, 2 <sup>nd</sup> District, NCR, 1126	n/a	Filipino	3,000,000.00	0.12%
common	JOHN H. BANTOG, Brgy. Tulay na Patpat, Ibaan, Batangas	n/a	Filipino	2,000,000.00	0.08%
common	FELIX E. SANTINOR, Brgy. Lapu-lapu, Ibaan, Batangas	n/a	Filipino	2,000,000.00	0.08%
common	MA. ASUNCION S. MAGPANTAY, San Andres, Alaminos, Laguna	n/a	Filipino	2,000,000.00	0.08%
common	LILIA T. CHAN, Brgy. Tulay na Patpat, Ibaan, Batangas	n/a	Filipino	1,000,000.00	0.04%
common	TERESITA G. CENIZA, Brgy. Lapu-Lapu, Ibaan, Batangas	n/a	Filipino	1,000,000.00	0.04%
common	REMEFLOR D. CENIZA, Brgy. Tulay na Patpat, Ibaan, Batangas	n/a	Filipino	1,000,000.00	0.04%
common	JOHN MICHAEL A. YAP, Brgy. Tulay na Patpat, Ibaan, Batangas	n/a	Filipino	1,000,000.00	0.04%
common	ANTONIO P. DALUCAPAS, Brgy. Tulay Na	n/a	Filipino	1,000,000.00	0.04%

	Patpat, Ibaan, Batangas				
common	PAULINO A. AGBU, Blk 17 Lot 22 Phase 1- B Villa Trinitas Subd. Bugo Cagayan de Oro City	n/a	Filipino	600,000.00	0.02%
common	ESRA Prime Corp., Metro Rei Business Park, San Jose Batangas Rd. Ibaan, Palindan, Batangas	n/a	Domestic Corporation	2,000,000.00	0.08%
common	EDELYN JANE A. SALVAME, Tulay na Patpat, Ibaan, Batangas	n/a	Filipino	100,000.00	0.004%
common	ERIKA JEAN A. SALVAME, Tulay na Patpat, Ibaan, Batangas	n/a	Filipino	100,000.00	0.004%
common	Others	n/a	Filipino	2,000,000.00	0.08%
<b>TOTAL</b>				2,550,000,000.00	100%

(j) Information required by Part IV, Section (D) of "Annex C, as amended", Certain Relationships and Related Transactions.

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**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**





## Estimated Expenses for the Registration of the Company

SEC Registration Fees	PhP	1,337,280.05
Legal Research Fee		13,372.80
Documentary Stamp Tax		30.00
Publication		500,000.00
Formation of SPOD-KEGI		1,000,000.00
Professional Fees		<u>500,000.00</u>
<b>TOTAL</b>		<b><u>PhP 3,350,682.8</u></b>

### **Item 14.** Exhibits

Furnish or incorporate by reference the exhibits required by [Part VII](#) of "[Annex C, as amended](#)".

- Exhibit 1: Audited Financial Statements Years 2021-2020
- Exhibit 2: Audited Financial Statements Years 2020-2019
- Exhibit 3: Audited Financial Statements Years 2019-2018
- Exhibit 4: Interim Financial Statements As of March 31, 2022 and September 30, 2022
- Exhibit 5: Company's Website
- Exhibit 6: Certification Re: Legal Proceedings
- Exhibit 7: Certification Re: Audited Financial Statements
- Exhibit 8: Certification Re: Government Issued License/Permit
- Exhibit 9: Certification of Issuer
- Exhibit 10: Draft of Notice of Publication of Registration Statement
- Exhibit 11: Undertaking to Publish the Notice of Filing of Registration Statement
- Exhibit 12: Articles of Incorporation & By Laws December 6 2010
- Exhibit 13: Certificate of Approval of Increase of Capital Stock 450m\_April 17, 2015
- Exhibit 14: Certificate of Approval of Increase of Capital Stock 3b\_ January 8, 2021
- Exhibit 15: Opinion Re: Legality
- Exhibit 16: Opinion Re: Tax Matters
- Exhibit 17: Material Contracts
- Exhibit 18: Curriculum Vitae and Recent Photos of Officers and Directors
- Exhibit 19: Board Resolution Approving the Securities Offering and Authorizing the Filing
- Exhibit 20: Manual of Corporate Governance

- Exhibit 21: General Information Sheets  
Exhibit 22: Certification from Other Government Agencies  
Exhibit 23: Environment Clearance Certificate (ECC) Issued by DENR  
Exhibit 24: Authority to Examine Bank Accounts  
Exhibit 25: Prospectus

**Item 15.**

Furnish any other document the omission of which will render the foregoing material facts or any other part of the Registration Statement misleading.

None

**SIGNATURES**

Pursuant to the requirements of the Code, this registration statement is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Cagayan de Oro City on January 31, 2023.

By:

  
ENGR. EDELYN JANE A. SALVAME

CEO, President

  
DR. ERIKA JEAN A. SALVAME

CFO, Vice President

  
SALLY O. ANG

Corporate Secretary

  
ENGR. GILBERT J. RODRIGUEZ

General Manager

  
ROSE JANE C. DOCTO

Finance Head

  
TESSA LONICA A. PADEL


Accounting Head



SUBSCRIBED AND SWORN to before me this 01 day of FEB 2023, 200\_\_  
affiant(s) exhibiting to me his/their Residence Certificates, as follows.

NAME	ID NO.	DATE OF ISSUE	PLACE OF ISSUE
ENGR. EDELYN JANE A. SALVAME	TIN 257629167		
DR. ERIKA JEAN A. SALVAME	TIN 203447401		
SALLY O. ANG	TIN 923669331		
ENGR. GILBERT J. RODRIGUEZ	Passport P8062286A		
ROSE JANE C. DOCTO	SSS CRN0111-1579679-5		
TESSA LONICA A. PADEL	PRC 0161924		

Doc. No. 269;;  
Page No. 55;;  
Book No. 59;;  
Series of 2023

  
ATTY. ROSELISA A. SALIVAR  
NOTARY PUBLIC IN QUEZON CITY  
Commission No. Adm. Matter No. NP 158 (2023-2024)  
IBP No. 160816 2023 / IBP No. 160816 2024  
PTR No. 3916669D 1/03/2023 Roll No. 33832/TIN 129-871-009-400  
Notary Public  
MCLE EXT. APRIL 15, 2022 UP TO APRIL 14, 2023  
Address 31-F Harvard St., Cubao, Q.C.