

AMENDED PROSPECTUS

KING ENERGY GENERATION INC. (Power Generation Company)

The Offer Shares consists of Four Million Five Hundred (4,500,000) common stock with a par value of PhP100.00 per share, to be offered at Net Asset Value Per Share.

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

Satellite Office Address:
KEGI Building, Purok 10, Tepolo Street,
Baloy, Tablon, Cagayan de Oro City

kegi@kingenergy.info

Contact No. +639-17-839-1071

The date of this Prospectus is 31 December 2023

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PURCHASE PRICE CAN BE RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE THEREBY, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND.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

(1) Inside Front Cover and First Two or More Pages of Prospectus.

This (preliminary/final) Prospectus relates to the direct primary offer and sale of 4,500,000.00 common shares with an aggregate principal amount of **Four Hundred FIFTY MILLION PESOS (P450,000,000.00)** of King Energy Generation Inc. (the “Company, the Issuer, or “Company Name) to be offered to be public at an offer price ranging from **P123.98 per share.**

The Issuer expects to raise gross proceeds amounting up to **FIVE HUNDRED FIFTY SEVEN MILLION NINE HUNDRED TEN THOUSAND PESOS (P557,910,000.00)** and the net proceeds are estimated to be at least **FIVE HUNDRED FIFTY FIVE MILLION FIVE HUNDRED EIGHTY FOUR THOUSAND THREE HUNDRED SEVENTEEN PESOS AND FIFTEEN CENTAVOS (P555,584,317.15)** after deducting fees, commissions and expenses relating to the issuance of the securities. The net proceeds of the Offer shall be used primarily by the Company to finance future projects. For further detailed information on the use of proceeds, see “Use of Proceeds” on page 72 of this (preliminary/final) Prospectus.

Each investor must comply with all laws applicable to it and must obtain the necessary consent, approvals or permission for its purchase, offer or sale under the laws and regulation in force to which it is subject.

The company is organized under the Philippine Law. The Company is authorized to distribute dividends out of its surplus profit, in cash, properties of the Company, shares of stock. Dividends paid in the form of cash or property, are subject to approval of the Board of Directors of the Company. Dividends paid in the form of additional Common Shares are subject to the approval of the Board of Directors and stockholders who owns at least two-third (2/3) of the outstanding capital of the company. The Board may not declare dividends as determined by the Board, taking into consideration factors such as implementation of business plans, debt service requirements, operating expenses, budgets, funding of new investments and acquisitions and appropriate reserves and working capital. Refer to page on Dividends and Dividend Policy of this Prospectus.

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

No person has been authorized to give any information or to make any representation not contained in this (Preliminary/Final) Prospectus. If given or made, any such information or representation must not be relied upon as having been authorized by the Company. This (Preliminary/Final) Prospectus does not constitute an offer or any securities, or any offer to sell or solicitation of any offer to buy any of the securities of the Company in any jurisdiction, to or from any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Before making an investment decision, investor must rely on their own due diligence examination of the Company and the terms of the Offer including the risks involved.

The Issuer has included in this Statement all of its representation about this offering. If anyone gives you more or different information, you should ignore it. You should carefully review and rely only on the information in this Statement in making an investment decision. The Investors should be aware that risks and uncertainties might occur.

By:

A handwritten signature in black ink, appearing to be 'E. Salvame', written over the printed name.

ENGR. EDELYN JANE A. SALVAME

[President/CEO]

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FORWARD-LOOKING STATEMENTS

KING ENERGY GENERATION, INC.

(A corporation organized under Philippine laws)

This Prospectus relates to the offer of 4,500,000 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 PhP557,910,000.00 (computed as follows: 4,500,000 unissued shares by multiplying by PhP123.98 share offer price - NAVPS as of 12/31/2023).

The 4,500,000 shares 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.



ENGR. EDELYN JANE A. SALVAME
President

DEFINITION OF TERMS

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.
OFFER SHARES	Consists of Four Million Five Hundred (4,500,000) common stock with a par value of PhP100.00 per share
PAGASA	Philippine Atmospheric, Geophysical and Astronomical Services Administration

PAR VALUE	Par value for a share refers to the stock value stated in the corporate charter
PESO/PHP	The currency of the Republic of the Philippines PSE Philippine Stock Exchange
PDIC	Philippine Deposit Insurance Corporation
PHILVOLCS	Philippine Institute of Volcanology and Seismology
PSE	Philippine Stock Exchange
PSEi	Philippine Stock Exchange Index
RA No. 2629	Investment Company Act
RA No. 7156	Mini-hydroelectric Power Incentive Act
RA No. 9136	Electric Power Industry Reform Act of 2001
RA No. 9160	Anti-Money Laundering Act Of 2001, as amended.
RA No. 10168	The Terrorism Financing Prevention and Suppression Act of 2012
RA No. 10173	Data Privacy Act of 2012
SEC	Securities and Exchange Commission
SPOD-KEGI	Stock Public Offering Division - King Energy Corporation Inc.
SRC	Securities Regulation Code (Republic Act No. 8799)
VAT	Value Added Tax

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and audited financial statements, including notes thereto, found in the appendices of this Prospectus.

Prospective investors should read this entire Prospectus fully and carefully, including the section on “Risk Factors”. In case of any inconsistency between this summary and the more detailed information in this Prospectus, then the more detailed portions, as the case may be, shall at all times prevail.

BUSINESS DEVELOPMENT

KEGI is a Philippine corporation registered as 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.

KEGI was incorporated and registered with the Securities and Exchange Commission (SEC) on December 6, 2010 and issued Company Registration No. CS201019693, primarily 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 private distribution utilities.

It started with six (6) incorporators, namely: (1) Edgardo L. Salvame; (2) Rosalie A. Salvame; (3) Zhuang Fei Long; (4) Raymond Ang; (5) Chong Man Ping; and (6) Sally Ang. Moreover, its principal place of business is at Misamis Oriental Power Plant (MOPP1), Brgy. San Luis, Gingoog City, Misamis Oriental. As of December 31, 2023, it operates and maintains seven (7) power plants located at Bukidnon, Misamis Oriental, Misamis Occidental, Camiguin and Surigao del Sur.

King Energy Generation Inc is a power generation company that earns revenue through various means, depending on its operational model, location, and the regulatory environment in which it operates.

Below are the current ways that KEGI earn revenue:

1. Power Supply Agreements (PSAs): KEGI enter into long-term contracts known as PSAs with utilities or large consumers. These agreements stipulate a fixed price for electricity over a specified period, helping ensure a stable revenue stream.
2. Ancillary services (AS): KEGI earns additional revenue by providing ancillary services. This includes frequency regulation and voltage support.
3. Wholesale Electricity Spot Market (WESM): KEGI earns additional revenue by selling electricity through the WESM.

As a result, KEGI's main revenue stream is through bilateral contracts which offers a stable and predictable revenue stream, ensuring a direct relationship with the end consumers. Additionally, KEGI has ancillary services provides a dynamic revenue source tied to the real-time needs of the grid and through trading in the WESM.

DISTRIBUTION METHODS OF THE PRODUCTS OR SERVICES

King Energy Generation Inc. has 7 Bunker-C Fired Diesel Power Plant installed strategically around Mindanao. Five (5) of its power plants are connected in 69kv Transmission Line of NGCP and the two (2) Power plants are directly connected or embedded in the transmission system of the Electric Cooperative. The energy for grid connected is generally means that a power generation facility or an electricity consumer is directly connected to and operating in coordination with the NGCP's national transmission grid. This connection allows for the efficient distribution of electricity across the Philippines. the NGCP grid-connected facilities play a critical role in distributing electricity from where it is generated to where it is needed across the Philippines, serving residential, commercial, and industrial customers. However, for embedded generation facilities, it directly injected to the electric cooperative transmission system to supply the energy demand needed in its franchise area.

STATUS OF ANY PUBLICLY-ANNOUNCED NEW PRODUCT OR SERVICE

By 2030, King Energy Generation Inc. aims to spearhead the transition towards a sustainable energy future by commissioning and operationalizing solar and hydro power plants with a combined capacity of 50 MW. Currently, KEGI has several Hydroelectric Service Contracts (HSC) awarded by the Department of Energy (DOE). By focusing on both solar and hydro power plants, the company ensures a balanced energy portfolio, harnessing the benefits of both intermittent (solar) and base-load (hydro) renewable energy sources in parallel with its existing Diesel/Bunker Power Plants.

DESCRIPTION OF REGISTRANT

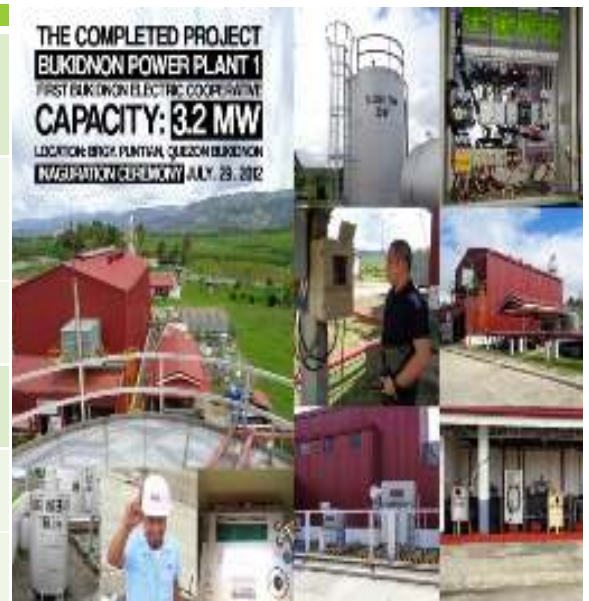
KING ENERGY GENERATION INC.'S BUSINESS DEVELOPMENT BACKGROUND

King Energy Generation Inc. is a constituted company comprised of seventy percent (70%) Filipino and thirty percent (30%) foreign ownership which was incorporated on the 6th day of December 2010. It carries a mission to be a globally competitive power generation company that helps improve the lives of the people in the communities by providing power at a reasonable rate. Moreover, it also carries a vision for reliable and sustainable power generating company that will provide efficient power to client where it operates. Bringing the strong mission and vision, KEGI now has seven (7) Diesel Power Plants all over Mindanao that provides support to the energy requirement of its contracted Distribution Utility.

KEGI's Bunker C-Fired Diesel Power Plants

1.)BPP1 (BUKIDNON POWER PLANT 1)

PROJECT TYPE	BUILD-OPERATE-MAINTAIN
TYPE OF PLANT	Bunker C-Fired Diesel
RATED CAPACITY	3.2 MW
DEPENDABLE CAPACITY	3.0 MW
LOCATION	Quezon, Bukidnon
INAGURATION	JULY 12, 2012



In the year 2010, there exists a Mindanao-wide power supply shortage. This has resulted in significant power interruptions and rotating brownouts of several hours, which has been felt within the franchise area of First Bukidnon Electric Cooperative Inc. (FIBECO). This situation is bound to worsen because of the mandate under Republic Act No. 9136 (Electric Power Industry Reform Act of 2001 or EPIRA) to privatize National Power Corporation's (NPC) generation assets and to prohibit the same from investing in new generation capacity. FIBECO faces an aggravated power supply deficiency situation. In the recent Contract for the Supply of Electric Energy (CSEE) between PSALM and

FIBECO, PSALM committed a significantly reduced average contract energy. This new average contract energy is an alarming reduction in the power supplied by PSALM to FIBECO. Furthermore, PSALM has confirmed that it does not have sufficient capacity to supply FIBECO's additional power requirements. PSALM cannot supply beyond the contracted energy and equivalent demand stipulated in the recent Contract for the Supply of Electric Energy (CSEE). The energy requirement within the franchise area of FIBECO is expected to significantly increase in the future. Though there is existing contracted demand from other suppliers, this is far from being sufficient to meet the energy requirements of FIBECO's customers. While the power shortage continues to press on the island of Mindanao, there exists a scarcity of electricity suppliers. Accordingly, FIBECO was impelled to execute a contract for power supply with a generator with a proven track record. In order to create a viable demand for additional energy, FIBECO decided to pool its requirements. The substantial demand for energy had KEGI convinced of the viability of constructing a power plant.

The commencement of a Power Supply Agreement between King Energy Generation Inc. (KEGI) and First Bukidnon Electric Cooperative (FIBECO) aforementioned parties lead to the establishment of One (1) unit Diesel-Bunker Generating Set with a capacity of **3.2 MW and Engine type of WARTSILA 9R32** with one step-up transformer having a capacity of **5/6.25 MVA**, Wye-Delta Vector Group YNd11, 4.16kV/13.2kV. located at Brgy. Puntian, Quezon Bukidnon.

The power facility includes a Disconnect Switch in 15kV and 17.5kV Power Circuit Breaker equipped with complete generator and transformer protection devices and controller PLC. Furthermore, the substation power transformer is directly connected to the 13.2kV distribution line of First Bukidnon Electric Cooperative (FIBECO) of C3 Feeder of 10MVA Camp -1 Substation located at Camp-1, Maramag, Bukidnon.

2.) BPP2 (BUKIDNON POWER PLANT 2)

PROJECT TYPE	BUILD-OPERATE-MAINTAIN
TYPE OF PLANT	Bunker C-Fired Diesel
RATED CAPACITY	7.8 MW
DEPENDABLE CAPACITY	7.5 MW
LOCATION	Maramag, Bukidnon
INAGURATION	JULY 09, 2015



Due to the needs and desire of FIRST BUKIDNON ELECTRIC COOP (FIBECO) to contract 6 MW peaking capacity, King Energy Generation Inc. developed 1 x 7.841 MW BUKIDNON POWER PLANT 2 in Brgy. Dologon, Maramag Province of Bukidnon.

The commencement of a Power Supply Agreement between the parties lead to the establishment of 1-unit Diesel- Bunker Generating Set with a capacity of 7.841 MW and Engine type of 18v32 with one step-up transformer having a capacity of 10 MVA, Wye-Delta Vector Group YNd11, 69 kV/4.16 kV. Constructed by KEGI's EPC contractors Lions Convergence Construction and Development, Metalite Builders Development Co. Inc., Torypine construction corporation. The plant was commissioned last July 2015 and commercial operation commence the following Month August 2015. The power facility includes a complete generator and transformer protection devices and controller PLC.

The construction of Bukidnon power plant 2 generates an opportunity to the residents of Brgy. Dologon, Maramag, from laborer, skilled workers and professionals residing in Maramag Province of Bukidnon.

3.)MOPP1 (MISAMIS ORIENTAL POWER PLANT 1)

PROJECT TYPE	BUILD-OPERATE-MAINTAIN	
TYPE OF PLANT	Bunker C-Fired Diesel	
RATED CAPACITY	10.6 MW	
DEPENDABLE CAPACITY	10 MW	
LOCATION	Gingoog, Misamis Oriental	
INAGURATION	SEPTEMBER 02, 2013	

Due to the needs and desire of MISAMIS ORIENTAL II ELECTRIC SERVICE COOPERATIVE 2 (MORESCO 2) to contract a total 9.4 MW peaking capacity, King Energy Generation Inc. developed 1 X 6.426 MW and 1 x 4.284 Misamis Oriental Power Plant 1 in Brgy. San Luis, Gingoog City, Province of Misamis Oriental.

The commencement of a Power Supply Agreement between the parties lead to the establishment of 2-unit Diesel- Bunker Generating Set with a capacity of 10.710 MW with Engine type of 18v32 and 12v32, with one step-up transformers having a capacity of 15 MVA, Wye-Delta Vector Group YNd1, 69 kV/13.8 kV. Constructed by KEGI's EPC contractors Metalite Builders Development Co. Inc. The plant was commissioned last September 2013 and commercial operation commence the following Month October 2013. The power facility includes a complete generator and transformer protection devices and controller PLC.

The construction of Misamis Oriental power plant 1 generates an opportunity to the residents of Brgy. San Luis, Gingoog City, from laborer, skilled workers and professionals residing in Gingoog City, Province of Misamis Oriental.

4.) MOPP2 (MISAMIS ORIENTAL POWER PLANT 2)

PROJECT TYPE	BUILD-OPERATE-MAINTAIN
TYPE OF PLANT	Bunker C-Fired Diesel
RATED CAPACITY	15.6 MW
DEPENDABLE CAPACITY	15.0 MW
LOCATION	Panaon, Misamis Occidental
INAGURATION	MAY 26, 2014



Due to the needs and desire of MISAMIS OCCIDENTAL I ELECTRIC COOPERATIVE (MOELCI I) and MISAMIS OCCIDENTAL II ELECTRIC COOPERATIVE (MOELCI II) to contract a total 13.76 MW peaking capacity, King Energy Generation Inc. developed 2 X 7.841 MW Misamis Occidental Power Plant 2 in Brgy. Map-an, Panaon Province of Misamis Occidental.

The commencement of a Power Supply Agreement between the parties lead to the establishment of 2-unit Diesel- Bunker Generating Set with a capacity of 15.682 MW and Engine type of 18v32 and with one step-up transformers having a capacity of 20 MVA, Wye-Delta Vector Group YNd1, 69 kV/13.8 kV. Constructed by KEGI's EPC contractors Lions Convergence Construction and Development, Metalite Builders Development Co. Inc., Torypine Construction Corp., Energy & Building Application Technologies corp, and Fibra De Vidrio Gasan Inc. The plant was commissioned last May 2014 and commercial operation commence the following Month June 2014. The power facility includes a complete generator and transformer protection devices and controller PLC.

The construction of Misamis Occidental power plant 2 generates an opportunity to the residents of Brgy. Map-an, Panaon, from laborer, skilled workers and professionals residing in Panaon Province of Misamis Occidental.

5.) MOPP3 (MISAMIS ORIENTAL POWER PLANT 3)

PROJECT TYPE	BUILD-OPERATE-MAINTAIN
TYPE OF PLANT	Bunker C-Fired Diesel
RATED CAPACITY	16.2 MW
DEPENDABLE CAPACITY	15.5 MW
LOCATION	Jimenez , Misamis Occidental
INAGURATION	October 2, 2017



Due to the needs and desire of SULTAN KUDARAT ELECTRIC COOP. (SUKELCO), ZAMBOANGA DEL SUR ELECTRIC COOP 2 (ZAMSURECO 2) and LANA DEL NORTE ELECTRIC COOP (LANECO) to contract a total 12 MW peaking capacity, King Energy Generation Inc. developed 1 x 7.841 MW and 1 x 8.398 MW Misamis Occidental Power Plant 3 in Brgy. San Isidro, Jimenez Province of Misamis Occidental.

The commencement of a Power Supply Agreement between the parties lead to the establishment of 2-unit Diesel- Bunker Generating Set with a capacity of 16.239 MW and Engine type of 18v32 with two step-up transformers having a capacity of 10 MVA, Wye-Delta Vector Group YNd1, 69 kV/4.16 kV. Constructed by KEGI's EPC contractors Lions convergence construction and Development, Metalite Builders and Development co.Inc. Torypine construction corporation. the plant was commissioned last October 2018 and commercial operation commence the following Month November 2016. The power facility includes a complete generator and transformer protection devices and controller PLC.

The construction of Misamis Occidental power plant 3 generates an opportunity to the residents of Brgy. San Isidro, Jimenez, from laborer, skilled workers and professionals residing in Jimenez Province of Misamis Occidental.

6.) SSPP (SURIGAO SUR POWER PLANT)

PROJECT TYPE	BUILD-OPERATE-MAINTAIN
TYPE OF PLANT	Bunker C-Fired Diesel
RATED CAPACITY	7.8 MW
DEPENDABLE CAPACITY	7.5 MW
LOCATION	Tandag, Surigao del Norte
INAGURATION	July 21, 2014



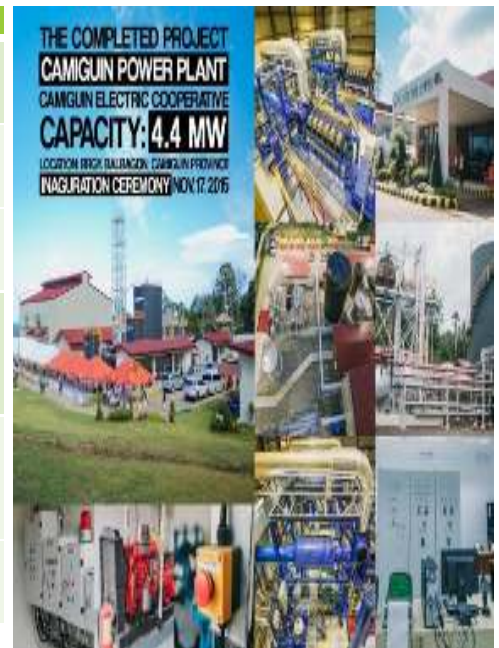
Due to the needs and desire of SURIGAO DEL SUR ELECTRIC COOP. (SURSECO 2) to contract 5.41 MW peaking capacity, King Energy Generation Inc. developed 1 x 7.841 MW SURIGAO SUR POWER PLANT in Brgy. Telaje, Tandag Province of Surigao del Sur.

The commencement of a Power Supply Agreement between the parties lead to the establishment of 1-unit Diesel- Bunker Generating Set with a capacity of 7.841 MW and Engine type of 18v32 with one step-up transformer having a capacity of 10 MVA, Wye-Delta Vector Group YNd1, 69 kV/4.16 kV. Constructed by KEGI's EPC contractors Lions Convergence and Construction and Development, Metalite Builders Development, Power Manufacturing & Marine Works, Inc., Fibra De Vidrio Gasan Inc. The plant was commissioned last July 2014 and commercial operation commence the following year October 2015. The power facility includes a complete generator and transformer protection devices and controller PLC.

The construction of Surigao Sur power plant generates an opportunity to the residents of Brgy. Telaje, Tandag, from laborer, skilled workers and professionals residing in Tandag Province of Surigao del Sur.

7.) CPP (CAMIGUIN POWER PLANT)

PROJECT TYPE	BUILD-OPERATE-MAINTAIN
TYPE OF PLANT	Bunker C-Fired Diesel
RATED CAPACITY	4.4 MW
DEPENDABLE CAPACITY	4.0 MW
LOCATION	Balbagon, Mambajao, Camiguin
INAGURATION	November 12, 2015



Due to the needs and desire of Camiguin Electric Cooperative Inc. (CAMELCO to contract 4 MW peaking capacity, King Energy Generation Inc. developed 2 x 2.050 MW Camiguin Power Plant in Brgy. Balbagon, Camiguin Province.

The commencement of a Power Supply Agreement between the parties lead to the establishment of 2-unit Diesel- Bunker Generating Set with a capacity of 2.050 MW and Engine type of 6R32 with one step-up transformer having a capacity of 5 MVA, Delta-Wye Vector Group Dyn5, 13.8kV/13.2 kv. Constructed by KEGI's EPC contractors Lion's convergence construction and development, Topyne construction corporation. The plant was commissioned last May 2015 and commercial operation commence the following year March 2016.

The construction of Camiguin power plant generates an opportunity to the residents of Camiguin, from laborer, skilled workers and professionals residing in Camiguin.

The power facility includes a complete generator and transformer protection devices and controller PLC. Furthermore, the substation power transformer is connected to the 13.2 kV system of CAMELCO.

With the power supply agreements entered into by King Energy Generation Inc. and the different electric cooperatives from KEGI's various power plants. KEGI was able to generate revenue through capital recovery fees and operations and maintenance fees for a 10-year term contract.

For the past three (3) calendar years, 2021 to 2023, the company has earned a gross revenue from its seven (7) power plants of P P1,078,296,268, P1,045,512,292 and P779,621,152, respectively. The company's revenue is mainly from its bilateral contracts and in 2023, WESM Mindanao has started its commercial operation in which the company is a trading participant. KEGI is gearing towards putting up renewable sources of energy and is actively undertaking research and development projects and securing service contracts that would help in the company's sustainability.

As of December 31, 2023, KEGI is owned by THIRTY-ONE (31) stockholders, wherein seventy (70%) are Filipino and thirty percent (30%) foreign-owned. As of December 31, 2023, the following are the concurrent Board of Directors of KEGI, as follows: (1) Engr. Edelyn Jane A. Salvame; (2) Raymond B. Ang; (3) Sally O. Ang; (4) Engr. Gilbert J. Rodriguez; (5) Engr. Ariel J. Buragay; (6) Milagros S. Castro, CPA; (7) Jodette P. Ello, CPA; (8) Atty. Jairo M. Ladera ; and (9) Atty. Alisa Trena R. Olano, REA, REB, REC

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 POWER PLANT 1 (BPP1) LOCATED AT BRGY. PUNTIAN, QUEZON, BUKIDNON;





(2) BUKIDNON POWER PLANT II (BPP2) LOCATED AT BRGY. DOLOGON, MARAMAG, BUKIDNON;





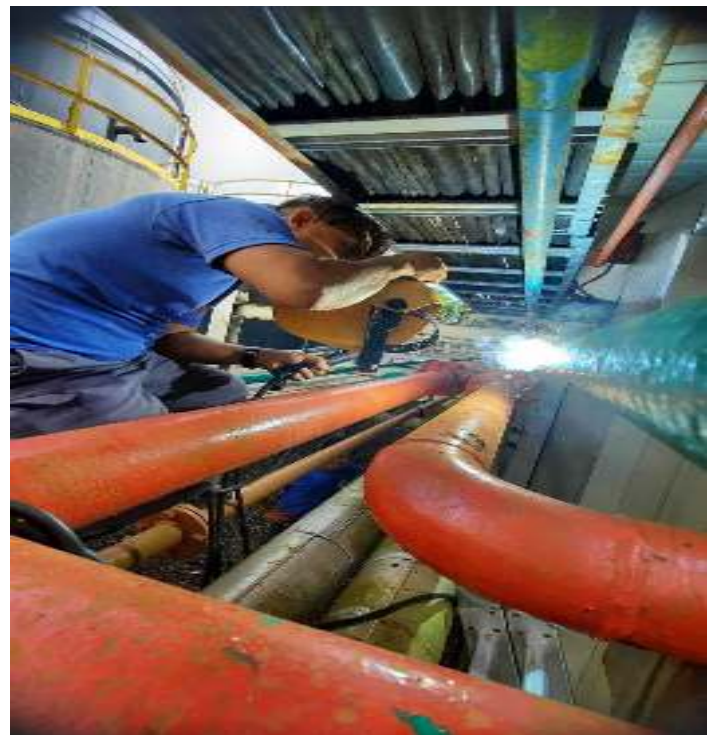
(3) CAMIGUIN POWER PLANT (CPP) LOCATED AT BRGY. MAUBOG, MAMBAJAO, CAMIGUIN;





4) SURIGAO SUR POWER PLANT (SSPP) LOCATED AT BRGY. TELAJE, TANDAG CITY, SURIGAO DEL SUR;





(5) MISAMIS ORIENTAL POWER PLANT (MOPP1) LOCATED AT BRGY. SAN LUIS, GINGOOG CITY, MISAMIS ORIENTAL





(6) MISAMIS OCCIDENTAL POWER PLANT (MOPP2) LOCATED AT BRGY. MAP-AN, PANAON, MISAMIS OCCIDENTAL;





(7) MISAMIS OCCIDENTAL POWER PLANT (MOPP3) LOCATED AT BRGY. SAN LSIDRO, JIMENEZ, MISAMIS OCCIDENTAL





NEED FOR GOVERNMENT APPROVAL OF PRINCIPAL SERVICES:

KING ENERGY GENERATION LICENSES, PERMITS TO ANY REGULATORY AGENCY/ GOVERNMENT AGENCY

As Power generation facilities, mainly uses bunker for fuel typically require various permits and licenses from government agencies to operate legally and ensure the safety and environmental compliance of their operations. It is also important to note that the specific permits and licenses required for the continuous operation in serving the Mindanao grid. KEGI as a Power generation company must work closely with relevant government agencies and regulatory bodies to understand and comply with the specific requirements in their area of operation. Moreover, the following is the specific permits and licenses that each power plant of KEGI secured and complied for its continuous operation, to wit:

Bukidnon Power Plant 1 (BPP1)

<i>ITEM</i>	<i>LIST OF LICENSES</i>	<i>ISSUANCE DATE</i>	<i>EXPIRATION DATE</i>	<i>ISSUING AGENCY</i>	<i>STEPS UNDERTAKEN</i>
1	CERTIFICATE OF COMPLIANCE	Aug. 6, 2017	Aug. 5, 2024	ERC	
2	WESM REGISTRATION	N/A	N/A	N/A	N/A
3	CERTIFICATE OF REGISTRATION	April 5, 2024	No expiry	ERC	Compliant
4	CERTIFICATE OF ENDORSEMENT	April 18, 2011	No Expiry	DOE-EPIMP	Compliant
5	METERING SUPPLY AGREEMENT	N/A	N/A	N/A	N/A
6	TRANSMISSION SUPPLY AGREEMENT	N/A	N/A	N/A	N/A
7	CONNECTION AGREEMENT	N/A	N/A	N/A	N/A
8	CERTIFICATE OF APPROVAL TO CONNECT	November 28, 2022	No Expiry	FIBECO	Compliant
9	FINAL CERTIFICATE OF APPROVAL TO CONNECT				
10	CERTIFICATE OF GRID CODE AND OATS RULES				
11	GENERATING UNIT CAPABILITY TEST CERTIFICATE	March 29, 2022	No expiry	FIBECO	Compliant
12	ER-1-94			DOE	On-Going
13	BUSINESS PERMIT	Jan. 27, 2024	Dec. 31, 2024	LGU BUKIDNON	Compliant
14	INITIAL PUBLIC OFFERING		On Going	SEC	On Going
15	ENVIRONMENTAL COMPLIANCE CERTIFICATE	N/A	N/A	N/A	N/A
16	CERTIFICATE OF NON-CONVERGENCE	March 19, 2011	No Expiry	DENR	Compliant
17	PERMIT TO OPERATE	May 22, 2020	May 22, 2025	DENR	Compliant
18	WASTE DISCHARGE PERMIT	Aug 5, 2022	Aug 5, 2027	DENR	Compliant
19	WATER PERMIT	June 21, 2022	No Expiry	NWRB	Compliant
20	FUEL SUPPLY AGREEMENT	March 1, 2024	March 1, 2025		Compliant

Bukidnon Power Plant 2 (BPP2)

<i>ITEM</i>	<i>LIST OF LICENSES</i>	<i>ISSUANCE DATE</i>	<i>EXPIRATION DATE</i>	<i>ISSUING AGENCY</i>	<i>STEPS UNDERTAKEN</i>
1	CERTIFICATE OF COMPLIANCE	November 29, 2022	August 23, 2023	ERC	
2	WESM REGISTRATION	June 23, 2024	No expiry	IEMOP	
3	CERTIFICATE OF REGISTRATION	April 4, 2024	No Expiry	ERC	
4	CERTIFICATE OF ENDORSEMENT	January 2, 2014	No Expiry	DOE-EPIMB	
5	METERING SUPPLY AGREEMENT	July 26, 2015	July 25, 2025	NGCP	
6	TRANSMISSION SUPPLY AGREEMENT	July 26, 2015	July 25, 2025	NGCP	
7	CONNECTION AGREEMENT	July 15, 2015	July 15, 2025	FIBECO	
8	CERTIFICATE OF APPROVAL TO CONNECT	N/A	N/A	N/A	N/A
9	FINAL CERTIFICATE OF APPROVAL TO CONNECT	March 22, 2023	No Expiry	FIBECO	
10	CERTIFICATE OF GRID CODE AND OATS RULES	ONGOING	ONGOING	ONGOING	On-going Application
11	GENERATING UNIT CAPABILITY TEST CERTIFICATE	ONGOING	ONGOING	ONGOING	On-going Application
12	ER-1-94	ONGOING	ONGOING	ONGOING	On-going Application
13	BUSINESS PERMIT	January 17, 2024	December 31, 2024	LGU MARAMAG	
14	INITIAL PUBLIC OFFERING	ONGOING	ONGOING	ONGOING	On Going Application
15	ENVIRONMENTAL COMPLIANCE CERTIFICATE	July 11, 2022	No Expiry	DENR-EMB	
16	CERTIFICATE OF NON-CONVERGENCE	N/A	N/A	N/A	
17	PERMIT TO OPERATE	May 25, 2022	May 25, 2025	DENR	
18	WASTE DISCHARGE PERMIT	August 5, 2022	August 5, 2027	DENR	
19	WATER PERMIT		N/A		
20	FUEL SUPPLY AGREEMENT	March 1, 2024	March 1, 2025		For Renewal

MISAMIS ORIENTAL POWER PLANT 1 (MOPP1)

ITEM	LIST OF LICENSES	ISSUANCE DATE	EXPIRATION DATE	ISSUING AGENCY	STEPS UNDERTAKEN
1	Mothballing				On-going Application

Misamis Occidental Power Plant 2 (MOPP2)

ITEM	LIST OF LICENSES	ISSUANCE DATE	EXPIRATION DATE	ISSUING AGENCY	STEPS UNDERTAKEN
1	CERTIFICATE OF COMPLIANCE	May 26, 2019	May 25, 2024	ERC	For Renewal
2	WESM REGISTRATION	June 23, 2021	No expiry	IEMOP	Compliant
3	CERTIFICATE OF REGISTRATION	April 5, 2024	No expiry	ERC	Compliant
4	CERTIFICATE OF ENDORSEMENT	July 01, 2022	N/A	DOE-EPIMB	Compliant
5	METERING SUPPLY AGREEMENT	April 26, 2014	May 25, 2024	NGCP	Compliant
6	TRANSMISSION SUPPLY AGREEMENT	April 26, 2014	May 25, 2024	NGCP	Compliant
7	CONNECTION AGREEMENT	April 16, 2018	May 25, 2024	NGCP	Compliant
8	CERTIFICATE OF APPROVAL TO CONNECT		No expiry	NGCP	On going
9	FINAL CERTIFICATE OF APPROVAL TO CONNECT		No expiry	NGCP	On going
10	CERTIFICATE OF GRID CODE AND OATS RULES		No expiry	NGCP	On going
11	GENERATING UNIT CAPABILITY TEST CERTIFICATE		No expiry	NGCP	On going
12	ER-1-94		No expiry	DOE	On going
13	BUSINESS PERMIT	January 19, 2024	Dec. 31, 2024	LGU Panaon, Misamis Occidental	Compliant
14	INITIAL PUBLIC OFFERING			SEC	On Going
15	ENVIRONMENTAL COMPLIANCE CERTIFICATE	February 23, 2023	No expiry	DENR – EMB	Compliant
16	CERTIFICATE OF NON-CONVERGENCE	N/A	N/A	N/A	N/A
17	PERMIT TO OPERATE	March 20, 2023	Mar. 20, 2028	DENR-EMB	Compliant
18	WASTE DISCHARGE PERMIT	October 06, 2022	Oct. 6, 2027	DENR-EMB	Compliant
19	WATER PERMIT	July 23, 2020	No expiry	NWRB	Compliant
20	FUEL SUPPLY AGREEMENT	March 1, 2024	March 1, 2025		Compliant

Misamis Occidental Power Plant 3 (MOPP3)

<i>ITEM</i>	<i>LIST OF LICENSES</i>	<i>ISSUANCE DATE</i>	<i>EXPIRATION DATE</i>	<i>ISSUING AGENCY</i>	<i>STEPS UNDERTAKEN</i>
1	CERTIFICATE OF COMPLIANCE	July 10, 2022	July 9, 2024	ERC	For Renewal
2	WESM REGISTRATION	June 23, 2021	No expiry	IEMOP	Compliant
3	CERTIFICATE OF REGISTRATION	April 5, 2024	No expiry	ERC	Compliant
4	CERTIFICATE OF ENDORSEMENT	June 02, 2022	No expiry	DOE-EPIMB	Compliant
5	METERING SUPPLY AGREEMENT	November 26, 2016	Dec. 25, 2026	NGCP	Compliant
6	TRANSMISSION SUPPLY AGREEMENT	November 26, 2016	Dec. 25, 2026	NGCP	Compliant
7	CONNECTION AGREEMENT	April 16, 2018	Dec. 25, 2026	NGCP	Compliant
8	CERTIFICATE OF APPROVAL TO CONNECT	September 19, 2018	No expiry	NGCP	Compliant
9	FINAL CERTIFICATE OF APPROVAL TO CONNECT			NGCP	On going
10	CERTIFICATE OF GRID CODE AND OATS RULES			NGCP	On-going
11	GENERATING UNIT CAPABILITY TEST CERTIFICATE	December 7, 2022	July 9, 2024	NGCP	Compliant
12	ER-1-94			DOE	On-going
13	BUSINESS PERMIT	January 19, 2024	Dec. 31, 2024	LGU JIMENEZ, MISAMIS OCCIDENTAL	Compliant
14	INITIAL PUBLIC OFFERING		On-going	SEC	On Going
15	ENVIRONMENTAL COMPLIANCE CERTIFICATE	July 11, 2022	No expiry	DENR-EMB	Compliant
16	CERTIFICATE OF NON-CONVERGENCE	N/A	N/A	N/A	N/A
17	PERMIT TO OPERATE	May 20, 2022	Sep. 20, 2025	DENR-EMB	Compliant
18	WASTE DISCHARGE PERMIT	September 28, 2023	Sep. 28, 2024	DENR	Compliant
19	WATER PERMIT	July 23, 2020	No expiry	NWRB	Compliant
20	FUEL SUPPLY AGREEMENT	March 1, 2024	March 1, 2025		Compliant

SURIGAO SUR POWER PLANT (SSPP)

<i>ITEM</i>	<i>LIST OF LICENSES</i>	<i>ISSUANCE DATE</i>	<i>EXPIRATION DATE</i>	<i>ISSUING AGENCY</i>	<i>STEPS UNDERTAKEN</i>
1	CERTIFICATE OF COMPLIANCE	October 7, 2019	October 6, 2024	ERC	
2	WESM REGISTRATION	May 31, 2021	N/A	IEMOP	
3	CERTIFICATE OF REGISTRATION	April 5, 2024	No Expiry	ERC	
4	CERTIFICATE OF ENDORSEMENT	August 14, 2013	August 14, 2018	DOE	
5	METERING SUPPLY AGREEMENT	September 26, 2014	October 25, 2024	NGCP	
6	TRANSMISSION SUPPLY AGREEMENT	September 26, 2014	October 25, 2024	NGCP	
7	CONNECTION AGREEMENT		October 25, 2024	NGCP	
8	CERTIFICATE OF APPROVAL TO CONNECT	N/A	N/A	N/A	
9	FINAL CERTIFICATE OF APPROVAL TO CONNECT	January 4, 2024	N/A	NGCP	
10	CERTIFICATE OF GRID CODE AND OATS RULES	January 4, 2024	N/A	NGCP	
11	GENERATING UNIT CAPABILITY TEST CERTIFICATE	December 12, 2023	N/A	NGCP	
12	ER-1-94	ONGOING	ONGOING	DOE	ONGOING
13	BUSINESS PERMIT	January 22, 2024	December 31, 2024	LGU TANDAG CITY	
14	INITIAL PUBLIC OFFERING	ONGOING	ONGOING	SEC	
15	ENVIRONMENTAL COMPLIANCE CERTIFICATE	February 14, 2023	N/A	DENR	AMENDED
16	CERTIFICATE OF NON-CONVERGENCE	N/A	N/A	N/A	N/A
17	PERMIT TO OPERATE	March 9, 2023	March 9, 2026	DENR	
18	WASTE DISCHARGE PERMIT	July 28, 2021	July 28, 2026	DENR	
19	WATER PERMIT	February 23, 2021	N/A	NWRB	
20	FUEL SUPPLY AGREEMENT	MARCH 1, 2024	MARCH 1, 2025		

Camiguin Power Plant (CPP)

<i>ITEM</i>	<i>LIST OF LICENSES</i>	<i>ISSUANCE DATE</i>	<i>EXPIRATION DATE</i>	<i>ISSUING AGENCY</i>	<i>STEPS UNDERTAKEN</i>
1	CERTIFICATE OF COMPLIANCE	February 3, 2024	Feb. 9, 2024	ERC	On-going application
2	WESM REGISTRATION	N/A	N/A	N/A	
3	CERTIFICATE OF REGISTRATION	April 5, 2024	N/A	ERC	
4	CERTIFICATE OF ENDORSEMENT	February 25, 2014	No Expiry	DOE-EPIMB	
5	METERING SUPPLY AGREEMENT	January 26, 2023	February 25, 2026	CAMELCO	
6	TRANSMISSION SUPPLY AGREEMENT	N/A	N/A	N/A	
7	CONNECTION AGREEMENT	December 20, 2021	December 31, 2026	CAMELCO	
8	CERTIFICATE OF APPROVAL TO CONNECT	N/A	N/A	N/A	N/A
9	FINAL CERTIFICATE OF APPROVAL TO CONNECT	January 1, 2023	No Expiry	CAMELCO	
10	CERTIFICATE OF GRID CODE AND OATS RULES	ONGOING	ONGOING	ONGOING	On Going Application
11	GENERATING UNIT CAPABILITY TEST CERTIFICATE		January 07, 2026	NGCP	
12	ER-1-94	ONGOING	ONGOING	DOE	On-going Application
13	BUSINESS PERMIT	January 19, 2024	December 31, 2024	LGU CAMIGUIN	
14	INITIAL PUBLIC OFFERING			SEC	On Going Application
15	ENVIRONMENTAL COMPLIANCE CERTIFICATE	May 9, 2023	No expiry	DENR-EMB	
16	CERTIFICATE OF NON-CONVERGENCE	N/A	N/A	N/A	
17	PERMIT TO OPERATE	June 27, 2023	June 27, 2028	DENR	
18	WASTE DISCHARGE PERMIT	July 28, 2022	July 28, 2027	DENR	
19	WATER PERMIT	N/A	N/A	N/A	
20	FUEL SUPPLY AGREEMENT	March 1, 2024	March 1, 2025		

SOURCES AND AVAILABILITY OF RAW MATERIALS

Fuel – KEGI has an existing Fuel Supply Agreement (FSA) with CHEMFOUR. They have been a long-term fuel supplier of the company. Their role is not just to provide fuel but to ensure that KEGI's power plant can operate with guaranteed fuel availability. By nurturing strong relationships and consistently delivering on their promises, CHEMFOUR plays a pivotal role in our operation.

RAW MATERIAL	SUPPLIER	DOCUMENT
Fuel	Chemfour	Fuel Supply Agreement

KING ENERGY GENERATION STATUS WITH ENERGY REGULATORY COMMISSION

Energy Regulatory Commission is responsible for overseeing and regulating the energy sector involving licensing, rate, regulatory compliance, dispute resolution, market rules and competition. With this, King Energy Generation Inc. as a power generation is mandated to secure each compliance that the said regulatory body is being concern. As to the status of King Energy Generation Inc. to the Energy Regulatory Commission, KEGI is compliant to whatever necessary documents that the ERC wants to comply. In addition, KEGI adheres to transparency to the document as well as confidentially with the commission.

EFFECT OF EXISTING OR PROBABLE GOVERNMENTAL REGULATIONS ON THE BUSINESS:

As a corporation duly existing and organized under the laws of the Republic of the Philippines, King Energy Generation Inc., see to it that that they are compliant to the laws, rules and regulations that are promulgated by government agencies that governs power generation companies such as primarily the Energy Regulatory Commission (ERC), Securities and Exchange Commission (SEC), Bureau of Internal Revenue (BIR), Department of Environment and Natural Resources (DENR), and other government agencies that are deem applicable. The following are its effects.

<p>Department of Energy (DOE)</p>	<p>KEGI as a power generation company, it is governed by this Department, which has power to prepare, integrate, coordinate, supervise, and control all plans, programs, projects, and activities of the Government relative to energy exploration, development, utilization, distribution, and conservation.</p>
<p>Energy Regulatory Commission (ERC)-</p>	<p>Under Section 6 of the Electric Power Industry Reform Act of 2001 or the EPIRA law, it states that any new generation company shall, before it operates, secure from the Energy Regulatory Commission a certificate of compliance pursuant to the standards set forth in this Act, as well as health, safety and environmental clearances from the appropriate government agencies under existing laws.</p> <p>Furthermore, power generation companies like KEGI could not legally operate without the Certificate of Compliance and the Provisional Authority from the ERC.</p>
<p>Securities and Exchange Commission (SEC)-</p>	<p>The SEC governs all the corporations duly existing and organized under the laws of the Republic of the Philippines such as KEGI. In order for KEGI to continuously and legally operate, KEGI shall submit mandatory requirements to SEC such as the General Information Sheet (GIS), Audited Financial Statements (AFS) and other documents required by SEC. Failure to submit these will incur sanctions and penalties such as fines.</p>

<p>Bureau of Internal Revenue (BIR)</p>	<p>Under Section 2 of the Tax Code, the Bureau of Internal Revenue shall be under the supervision and control of the Department of Finance and its powers and duties shall comprehend the assessment and collection of all national internal revenue taxes, fees, and charges, and the enforcement of all forfeitures, penalties, and fines connected therewith.</p> <p>Taxes are the lifeblood of the government. Therefore, KEGI, as a corporations duly existing and organized under the laws of the Republic of the Philippines is required to remit and pay taxes that are applicable, to the BIR.</p>
<p>Department of Environment and Natural Resources (DENR)</p>	<p>Under Section 6 of the Electric Power Industry Reform Act of 2001 or the EPIRA law, it states that any new generation company shall, before it operates, secure from the Energy Regulatory Commission a certificate of compliance pursuant to the standards set forth in this Act, as well as health, safety and environmental clearances from the appropriate government agencies under existing laws.</p> <p>The further details for KEGI’s compliance with the environmental laws will be discussed in the next pages.</p>

INDICATE THE AMOUNT SPENT ON RESEARCH AND DEVELOPMENT ACTIVITIES, AND ITS PERCENTAGE TO REVENUES DURING EACH OF THE LAST THREE FISCAL YEARS.

During calendar years 2021 to 2023, the company allocated P 6,275,997, P17,686,965 and P15,097,322, respectively, towards Research and Development activities. These expenditures accounted for a significant portion of the company’s revenue, with 0.58%, 1.69% and 1.94% being attributed to 2021 to 2023 respectively. The company’s significant investment in Research and Development activities underscores its commitment to innovation and development, which are critical components of sustained growth and competitiveness.

COSTS AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS;

KING ENERGY GENERATION INC., adheres to Environmental Laws. These laws are:

- A. PD 1586 - Environmental Impact Assessment Law
- B. Republic Act 8749 - Philippine Clean Air Act of 1999
- C. Republic Act 9275 - Philippine Clean Water Act of 2004
- D. Republic Act 6969 - Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990
- E. Republic Act 9003 - Ecological Solid Waste Management Act of 2000

The company keep abreast on all the environmental laws compliances as specifically identified and complied below:

I. PRESIDENTIAL DECREE 1586

Establishing An Environmental Impact Statement System, Including Other Environmental Management Related Measures And For Other Purposes.

- Prior proceeding to its project, the proponent ensures that every project has been issued with "Environmental Compliance Certificate (ECC)" by the DENR-EMB, or Alternatively, the project may be issued a Certificate of Non-Coverage (CNC) if the DENR-EMB team finds that the project is not part of the Environmental Impact Statement (EIS). This means that it allows a proposed project to proceed to the next stage of project planning, which is the acquisition of approvals from other government agencies and LGUs, after which the project can start implementation. The ECC is a proof that the proponent has finished their Environmental Impact Assessment and that the project will not have significant environmental impact to the environment.

Cost and Effect for compliance

CATEGORY	COST	EFFECT
ECC (Project Case Impact Study)-Once	3,500,000.00	Applied to 7 plant sites
ECC Permit-(Once)	35,385.00	If granted/issued with ECC. No significant impact to environment but with certain conditions imposed to proponent.
CNC Permit-(Once)	1,126.00	If granted/issued with CNC. Not part of EIS
Training, Miscellaneous, Legal, Tree Planting and Other fees (Annual)	105,000.00	Education, Tree Planting and Others

II. REPUBLIC ACT 8479

"An Act Providing For A Comprehensive Air Pollution Control Policy And For Other Purposes", This Act shall be known as "Philippine Clean Air Act of 1999."

- The company's power generation technology is oil fired/diesel Generator Set, maintained its compliance to this law by securing **Permit to Operate (PTO)** issued by the DENR-EMB and its permit conditions as stated in PTO, this includes the air dispersion modeling and the annual emission test, ambient air test and noise level measurement to its standards and limits, in accordance to this law performed by third party which is accredited by the DENR-EMB.

Cost and Effect for compliance

CATEGORY	COST	EFFECT
Permitting (Permit to Operate) - Annual	14,000.00	Compliance
Emission Test - Annual	560,000.00	Passed/Compliance w/ std
Ambient Air Test- Annual	56,000.00	Passed/Compliance w/ std
Noise Measurement - Annual	3,500.00	Passed/Compliance w/ std
Air Dispersion Modeling - Once	1,050,000.00	Compliance
Training, Miscellaneous, Legal and Other fees	30,000.00	Compliance

III. REPUBLIC ACT 9275

"An Act Providing For A Comprehensive Water Quality Management And For Other Purposes", This Act shall be known as the "Philippine Clean Water Act of 2004."

- The company's power generation facilities have secured two (2) types of **Waste Water Discharge Permit** issued by the DENR-EMB, these are; industrial waste and domestic waste. The company keeps abreast to this law by complying all the conditions as stated in the permit.

Cost and Effect for compliance

CATEGORY	COST	EFFECT
Waste Water Discharge Permit (Industrial) - Annual	14,000.00	Compliance
Waste Water Discharge Permit (Domestic) - Annual	14,000.00	Compliance
Sludge hauling/siphoning-Annual	128,000.00	Treated/Compliance
Training, Miscellaneous, Legal and Other fees	60,000.00	Compliance

IV. REPUBLIC ACT 6969

"An Act To Control Toxic Substances And Hazardous And Nuclear Wastes, Providing Penalties For Violations Thereof, And For Other Purposes". This Act shall be known as the "Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990."

- The company has identified five (5) hazardous waste types in accordance with this law. the proponent has secured the ***Hazardous Waste Generator Registration Certificate*** issued by the DENR-EMB. The company's hazardous wastes are transported, treated, stored and disposed (T/TSD) properly by the DENR-EMB accredited third party T and TSD.

Cost and Effect for compliance

CATEGORY	COST	EFFECT
Permits and Certificates	7,350.00	Compliance
Hazardous wastes disposal- Annual	175,0000.00	Treated or stored
Training, Miscellaneous, Legal and Other fees	60,000.00	Compliance

V. REPUBLIC ACT 9003

"An Act Providing For An Ecological Solid Waste Management Program, Creating The Necessary Institutional Mechanisms And Incentives, Declaring Certain Acts Prohibited And Providing Penalties, Appropriating Funds Therefor, And For Other Purposes." This Act shall be known as the "Ecological Solid Waste Management Act of 2000."

- The company keep abreast its solid wastes are properly segregated at source in accordance with its waste classification prior to the disposal by setting up the *Material Recovery Facility*. Each plant sites generate solid wastes for an average of two (2) kilos per day. The solid wastes are collected and managed by the Local Government Unit (LGU) having jurisdiction to its plant sites location.

Cost and Effect for compliance

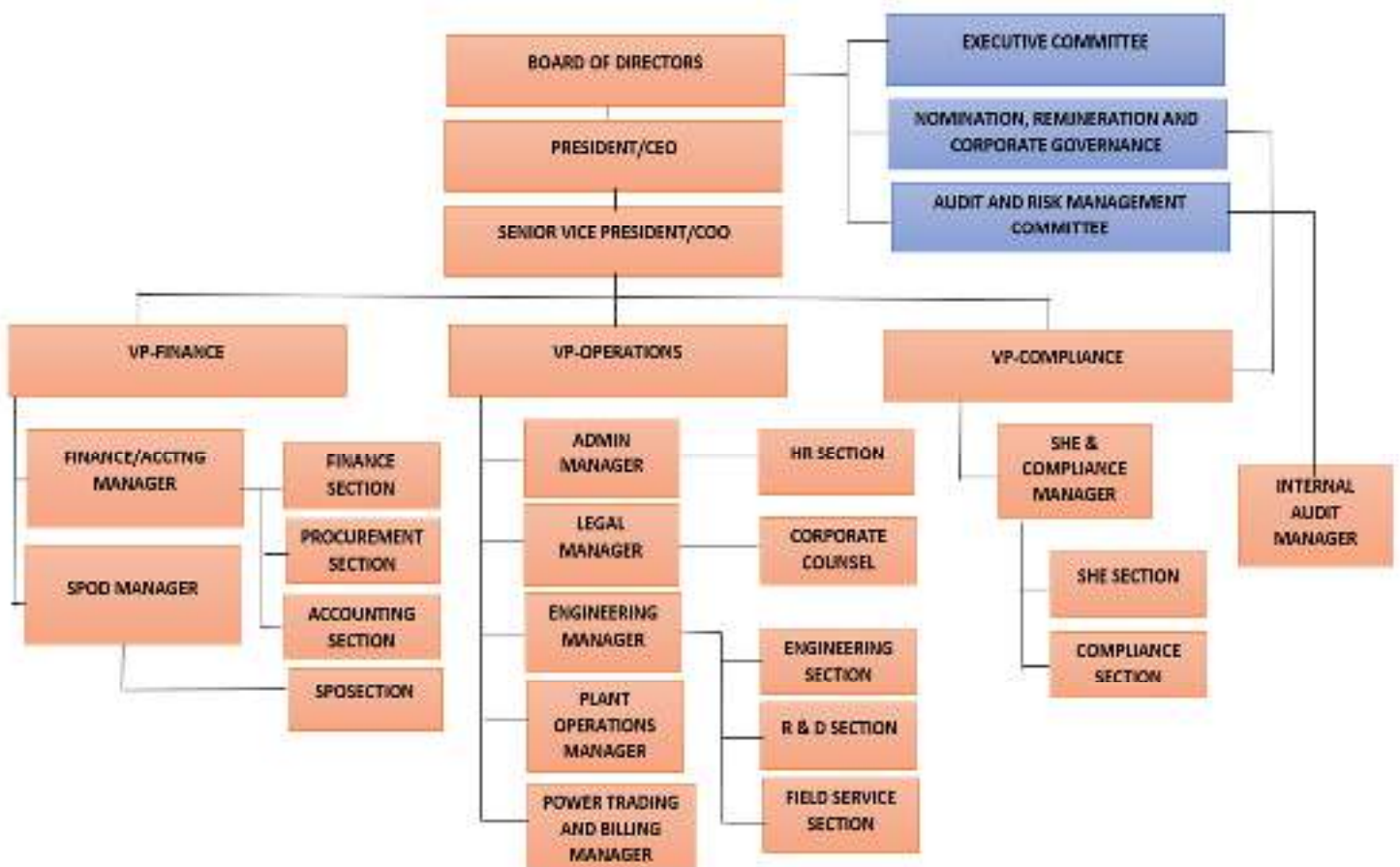
CATEGORY	COST	EFFECT
Training, Miscellaneous, Legal and Other fees	70,000.00	Reduced wastes by recycling and others

SUMMARY OF COST ANNUALLY

ENVIRONMENTAL LAWS IMPLEMENTATION COST	AMOUNT
PRESIDENTIAL DECREE 1586	105,000.00
REPUBLIC ACT 8749	663,500.00
REPUBLIC ACT 9275	216,000.00
REPUBLIC ACT 6969	242,350.00
REPUBLIC ACT 9003	70,000.00

Corporate Structure

POSITION
BOARD OF DIRECTORS
INDEPENDENT DIRECTORS
PRESIDENT/ CEO
SENIOR VICE PRESIDENT/ COO
VP OPERATIONS
VP FINANCE
VP COMPLIANCE
CORPORATE SECRETARY



RISK FACTORS

An investor deals in an investment of which may carry a different level of risks.

1. The following is a summary of all the risks that apply to the Issuer and/or this offering. You should carefully consider these risks prior to investing in this offering.

Operating History:

The Issuer has limited or no operating history because the Issuer may have operated for only a short period of time, it has produced little or no profit. There is no assurance that it will ever produce a profit.

Consumer/customer-related risks (select all that apply): Check Box

✓	The Issuer experiences delay of payments from existing consumers (for distribution utilities - bills on power consumption and distribution charges; for generation companies – collections from retail and wholesale buyers)
	There are transfers of an active consumer's home address to those outside of the franchise area without prior notice.
	The Issuer receives complaints and lawsuits arising from the damage to customer electrical appliances and equipment due to power surges or interruptions.

Disruptions in the Supply of Electricity (select all that apply): Check Box

✓	There may be service disruptions and variations in power quality affecting generation and distribution network. Frequent disruptions negatively impact the financial and operational conditions of the Issuer.
✓	The Issuer may experience technical failures in distribution and generation facilities, including substations that affects supply and power quality.
	The Issuer experiences lack of generating capacity – or for distribution utilities, the lack of power supply from the generation companies – to supply electricity for transmission.
✓	A shift in the prices of electricity in the Wholesale Electricity Spot Market affects the supply and availability of electricity.
	Systems loss parameters (e.g. Pilferages, defective meters, overloaded system, erratic billing cycles; delayed implementation of Capital Expenditure project due to regulatory requirements; and other concerns such as right of way and old, dilapidated distribution system)

Limited Resources/Losses (select all that apply):

✓	The Issuer's profitability may be reduced or it may incur losses if its costs increase without the ERC authorizing a corresponding increase in tariffs or if the ERC sets future Maximum Average Prices lower than their current level.
	The Issuer has limited resources and will not be able to continue operating without the proceeds from this offering. It is possible that the proceeds from this offering and other resources may not be sufficient for the Issuer to continue to finance operations. The Issuer expects to continue to experience losses from operations especially brought by a competitive electricity market and it cannot be predicted when or if the Issuer will become profitable. If the Issuer achieves profitability, it may not be sustainable.
	The Issuer has incurred losses since inception and may incur future losses. The Issuer has not yet generated a profit from operations. As of the date of the most recent financial statements, the Issuer had an accumulated deficit of _____.

Risks related to Key Personnel/Employees

	The Issuer success depends substantially on the services of a small number of individuals.
	The Issuer may be harmed if it loses the services of these people and it is not able to attract and retain qualified replacements.
	The Issuer's officers, directors, managers and key persons will continue to have substantial ownership and control over the Issuer after the offering.
	The Issuer encounters injuries to employees, contractors, or third parties, which may result in fines, claims, higher insurance costs, or denial of coverage.
	The Issuer does not maintain key person life insurance on those individuals on whom the Issuer's success depends. The loss of any of these individuals could have a substantial negative impact on the Issuer and your investments.
	The Issuer may experience failure to successfully negotiate and enter into future collective bargaining agreements with its employees, which may result in work stoppages.

Inexperienced Management (select all that apply):

	None of the Issuer's officers, directors, and/or managers has managed a company in this industry. The Issuer's ability to operate successfully may depend on its ability to attract and retain qualified personnel, who may be in great demand.
	None of the Issuer's officers, directors, and/or managers has experience in managing an underperforming or developing public electricity utility.

Past Failures

	Prior to organizing the Issuer, one or more of the Issuer's officers, directors, and/or managers operated a business in which shareholders lost part or all of their investment. The Issuer's ability to operate successfully may depend on its officers, directors, and/or managers to succeed where they have failed before.
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Government Regulations:

<input checked="" type="checkbox"/>	The Issuer must comply with local and national rules and regulations. If the Issuer fails to comply with a rule or regulation it may be subject to fines or other penalties, or its permit or license may be revoked or suspended. The Issuer may have to stop operation and you may lose your entire investment.
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Dilution (select all that apply):

	The price of a share in this offering is significantly higher than the book value of the securities. By participating in this offering, you will incur immediate and substantial dilution of the book value of your investment.
	To the extent outstanding options or warrants to purchase securities are exercised, new Investors will incur further dilution of the book value of their investment
	There are no limits in place to restrict the Issuer's ability to issue securities in the future. If the Issuer issues additional securities, by participating in this offering you may experience further dilution of the value of your investment.

No Existing Market

	Because there is no market for the Issuer's securities, you may not be able to sell your securities or recover any part of your investment. You should not invest unless you can afford to hold your investment indefinitely.
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Offering Price

	The offering price of the Issuer's securities has been arbitrarily set and accordingly should not be considered an indication of the actual value of the Issuer.
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Underwriter Requirement:

	The Issuer may be exempted with respect to the requirement of an underwriting agreement, provided, that the Issuer can show sufficient proof that it has the ability to sell all or substantially all of its securities to the public.
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Lack of Investor Control (select if applicable):

	The Issuer's officers, directors, managers, and/or key persons will continue to have substantial control over the Issuer after the offering. As such, you may have little or no ability to influence the affairs of the Issuer.
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Other Risks:

Risk relating to electric power industry

- System and machine failures of facilities
 - The Issuer may experience system failures and machine failures of facilities that affects supply and power quality.

- Government regulations and issuances specifically by DOE, ERC, and NEA
 - The Issuer must comply with the rules and regulations especially those promulgated by the DOE, ERC and NEA. Failure of the Issuer to comply might results to penalties, or the revocation/suspension of its permits and licenses Worse, the Issuer may have to stop operation and you may loose your entire investment.

Aside from the risks listed above, the returns in investment with KEGI's are not guaranteed, and there is a risk that KEGI might not achieve its investment objectives.

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and regulatory risk and the like. The Board of Directors reviews and approves policies for managing each of these risks.

Credit Risk: Credit risk is the risk that a third party will fail to discharge its obligation to the Company and cause the Company to incur financial losses. The Company's exposure to credit risk is inherent in the nature of its business as well as the laws and regulations governing the industry. The Company's policy is to evaluate the financial capabilities of its customers in order to determine whether the Company will be exposed to a high credit risk. The credit risk is mitigated through periodic progress billings and collections while the debtors are still enrolled in the Company. This practice also helps the Company identify accounts which will possibly be problem accounts.

The Company reviews, on a regular basis, the aging of its receivables and identifies possible uncollectible accounts based on the profile of the receivables. An analysis of the profile of debtors is also performed monthly to evaluate the significance of the credit risk that the Company is facing. With respect to credit risk arising from the other financial assets of the Company, which comprise mainly of cash and short-term investments, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. However, the company's customers are mainly government offices which risk for non-collection is likely to be low.

Liquidity Risk: Liquidity risk is the risk that the Company will encounter difficulty in raising liquid funds to meet commitments as they fall due. The Company's policy is to continue to fund its working capital requirements as well as capital projects through external sources. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements.

The Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility of its funds availability to meet expected maturing liabilities. The maturity grouping of financial assets and financial liabilities is based on the remaining period from the end of the reporting period to be contractual maturity date. When counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Company can be required to pay.

The Company's objective when managing capital are to increase the value of fund available for the Company's operations and maintain growth by applying free cash flow to selective investments. The Company's source of capital is mainly from external borrowings. The Chief Finance Officer of the Company has the overall responsibility for monitoring of capital requirements and its availability for Company operational and

capital expenditures. The above capital management objective and policy did not change during the current period. The Company is not subject to externally imposed capital requirements unless required by regulatory agencies (i.e. ERC, NEA, etc.).

Regulatory Risk: KEGI's operations are subject to various regulations, such as those affecting accounting of assets and taxation. It is subject to the regulation of Department of Energy, Energy Regulatory Commission, Securities and Exchange Commission, Department of Environment and Natural Resources, Bureau of Internal Revenue, Local Treasurer of LGUs and various government agencies. These regulations do change, and as a result, investors may experience lower investment returns or even losses depending on what such a regulatory change entails. For example, higher taxes would lower returns, and a mandated ERC orders could result in KEGI experiencing at worst shut down of operations, which can result to loss in the value of assets.

The above risk factors are by no means exhaustive. New and/or unidentified risks may arise given the fast changing financial markets and economic environment.

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

Dilution Risk: Dilution occurs when a company issues new shares that result in a decrease in existing stockholders' ownership percentage of that company. Stock dilution can also occur when holders of stock options, such as company employees, or holders of other optionable securities exercise their options. When the number of shares outstanding increases, each existing stockholder owns a smaller, or diluted, percentage of the company, making each share less valuable.

Large Transaction Risk: Transaction risk refers to the adverse effect that foreign exchange rate fluctuations can have on a completed transaction prior to settlement. It is the exchange rate, or currency risk associated specifically with the time delay between entering into a trade or contract and then settling it.

Market Risk : Market risk is the risk of losing investments due to factors, such as political risk and macroeconomic risk that affect the performance of the overall market. Market risk cannot be easily mitigated through portfolio diversification.

Non-Guarantee Risk: But there are no guarantees of profits when you buy stock, which makes stock one of the most risky investments. If a company doesn't do well or falls out of favour with investors, its stock can fall in price, and investors could lose money.

Not Insured: Investment in stocks is not covered and backed in any kind of insurance. And the FDIC insures deposits only. It does not insure securities, mutual funds, or similar types of investments that banks and thrift institutions may offer.

The enumerated risks could adversely affect the redemption value of the securities for the shareholders resulting in losses should the shareholder redeem his shares when the NAVPS of KEGI is below his acquisition cost.

BUSINESS INFORMATION

Description of Business

1. Operations

The Issuer (select all that apply):

<input type="checkbox"/>	Has never conducted operations
<input type="checkbox"/>	Is in the construction development stage
<input checked="" type="checkbox"/>	Is currently conducting operations
<input checked="" type="checkbox"/>	Has shown a profit in the last fiscal year

The following is a summary of the material terms of the principal agreements related to the business of KEGI and should not be considered to be a full statement of the terms and provisions of such agreements.

BILATERAL CONTRACT (Supply Agreement)

PLANT NAME	OFF-TAKER	DATE SIGNED (PSA)	DATE ISSUED (COC)	VALID UNTIL (based on the expiration of the contract)
BUKIDNON POWER PLANT 1	FIBECO	26-Jan-11	Feb. 20, 2018	26-Jan-2021
MISAMIS ORIENTAL POWER PLANT 1	MORESCO 2	8-Feb-11	Apr. 4, 2018	8-Feb-2021
BUKIDNON POWER PLANT 2	FIBECO	26-Feb-16	Aug. 24, 2015	26-Feb-2026
CAMIGUIN POWER PLANT	CAMELCO	26-Feb-16	Feb. 20, 2016	26-Feb-2026
MISAMIS OCCIDENTAL POWER PLANT 2	MOELCI 1	2-Aug-12	Sep. 3, 2019	2-Aug-2022
	MOELCI 2	31-Jul-12		31-Jul-2022
SURIGAO SUR POWER PLANT	SURSECO II	10-April-2013	Sep. 18, 2019	10-April-2023
MISAMIS OCCIDENTAL POWER PLANT 3	SUKELCO	1-Jul-16	Unit 2: Sep. 3, 2019 Unit 1: Jan. 15, 2019	1-Jul-21

ANCILLARY CONTRACT

PLANT NAME	OFF-TAKER	DATE ENTERED	VALID UNTIL
MISAMIS OCCIDENTAL POWER PLANT 2	NGCP	15-Aug-2023	15-Aug-2028
SURIGAO SUR POWER PLANT	NGCP	April 2023	April 2028
MISAMIS OCCIDENTAL POWER PLANT 3	NGCP	15-Aug-2023	15-Aug-2028

CURRENT DEVELOPMENT

DESCRIPTION	OFF-TAKER	DATE AWARDED	NO. YEARS CONTRACT
EL NIDO PALAWAN	PALECO	April 26, 2024	15 YEARS

COMPETITION

The King Energy Generation Inc. (KEGI) undertakes to be a leading provider of energy generation services, using fossil fuel to power business and communities for over 12 years, with recent explorations towards renewable energy resources all over the island of Mindanao.

The company firmly believes on the Philippines' dynamic landscape of energy business that we have dedicated on our vision to "provide power to our client's operation". Further, being consistent with our undertaking, "to improve the lives of the people in the communities by providing power at a very reasonable rate".

As the energy market is recognized more, KEGI has been vigorous and depended by our customer's overtime. Our reliance of this competence narrows down to our commitment on the set of values imprinted from the day of our foundation.

Our dedication to sustainability is not merely a drive but an integral part of our business ethos. We have implemented conscious practices, including the utilization of renewable energy sources and adoption of energy-efficient technologies. We set our goals clear, emphasizing on the details and procedures needed for these technologies to maneuver. Being these technologies are lavish and quality oriented. Further, we dedicate in our enterprise's marketing strategy, demonstrating the best of our service among others; evident on the ongoing contracts we are associated with.

The healthy contest on the energy market of Mindanao grid shows the vital relationship between its contenders. Despite that, KEGI believes on the knowledge we have obtained along the way. This wisdom will surely be a huge factor on the ever-growing trading business along with our resilience. This and our positive approach towards this undertaking is the aspect that may excel from the rest.

Moreover, KEGI is part of the Mindanao power grid that makes up various Generation Power Plant from coal, oil-based, geothermal, hydroelectric, solar, and biomass. Below is the list of existing competitors of KEGI as of year 2022, to wit:

No.	Name	Address	Source	Capacity (MW)
1	FDC Misamis U1-Filinvest Development Corporation	Villanueva, Misamis Oriental, Region 10	Coal	135.0
2	FDC Misamis U2-Filinvest Development Corporation	Villanueva, Misamis Oriental, Region 10	Coal	135.0
3	FDC Misamis U3-Filinvest	Villanueva, Misamis Oriental, Region 10	Coal	135.0

	Development Corporation			
4	Mindanao Coal U1-Steag State Power Inc.	Villanueva, Misamis Oriental, Region 10	Coal	116.0
5	Mindanao Coal U2-Steag State Power Inc.	Villanueva, Misamis Oriental, Region 10	Coal	116.0
6	SMC Malita U1- San Miguel Consolidation Power Corporation	Malita, Davao Occidental	Coal	150.0
7	SMC Malita U1- San Miguel Consolidation Power Corporation	Malita, Davao Occidental	Coal	150.0
8	Therma South U1-Therma South Incorporated	Sta. Cruz, Davao Del Sur	Coal	150.0
9	Therma South U1-Therma South Incorporated	Sta. Cruz, Davao Del Sur	Coal	150.0
10	GnPower Kauswagan U1-GnPower Kauswagan Ltd. Co	Kauswagan, Lanao Del Norte	Coal	150.0
11	GnPower Kauswagan U2-GnPower Kauswagan Ltd. Co	Kauswagan, Lanao Del Norte	Coal	150.0
12	GnPower Kauswagan U3-GnPower Kauswagan Ltd. Co	Kauswagan, Lanao Del Norte	Coal	150.0
13	GnPower Kauswagan U4-GnPower Kauswagan Ltd. Co	Kauswagan, Lanao Del Norte	Diesel	150.0
14	MPC Iligan DPP-Mapalad Power Corporation	Iligan City, Lanao Del Norte	Diesel	114.4
15	SPPC- Southern Philippines Power Corporation	Alabel, Saranggani	Diesel	59.0
16	TMI 1- Therma Marine Inc.	Maco, Davao Del Norte	Diesel	100.0
17	TMI 2- Therma Marine Inc.	Nasipit, Agusan Del Norte	Diesel	112.0

18	MT APO EDC GPP- Energy Development Corporation	Kidapawan, North Cotabato	Geothermal	108.5
19	AGUS 1- National Power Corporation Mindanao Generation	Marawi City, Lanao Del Sur	Hydroelectric	80.0
20	AGUS 2- National Power Corporation Mindanao Generation	Sagularan, Lanao Del Sur	Hydroelectric	180.0
21	AGUS 4- National Power Corporation Mindanao Generation	Balol, Lanao Del Norte	Hydroelectric	158.1
23	AGUS 5- National Power Corporation Mindanao Generation	Buru-un, Iligan City	Hydroelectric	55.0
24	AGUS 6- National Power Corporation Mindanao Generation	Buru-un, Iligan City	Hydroelectric	219.0
25	AGUS 7- National Power Corporation Mindanao Generation	Buru-un, Iligan City	Hydroelectric	54.0
26	PULANGI 4- National Power Corporation Mindanao Generation	Maramag, Bukidnon	Hydroelectric	255.0
27	MANOLO FORTICH U1- Hydro Electric Development Corporation	Santiago, Manolo Fortich, Bukidnon	Hydroelectric	45.9
28	MANOLO FORTICH U2- Hydro Electric Development Corporation	Santiago, Manolo Fortich, Bukidnon	Hydroelectric	27.4
29	TUDAYA 2- Hydro Electric Development Corporation	Sta. Cruz, Davao Del Sur	Hydroelectric	8.1
30	DIGOS- Alterpower Digos Solar, Inc.	Digos City, Davao Del Sur	Solar	28.6

31	KIBAWE- Asian Greenergy Corporation	Kibawe, Bukidnon	Solar	10.5
32	Lamsan Power Corporation	Sultan Kudarat Maguindanao	Biomass	15.00
33	MPC BALINGASAG POWER STATION U1- Minergy Power Corporation	Balingasag, Misamis Oriental	Coal	55.0
34	MPC BALINGASAG POWER STATION U2- Minergy Power Corporation	Balingasag, Misamis Oriental	Coal	55.0
35	MPC BALINGASAG POWER STATION U3- Minergy Power Corporation	Balingasag, Misamis Oriental	Coal	55.0
36	SEC U1- Sarangani Energy Corporation	Maasim, Sarangani	Coal	118.5
37	SEC U2- Sarangani Energy Corporation	Maasim, Sarangani	Coal	118.5
38	PSPE- Powersource Philippine Energy Inc.	Iligan City, Lanao Del Norte	Coal	25.0
39	BPC DPP- Bukidnon Power Corporation	Barandias, Pangantucan, Bukidnon	Diesel	7.3
40	COTABATO LIGHT-Cotabato Light and Power Corporation	Cotabato	Diesel	9.9
41	EEL POWER- EEI Power Corporation	Davao del Norte	Diesel	15.0
42	MEGC TANDAG-Mapalad Energy Generation Corporation	Iligan City, Lanao Del Norte	Diesel	15.0
43	MINERGY DPP1- Mindano Energy Systems Inc.	Cagayan de Oro City, Misamis Oriental	Diesel	18.9
44	MINERGY DPP1- Mindano Energy Systems Inc.	Cagayan de Oro City, Misamis Oriental	Diesel	27.4
45	MPI DIGOS- Mapalad Partner Inc.	Digos, Davao de Sur	Diesel	15.0
46	NAC DPP- Nickel Asia Corporation	Surigao City, Surigao Del Norte	Diesel	10.9

47	NBPC DPP- North Bukidnon Power Corporation	Lantapan, Bukidnon	Diesel	6.2
48	PACERM-1- PACERM-1 Energy Corporation	El Salvador City, Misamis Oriental	Diesel	10.5
49	PBI- Peak Power Bukidnon Inc.	Bukidnon	Diesel	10.4
50	PSC- Philippine Sinter Corporation	Villanueva, Misamis Oriental	Diesel	37.1
51	PSFI- Peak Power San Francisco	San Francisco, Agusan de Sur	Diesel	5.2
52	PSFI 2- Peak Power San Francisco	San Francisco, Agusan de Sur	Diesel	5.2
53	PSI- Peak Power Socsargen Inc.	General Santos City, South Cotabato	Diesel	20.9
54	PSI 2- Peak Power Socsargen Inc.	General Santos City, South Cotabato	Diesel	13.9
55	SPC KORONADAL- Supreme Power Corporation	Koronadal, South Cotabato	Diesel	11.9
56	TPI OPP- Total Power Incorporated	Tubod, Lanao Del Norte	Diesel	4.4
57	ZAMCELCO DPP- Zamboanga City Electric Cooperative, Inc.	Zamboanga City	Diesel	16.0
58	IGACOS MODULAR DPP- Mindoro Grid Corporation	City of Samal, Davao del Norte	Diesel	7.6
59	SIBULAN A- Hydro Electric Development Corporation	Santa Cruz, Davao Del Sur	Hydroelectric	16.5
60	SIBULAN B- Hydro Electric Development Corporation	Santa Cruz, Davao Del Sur	Hydroelectric	26.0
61	BUBUNAWAN- Bubunawan Power Company Inc.	Baungon Bukidnon	Hydroelectric	6.6
62	CABULIG HEP- Mindanao Energy Systems Inc.	Claveria, Misamis Oriental	Hydroelectric	9.2
63	TUDAYA- Hydro Electric Development Corporation	Santa Cruz, Davao Del Sur	Hydroelectric	6.6

64	ASIGA- Asiga Green Energy Corporation	Santiago, Agusan Del Norte	Hydroelectric	8.0
65	AGUSAN- First Gen Bukidnon Power Corporation	Manolo Fortich, Bukidnon	Hydroelectric	1.6
66	TALOMO 1- Hydro Electric Development Corporation	Davao City, Davao Del Sur	Hydroelectric	1.0
67	TALOMO 2- Hydro Electric Development Corporation	Davao City, Davao Del Sur	Hydroelectric	0.6
68	TALOMO 2A- Hydro Electric Development Corporation	Davao City, Davao Del Sur	Hydroelectric	0.7
69	TALOMO 2A- Hydro Electric Development Corporation	Davao City, Davao Del Sur	Hydroelectric	0.3
70	TALOMO 3- Hydro Electric Development Corporation	Davao City, Davao Del Sur	Hydroelectric	1.9
71	PANOON- Genphil Renewable Energy Corporation	Impasugong, Bukidnon	Hydroelectric	0.2
72	GEEC- Green Earth Enersource Corporation	Buluan, Maguindanao	Biomass	3.5
73	BFI- Biotech Farms Inc	Tantangan, South Cotabato	Biomass	5.96
74	BFI- Biotech Farms Inc.	Banga, South Cotabato	Biomass	12.39
75	CENTRALLA- MV Vogt Philippines Solar Energy One Inc.	Suralla, South Cotabato	Solar	6.2
76	CEPALCO- Cagayan Electric Power and Light Corporation	Cagayan de Oro City, Misamis Oriental	Solar	1.0
77	KIRAHON- Kirahon Solar Energy Corporation	Villanueva, Misamis Oriental	Solar	12.5
78	ADGI- Astroenergy Development	Bawing Siguel, General Santos City	Solar	25.0

Employees

The Issuer (select all that apply):

	Has existing Labor Union in the company
	Has existing Collective Bargaining Agreement
	Has existing labor strike

As of December 31, 2023, King Energy Corporation Inc. (KEGI) has a total of eighty-two (82) employees. These employees are classified as the Officers of the Corporation or the Managerial employees, Supervisory and the Rank-and-File employees. The Company has a total of thirteen (13) officers/managerial employees, twenty (20) supervisory employees and forty-nine (49) rank and file employees for a total of eighty-two (82) KEGI employees.

Furthermore, not a single of the employees are subject to Collective Bargaining Agreements (CBA) as provided by the law. Any strike or even a threat to strike by an employee or employees never occurred for the past years. During the corporation's existence, KEGI has a clean record when it comes to handling disputes between and among the employees.

As to the matter of supplemental benefits or incentive arrangements, KEGI has an In-house Healthcare Program. Its main purpose is to provide medical assistance that aims to monitor, protect and promotes good health and wellness of every employee and to decrease cost for employee healthcare while providing adequate healthcare services. Moreover, the Corporation rewards performance bonus to an employee with excellent performance subject to the discretion of the management. In this way, the employee is inspired to do more of what is expected to him or her. And as a reward, he or she will be given a performance bonus.

Type of Employees	Number of Current Employees	Expected within the Next 12 months
Line/Generation Operations Staff	26	30
Administrative Staff	4	5
Engineering and Maintenance (including substations)	7	11
Outsourced	0	0
Clerical	24	26
Others	0	0

Properties

The Issuer (select all that apply):

Property	Own	Lease
Land/Building/Real Estate	✓	
Equipment and other long term assets	✓	
Intangible property such as patents, licenses, copyrights, trademarks, etc.		

The Issuer's properties and its description is as follows:

PLANT	LOCATION	TYPE OF ASSET	CONDITION OF ASSET
BPP1	Puntian, Quezon, Bukidnon	Land	Value in use
		Building	In good condition
		Machinery and Equipment	Performing as intended
BPP2	Dologon, Maramag, Bukidnon	Land	Value in use
		Building	In good condition
		Machinery and Equipment	Performing as intended
CPP		Land	Value in use
		Building	In good condition

	Balbagon, Mambajao, Camiguin	Machinery and Equipment	Performing as intended
MOPP1	San Luis, Gingoog City	Land	Value in use
		Building	In good condition
		Machinery and Equipment	Performing as intended
MOPP2	Panaon, Misamis Occidental	Land	Value in use
		Building	In good condition
		Machinery and Equipment	Performing as intended
MOPP3	San Isidro, Jimenez, Misamis Occidental	Land	Value in use
		Building	In good condition
		Machinery and Equipment	Performing as intended
SSPP	Telaje, Tandag, Surigao del Sur	Land	Value in use
		Building	In good condition
		Machinery and Equipment	Performing as intended

The company operates 7 plants situated in different areas: (1) Balbagon, Mambajao, Camiguin; (2) Puntian, Quezon, Bukidnon; (3) Panaon, Misamis Occidental; (4) Telaje, Tandag, Surigao del Sur; (5) Dologon, Maramag, Bukidnon; (6) San Isidro, Jimenez, Misamis Occidental; (7) San Luis, Gingoog City. Additionally, the company also has a satellite office located at Purok 10, Baloy, Tablon, Cagayan de Oro City.

All the buildings and properties of each plant are still functional and in good condition according to their respective uses. The company takes care of its properties and ensures that everything is well-maintained. This is to ensure that the operations in each location can continue without any hindrances.

Legal Proceeding

As of the date of filing, the registrant, KEGI, filed a petition with the Energy Regulations Commission against Misamis Oriental II Electric Service Cooperative, Inc. (MORESCO II) for Dispute Resolution on the Interpretation of the Closing Date of the Power Supply Agreement dated 24 May 2011. KEGI's main argument is that the Closing Date is the date when KEGI commenced delivery of the contracted capacity and energy to MORESCO II which is on October 3, 2013. This is a Petition filed in accordance with Section 43(u) of R.A. 9136 which vests original and exclusive jurisdiction to the Honorable Commission.

Services and Departments

Provide information on Power Gen or DU departments and their functions. Include personnel overview per department and their functions.

Department	No. of Personnel	Function
Human Resources Department	2	Responsible for the timely update of employees' information. Supports the five core in human resource which includes recruiting and staffing, compensation and benefits, training and development, talent management, safety and compliance. Maintains employee confidence and protects operations by keeping human resource information confidential.
Power Trading and Billing Department	6	Maintain the best and reliable service to the company's customers as well as maintain good rapport to Power Industry's attached agencies. Prepares Daily Day Ahead Customer nomination following NGCP dispatch protocol and Wholesale Electricity Spot Market.
Legal	3	Ensures compliance of all lawful order, rules, policies, ordinances, and laws shall be complied with, in coordination with appropriate departments/personnel of the company who is/are primarily task to comply the same.
Compliance	8	Responsible for processing and monitoring of all necessary documents and ensures that all documents comply with applicable laws and government agency such as DOE, ERC, NWRB, NCIP, LGU, DENR, DOLE, for the new projects. Processing, monitoring, amendments of all necessary documents and ensures that all documents comply with applicable laws and government agency such as DOE, ERC, for the existing KEGI Plant. Ensuring our business operations and procedures comply with, privacy, legal, and internal policies. Maintaining and

		monitoring compliance of the company to various regulatory bodies of the government.
Safety Health and Environmental	3	Company-wide assistance in the operational and regulatory responsibilities for our Safety, Health and Environmental programs. Monitor on the development, planning and implementation of all Safety, Health and Environmental policies and initiatives to ensure compliance with global occupational safety and health standards.
Accounting	8	Responsible for all areas relating to accounting functions and financial reporting. Developing and maintaining accounting principles, practices and procedures to ensure accurate and timely financial statements. Addresses tight deadlines and a multitude of accounting activities including general ledger preparation, financial reporting, year end audit preparation and the support of budget and forecast activities.
Finance	3	Issues checks for approved vouchers. Maintains logbook for issued checks. Facilitate fund and budget from one account to another. Prepares summary of cash disbursement for replenishment. Coordinate budget with General Manager. Prepare Statement of Account (SOA) on the receivables of KEGI, MMHPC, MPVI, DSI & HEPP. Record and reconcile sales and collections. Reconcile creditable withholding tax. Reconcile all receivables account such as A/R customers, advances to affiliates, others
Procurement	3	Implementation of standard procurement processes and policies of goods and services Ordering of materials, equipment and services to support requirements; controlling the daily procurement activities to provide the highest quality at the most possible competitive price and efficient operational services in support of company's targets.

Engineering	5	Providing technical & administrative information to the others working on a project to ensure that the work complies with all engineering standards, codes, specifications, and design construction; trouble-shoots engineering related installation problems.
Field Service	2	Responsible for work processes of all Electrical equipment of the Office and Plant and must demonstrate ability to work harmoniously with people in the organization.
Plant Operations	26	Responsible for the complete operation activities of the plant including, but not limited to, directing operations team for compliance with dispatch instructions from the client, operation routines, switching operations, planning and conducting annual capacity test, monitoring of equipment operating trends and taking initiative to prevent equipment trips and damage.
Office of the President	6	Provides assistance to the President and to the affiliated company, administrative, accounting, and other services.
Office of the Senior Vice President	4	Ensures that all the departments work together to keep the operations running smoothly. Analysis of financial forecast related to operations and new businesses. Responsible on the development of corporate policies related to best practices and regulatory compliance.
Office of the Vice President- Operations	7	Responsible for the day to day operations of the company and for developing and implementing company's growth strategies.

USE OF PROCEEDS

Net Proceeds

The net proceeds of the offering for the offering amounts are as follows:

	Amount
Gross Proceeds from the Offering	₱ 557,910,000.00
Less: Expenses	
SEC Registration Fee	1,337,280.05
UP Legal Research Fee	13,372.80
PSE Listing Fee	-
PSE Maintenance Fee	-
Documentary Stamp	30.00
Underwriting Fees	-
Legal Fees	200,000.00
Auditors Fees	200,000.00
Publication	75,000.00
Professional Fees	1,000,000.00
Net Proceeds from the Offering	₱ 555,584,317.15

Detailed Use of Net Proceeds

Stock Public Offering of KEGI is primarily in compliance with the Energy Regulatory Commission mandate that all energy generation companies must go public and offer at least 15% of its authorized shares of stocks. On May 23, 2011, the Commission adopted Resolution No. 09, Series of 2011 "A Resolution Adopting The Rules Requiring Generation Companies and Distribution Utilities Which Are Not Publicly listed to Offer and Sell to the Public a Portion of Not Less Than Fifteen Percent (15%) 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/m² 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.

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.

Detailed Use of Net Proceeds

Use of Proceeds	Amount	Timing of Disbursement
El Nido power plant project (PALECO)	₱555,584,317.15	Based on projects scheduled
TOTAL	₱555,584,317.15	

DESCRIPTION OF SECURITIES

SECURITIES OF KEGI

The company is authorized to issue a total of 30,000,000 Common shares. At present, 25,500,000 Common shares have already been subscribed and issued, while 218,000 shares are being held as Treasury Shares. Furthermore, the Initial Public Offering will offer the remaining 4,500,000 Unissued shares, which accounts for the 15% of the total Authorized Shares.

These securities have (select all that apply):

Voting right	
<input checked="" type="checkbox"/>	Voting right (each share has one vote)
<input type="checkbox"/>	Non-voting (the shareholder has no voting right)
<input type="checkbox"/>	Restricted voting (the shareholder may be entitled to less than one vote per share)
<input type="checkbox"/>	Enhance voting (the shares holder is entitled to more than one vote per share)
Ownership	
<input type="checkbox"/>	Restrictions
<input checked="" type="checkbox"/>	Free (unrestricted)
Payment Status	
<input type="checkbox"/>	Nil paid
<input type="checkbox"/>	Partly paid
<input checked="" type="checkbox"/>	Full paid
Form	
<input type="checkbox"/>	Bearer (the owner is not registered in the books of the issuer of the registrant)
<input checked="" type="checkbox"/>	Registered (securities are recorded in the name of the owner on the books of the issuer)
<input type="checkbox"/>	Bearer/registered (securities are issued in both bearer and registered form but with the same ID number)
<input type="checkbox"/>	Other (miscellaneous)

(a) Describe any other material rights of common stockholders.

Each share of stock of KEGI is a voting stock with voting rights equal to every other outstanding share of stock of the SAME KEGI, and subject to the following conditions:

(1) Distribution of Dividends.

Each shareholder has a right to any dividends declared by the KEGI.

(2) Denial of Pre-emptive Rights.

No stockholder shall, because of his ownership of stock, have pre-emptive or other right to purchase, subscribe for, or take any part of any other securities convertible into or carrying options or warrants to purchase stock of KEGI.

(3) Right of Redemption.

The holder of any share of KEGI, upon its presentation KEGI or to any of its duly authorized representatives, is entitled to receive by way of redemption approximately his proportionate share of KEGI's current net assets or the cash equivalent thereof.

(4) Modification of Rights of Shareholders.

The rights of shareholders of KEGI shall not be modified except by amendment of KEGI's Articles Of Incorporation and/or By• laws.

Other than the above and those provided by law, there are no other material rights accorded to the shareholders.

1. Source of the aforementioned shares offered for sale (select all that apply):

<input checked="" type="checkbox"/>	Primary (from the unissued portion of the Authorized Capital Stock)
<input type="checkbox"/>	Secondary Selling Shareholders

Recent sale of Unregistered or Exempt Securities

Furnish the following information as to all securities of the registrant sold by it within the past three (3) years which were not registered under the Code. Include sales of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities. Indicate whether the issuer received written confirmation from

the Commission under SRC Rule 10.1 that such exemptive relief from registration was available and, if so, the date such confirmation was issued:

Recent Sales of Securities Sold for the past three (3) years

The following are the data of the sale of securities of King Energy Generation Inc. for the past (3) years.

CLASS OF SECURITIES SOLD	PURCHASERS	CONSIDERATION	EXEMPTION FROM REGISTRATION CLAIMED
Common	Edwin T. Vergara	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Rosalinda A. Vergara	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	John H. Bantog	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Felix B. Santinor	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Ma. Asuncion S. Magpantay	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Lilia T. Chan	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Teresita G. Ceniza	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code

Common	Remeflor D. Ceniza	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	John Michael A. Yap	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Antonio P. Dalucapas	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Paulino A. Agbu	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Allan S. Tabamo	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Edelson B. Olaer	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Vicky B. Olaer	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Joey J. Olaer	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Erika Jean A. Salvame	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	ESRA Prime	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
Common	Edelyn Jane Salvame	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code

Common	Jaime R. Hila	Cash	Exempt transactions under Section 10 (k) of Securities Regulation Code
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Determination of the Offer Price

The IPO Price shall be set in as a FINAL Fixed Price and shall be used to Value the purchase of IPO shares during the Offer Period.

Dilution

The net tangible book value of the Company at December 31, 2023 was PhP4,329,305,198.00, or PhP 123.978429 per share. "Net tangible book value per share" represents the amount of total tangible assets less total liabilities, divided by the number of shares of Common Stock outstanding. After giving effect to the sale by the Company of 4,500,000 shares of Common Stock (at the initial public offering price and before deduction of offering expenses), the pro forma net tangible book value of the Company at December 31, 2022, would have been or PhP123.574861 per share, representing an immediate decrease in net tangible book value of PhP 0.403568 per share to existing stockholders and an immediate dilution of PhP PhP122.171293 per share to the persons purchasing shares at the initial public offering price ("New Investors").

Terms and Conditions of the Offer

The KEGI is offering 4,500,000 shares of common stock with a par value of PHP 100 per share, at offer price of the current Net Asset Value Per Share (NAVPS). The Offer Shares are being offered in the Philippines through SPODKEGI, a department of KEGI that will handle the buying, selling and all transactions in relation to the public offering of shares.

Issue Size	4,500,000 shares of common stock with a par value of Php 100 per share,
Offer Shares	Current Net Asset Value Per Share (NAVPS)
Terms and Manner of Payment	<p>Shares of KEGI are sold on cash basis only. Installment sales will not be made.</p> <p>Shares of KEGI are offered for sale on a continuous basis at the NAVPS through SPODKEGI's registered representatives and dealers. The dealers and registered representatives are required to forward the prescribed and complete documents to purchase shares of KEGI on the same business day they are received. For purposes of facilitating transactions, the completed documents may be submitted electronically through fax or on-line, or any mode of transmittal which SPOD-KEGI may establish and deem acceptable from time to time. All payments to be forwarded to and received by SPODKEGI should come with and must be supported by the appropriate documents. Payments must also be forwarded and received by SPODKEGI through mediums recognized and accredited by SPODKEGI. The investor's account will be credited for the subscription only when the payment is in the form of cash, cheque or electronic transfer. The subscription will not be processed into the investor's account until the payments have become available to KEGI for investment deployment. Investors should inquire with their banks the clearing time required for each form of payment and when their investments will be available to KEGI. Applicable bank charges will be deducted from the investible amount.</p> <p>SPODKEGI has the option to process local cheques denominated in Philippine pesos as cleared KEGIs provided that:</p>

	<p>1. The investor accomplishes a waived clearing form upon payment.</p> <p>2. The cheque will be deposited into a bank accredited by SPODKEGI for such purpose.</p> <p>To reduce the adverse effect to existing investors of large redemptions in KEGI, a subscription may be amended or rejected if it makes the investor a holder of 10% or more of the KEGI's net assets on subscription date.</p>
Offer Period	Share price or Offer Price shall be based on the Fair Market Valuation of the Company. This shall determine the market value of the company and shall be used in the computation of purchasing the IPO process
Applications	Completely filled up Application to Purchase (ATP) plus all other onboarding documents must be submitted to SPODKEGI during the Offer Period.
Eligible Applicants	Both Philippine nationals and non-Philippine nationals can subscribe to KEGI's shares, including the Offer Shares.
Restriction on Ownership	60% Philippine nationals and 40% non - Philippine nationals shall strictly be observed and monitored by SPODKEGI for compliance
Right to accept, reject and scale down applications	Any orders may be REJECTED by SPODKEGI. SEC and SPODKEGI may suspend the continuous offering of shares to the general public at any time in response to market conditions in the securities market or otherwise and may thereafter resume such offering from time to time.
Refunds	SPODKEGI may refund the subscription payment of the IPO shares if they deemed fit that the IPO Offering has been FULLY subscribed.
Issuance and Transfer of Taxes	Appropriate issuance and transfer taxes shall be collected relative to the issuance of IPO shares.

Restrictions on the Issuance and Disposal of shares	Shareholders who are shareholders of KEGI as of March 31, 2022, shall not be allowed to sell, transfer, convey, encumber or otherwise dispose of their shares within twelve (12) months from the original registration, without prejudice to the right of the issuer to stipulate further restrictions.
Trading of Shares	Shall be based on the number of shares relative to its share price. At above P100 / share, minimum trade lot is 100 shares and in increments of 10 shares thereafter.

Investor Restrictions

2. Is the offering subject to any other Investor restrictions? ___Yes No

Disclose any restrictions on the common shares

3. Are the securities subject to any resale restrictions by the Issuer? ___Yes No

PLAN OF DISTRIBUTION

✓	The securities does not have any underwriter and has not entered into any underwriting agreement
✓	There are no shares designated to specified person
✓	There is no plan to apply for listing in any exchange the shares of the Registrant
✓	None of the Registrant shares are to be allocated to an exchange and/or to its members

(2) Direct Public Offering

If the securities are to be offered through the selling efforts of its employees, describe the plan of distribution.

List the persons or underwriters who will offer and sell the securities on behalf of the Issuer:

Name	Relationship to Issuer	Address	Tel. No.	Compensation received for selling securities
Jeffrey Sy	Investment Relations Officer	Misamis Oriental Power Plant (MOPP1), along National Highway, Barangay San Luis, Gingoog City, Misamis Oriental, Philippines 9014 KEGI Building, Purok 10, Tepolo Street, Baloy, Tablon, Cagayan de Oro City, Misamis Oriental	+639177224631 +639178909808 (02) 8404-9523	Salary based

STOCK - PUBLIC OFFERING DIVISION - KEGI (SPODKEGI)

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.

SPODKEGI is not a separate corporation from KEGI. It is only a department internally formed by KEGI. Thus, SPODKEGI's address is the same as KEGI's Corporate Address. There will be no distinct or separate address that shall be made because we will be applying for one address only which is at Misamis Oriental Power Plant (MOPP1), along National Highway, Barangay San Luis, Gingoog City, Misamis Oriental, Philippines 9014.

KEGI will not hire a Selling Agent and/or an Underwriter to do the offering, nor will KEGI hire a licensed salesman/representative to handle the Plan of Distribution for the IPO Offering. This will be handled solely by SPODKEGI, the department formed internally by KEGI.

As a hired personnel, the compensation for SPODKEGI will be salary based. To reiterate, SPODKEGI is not a separate corporation from KEGI. It is only a department internally formed by KEGI. This departments is being manned by a one person only which is the being Investment & Compliance Officer. Furthermore, the officers and directors for SPODKEGI have not been nominated yet.

Brokers/Dealers' Compensation

The salary for transfer agent, custodian and legal representative shall ALL be inhouse. This shall be shouldered by the Company and no outsourced consultation shall be made and paid.

KEGI does not have any underwriter, and has not entered into any underwriting agreement. There are no shares designated to specified persons. There is no plan to apply for listing in any exchange the shares of Registrant. Thus, none of the Registrant's shares are to be allocated to an exchange and/or to its members.

Principal Distributor

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

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.

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, periodic preparation and mailing of shareholder statements and management reports, as required.

Transfer agents also work to ensure investors receive their due interest and dividend payments in a timely manner.

CAPITALIZATION

Capital Stock

As of December 31, 2023, KEGI had an authorized capital stock of PHP3,000,000,000.00 divided into common shares with a par value of PHP100 per share.

Authorized Capital Stock

Class of Shares	Number of Shares	Par Value	Amount	% of Ownership
Common	30,000,000	₱100.00	₱3,000,000,000.00	100%
Total			₱3,000,000,000.00	

Subscribed Capital Stock

Class of Shares	Number of Shares	Par Value	Amount	% of Ownership
Common	25,500,000	₱100.00	₱2,550,000,000.00	100%
		₱	₱	
		₱	₱	
		₱	₱	

OUTSTANDING SECURITIES AND PRINCIPAL SHAREHOLDERS

Outstanding Common Shares

4. Indicate the total number of issued and outstanding, unissued shares and the total number of authorized to issue.

Outstanding Shares	Unissued Shares	Authorized to Issue
4,500,000	4,500,000	30,000,000

Stockholders

Original Stockholders of Common Shares

5. Provide the names of the original stockholders of common shares,, number of shares held, amount and percentage of total shares held over outstanding shares.

No	Name	No of Shares held	Amount	%
1	Edgardo L. Salvame	792,000	₱ 79,200,000.00	30.00
2	Rosalie A. Salvame;	660,000	₱ 66,000,000.00	25.00
3	Zhuang Fei Long;	396,000	₱ 39,600,000.00	15.00
4	Chong Man Ping	396,000	₱ 39,600,000.00	15.00
5	Raymond Ang;	264,000	₱ 26,400,000.00	10.00
6	Sally Ang	132,000	₱ 13,200,000.00	5.00

Current Stockholders of Common Shares

As of December 31, 2023, there are thirty-one (31) current stockholders of common shares of KEGI

No	NAME	# OF SHARES HELD	AMOUNT	%
1	EDGARDO L. SALVAME	7,432,000	₱ 743,200,000.00	29.145%
2	ROSALIE A. SALVAME	6,375,000	637,500,000.00	25.000%
3	ZHUANG FEI LONG	3,825,000	382,500,000.00	15.000%
4	CHONG MAN PING	3,825,000	382,500,000.00	15.000%
5	RAYMOND ANG	2,547,000	254,700,000.00	9.988%
6	SALLY O. ANG	1,273,000	127,000,000.00	4.992%
7	MILAGROS S. CASTRO, CPA	5,000	500,000.00	0.020%
8	ROSALINDA A. VERGARA	30,000	3,000,000.00	0.118%
9	JOHN H. BANTOG	20,000	2,000,000.00	0.078%
10	FELIX E. SANTINOR	20,000	2,000,000.00	0.078%
11	MA. ASUNCION S. MAGPANTAY	20,000	2,000,000.00	0.078%
12	LILIA T. CHAN	10,000	1,000,000.00	0.039%
13	TERESITA G. CENIZA	10,000	1,000,000.00	0.039%
14	REMEFLOR D. CENIZA	10,000	1,000,000.00	0.039%
15	JAIME R. HILA	1,000	100,000.00	0.004%
16	ANTONIO P. DALUCAPAS	10,000	1,000,000.00	0.039%
17	PAULINO A. AGBU	6,000	600,000.00	0.024%
18	ESRA PRIME CORP.	20,000	2,000,000.00	0.078%
19	ENGR. EDELYN JANE A. SALVAME	1,000	100,000.00	0.004%
20	ERIKA JEAN A. SALVAME, MD	1,000	100,000.00	0.004%
21	ALLAN SAJOL TABAMO	5,000	500,000.00	0.020%
22	EDELSON B. OLAER	5,000	500,000.00	0.020%
23	VICKY B. OLAER	5,000	500,000.00	0.020%
24	JOEY J. OLAER	5,000	500,000.00	0.020%
25	JOHN MICHAEL A. YAP	10,000	1,000,000.00	0.039%
26	EDWIN T. VERGARA	24,000	2,400,000.00	0.094%
27	ENGR. GILBERT J. RODRIGUEZ	1,000	100,000.00	0.0039%
28	ENGR. ARIEL J. BURAGAY	1,000	100,000.00	0.0039%
29	ATTY. JAIRO M. LADERA	1,000	100,000.00	0.0039%
30	ATTY. ALISA TRENA R. OLANO, REA,REB,REC	1,000	100,000.00	0.0039%
31	JODETTE P. ELLO, CPA	1,000	100,000.00	0.0039%
	TOTAL	25,500,000.00	₱ 2,549,700,000.00	100.00%

Top 20 Stockholders

6. Provide the names of the Top Twenty (20) principal shareholders who beneficially owns at least 10% interest of **each class of securities** in the Issuer.

No	Name of Stockholder	Class of Securities	No. of Shares Held	Amount	%
1	EDGARDO L. SALVAME	Common	7,432,000	₱ 743,200,000.00	29.145%
2	ROSALIE A. SALVAME	Common	6,375,000	637,500,000.00	25.000%
3	ZHUANG FEI LONG	Common	3,825,000	382,500,000.00	15.000%
4	CHONG MAN PING	Common	3,825,000	382,500,000.00	15.000%
	TOTAL			₱ 2,145,700,000.00	84.145%

Dividends and Dividend Policy

For the two most recent fiscal years, there is no declaration of cash dividends. KEGI has no specific dividend policy. Furthermore, there is no any dividend restrictions, whether current or for future purposes, that is stated in KEGI's Subscription Agreement. It does not provide any term, condition or stipulation that limit the ability to pay dividends on Common Equity. KEGI is compliant with laws governing dividend issuance and its restrictions.

BOARD OF DIRECTORS

Directors

7. The table below sets forth each member of the Board of Directors of the Issuer as of the date of the Prospectus:

No	Name	Age	Position	Citizen ship	Year Appointed
1	Engr. Edelyn Jane A. Salvame	37	CEO/ President	Filipino	2022
2	Engr. Gilbert J. Rodriguez	61	Senior Vice President	Filipino	2023
3	Engr. Ariel J. Buragay	57	VP-Operations	Filipino	2023
4	Jodette P. Ello, CPA	38	VP-Finance	Filipino	2023
5	Milagros S. Castro, CPA	61	Director	Filipino	2022
6	Raymond B. Ang	54	Director	Filipino	2010
7	Sally O. Ang	49	Director	Filipino	2010
8	Atty. Jairo M. Ladera	39	Independent Director	Filipino	2023
9	Atty. Alisa Trena R. Olano, REA, REB, REC	38	Independent Director	Filipino	2023

Business and Work Experience

8. Provide information on the business and/or professional working experience of the above named Directors for the past five (5) years:

No	Name	Business and/or Professional Work Experience
1	ENGR. EDELYN JANE ANG SALVAME	<p>Engr. Edelyn 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 Chief Operating Officer of the company before her current post. She is also the Chief Operating Officer of Ibaan Electric Corp (IC), another company that is in power distribution, 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 since July 01, 2002 up to present. Her vast work experience is not only in the power industry. She is also the current President of Meter King Inc. (MI), a general construction company with a triple-A category, and the President of ESRA Prime Corp., a holding company, since 2022. Aside from that, she is also the sole shareholder of Suburban Estate Properties and Eaglewood Heights, both a One Person Corporations since 2021 and a shareholder/treasurer of Grandscape Homes Corp since 2018. She is highly driven and passionate in all her endeavors and in spearheading the corporation to propel to greater heights.</p>
2	SALLY O. ANG	<p>Sally was the Corporate Secretary/ Board Member and Finance Manager of the Company. She is a seasoned Finance Manager who plays a vital role in the KEGI management of the company. As a board member since 2010, she has actively participated and supported the Board of Directors in all major decision such as supporting and reviewing the CEO's platform and analyzing and approving major policies and decisions. 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. She is also a Director/Board Member/ Finance Manager of Meter King, Inc. since 2001 and a Director / Board Member of Ibaan</p>

		Electric Corporation since 2018. Currently, she is one of the Board of Directors of the Company
3	RAYMOND B. ANG	Raymond is a Director and a Board Member of the company since 2010. 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. He also served as the Chief Operating Officer of the company during its early years of operation from 2010 to 2014. Moreover, he was the Branch Manager of Meter King, Inc. from 1995 - 2001 and thereafter continuously being elected as Board Member. Furthermore, he is also a Director / Board Member of Ibaan Electric Corporation since 2018. Currently, he is one of the Board of Directors of the Company.
4	MILAGROS S. CASTRO	Milagros is also a Director and a Board member of the company. She is 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 like Power Express Forwarder Inc., Sangat Island Resort, FH Management Services Inc., FH Asset Management Corp, FH Corporate Services Inc. and Health Wellness Lifestyle Inc. from August 2015 up to July 2021, 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. Currently, she is one of the Board of Directors of the Company
5	ENGR. GILBERT J. RODRIGUEZ	Engr. Gilbert is currently the Senior Vice President of the Company. He was the General Manager of the company since 2011. 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. 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 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. Lastly, he is a Board of Director of G.L. Paragon.
6	ENGR. ARIEL J. BURAGAY	Engr. Ariel 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. Now, he is the VP-Operations of the Company. On March 2008 until January 2014, he was the Engineering Department Head of Asia Pacific Timber and Plywood Corporation, APTPCO. Then, he became a Liaison Officer on August 2014- March 2015 at Evergrowth Wooden Product Corp. After that, he is the former Plant OIC of Great Providence Wood Products Corporation. Although Engr. Ariel don't have much business experiences, he is one of the loyal employees of the company and he is an expert on his field and his abovementioned positions is a proof of his wide and various experiences as an Engineer.
7	JODETTE P. ELLO, CPA	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. 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. As the Accounting Consultant of the company from February 2022 up to the present, 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.
8	ATTY. JAIRO M. LADERA	At a young age, the independent Director, Atty. Jairo is knowledgeable in the legal field ever since he passed the Philippine Bar Examination in the year 2010. He was a

		former law professor of Liceo de Cagayan University and Xavier University- Ateneo de Cagayan. He was also a Senior Partner in Almirante Ladera and Associates from Dec. 2015 up until April 2023. On May 2023 onwards, he is now the Managing Partner of Ladera Rodriguez- Salvaña and Associates. Aside from these experiences in the field of law, he is also exposed in the business industry as he is the Corporate Secretary of South Bank Inc.
9	ATTY. ALISA TRENA R. OLANO, REA, REB, REC	Aside from being a lawyer, the independent director, Atty. Alisa, is also a Licensed Real Estate Broker, Real Estate Appraiser and a Real Estate Consultant of 4 ACES Realty since 2005, 2011 and 2022 up to present, respectively. Moreover, she is much knowledgeable in the business industry because she is the owner of various of businesses in the City of Cagayan de Oro. She is the owner of Body Basics Nail Salon and SPA and Franchisee and operator of Nailandia Nail Studio and Body Spa which was located at SM CDO Downtown Premier Branch that was in operation from February 2017 to May 2022. In addition, she is also the owner and operator of the famous Philtown Hotel and Oriental Garden Resort. Atty. Alisa is not only a good lawyer but also an admirable entrepreneur at the age of 38.

9. Other Directorship of Independent Directors

Name of Independent Director	Reporting Company	Year Appointed
1. Atty. Jairo M. Ladera	King Energy Generation Inc.	2023
2. Atty. Alisa Trena R. Olano, REA, REB, REC	King Energy Generation Inc.	2023

Security Ownership of Directors

The following table shows the security ownership of directors in the common shares of the Company as of _____.

Name of Director	Amount and Nature of Beneficial Ownership		Citizenship	No. of Common Shares Own	% Ownership
	Direct	Indirect			
Engr. Edelyn Jane A. Salvame	100,000.00		Filipino	100,000.00	0.004%
Engr. Gilbert J. Rodriguez	100,000.00		Filipino	100,000.00	0.0039%
Engr. Ariel J. Buragay	100,000.00		Filipino	100,000.00	0.0039%
Jodette P. Ello, CPA	100,000.00		Filipino	100,000.00	0.0039%
Milagros S. Castro, CPA	500,000.00		Filipino	500,000.00	0.020%
Raymond B. Ang	254,700,000.00		Filipino	254,700,000.00	9.988%
Sally O. Ang	127,300,000.00		Filipino	127,300,000.00	4.992%
Atty. Jairo M. Ladera	100,000.00		Filipino	100,000.00	0.0039%
Atty. Alisa Trena R. Olano, REA, REB, REC	100,000.00		Filipino	100,000.00	0.0039%
TOTAL	383,100,000.00			383,100,000.00	15.0235%

MANAGEMENT

Officer, Manager and Key Person

The following are the management team of KEGI:

Name	Engr. Edelyn Jane A. Salvame	
Position	President and CEO	
Education	Present (ongoing)	Master of Science in Civil Engineering
	2015 - 2016	BSEE (ETEEAP)
	2009 - 2013	University of Cebu BSCE
	2004 - 2008	Mapua Institute of Technology BSBA Major in Computer Applications De La Salle- College of St. Benilde
Business Experience	July 1, 2022 – present	President/CEO/Chairman of the Board
	Nov. 18, 2014 –June 30, 2022	Chief Operating Officer King Energy Generation Inc.
	2022- Jan 2024	President/CEO/Chairman of the Board
	2018 – 2021	Chief Operating Officer Ibaan Electric Corporation
	2022-present	President/CEO/Chairman of the Board
	2018 – 2021	Chief Operating Officer Meter King Inc.
	2022- present	President/CEO/Chairman of the Board
	2021 – 2022	Chief Financial Officer ESRA Prime Corp.
	2018 - present	Shareholder/Treasurer Grandscape Homes Corp.
	July 1, 2022 – present	President/CEO/Chairman of the Board
	Corporation	Maramag Mini-Hydro Power

	2021 – present	Sole Shareholder / President Eaglewood Heights OPC
	2021 – present	Sole Shareholder / President Suburban Estate Properties OPC

Name	Engr. Gilbert J. Rodriguez	
Position	Senior Vice President	
Education	Completed in 1989 - Cagayan de Oro College Associate Electrical Engineer	
Business Experience	Aug. 2023- present	Senior Vice President King Energy Generation Inc.
	2011-2023	General Manager King Energy Generation Inc.
	July 1, 2022- present	Board of Director/ Corporate Secretary Maramag Mini-Hydro Power
	March 2008 -Jan. 2010	Key Accounts Manager (Northern Mindanao) Asea Brown Boveri Inc.
	March 2004- March 2008	Sr. Sales Engineer Asea Brown Boveri Inc.
	March 2002- March 2004	Sr. Field Service Engineer Asea Brown Boveri Inc.
	Jan. 1997 - March 2002	Sr. Project Engineer. Asea Brown Boveri Inc.
	Sept. 1993 – Jan. 1997	Project Engineer. Asea Brown Boveri Inc.
	March 1993 – Sept.	Jr. Design Engineer

	<p>Asea Brown Boveri Inc.</p> <p>1989-1993</p> <p>Electrical Engineer</p> <p>Project Supervisor</p> <p>Graybar Marketing</p>
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Name	Jodette P. Ello, CPA	
Position	Vice President-Finance	
Education	2006-2007	Bachelor of Science in Accountancy Xavier University – Ateneo de Cagayan
	2002-2006	Bachelor of Science in Management Accounting Xavier University – Ateneo de Cagayan
Business Experience	Aug. 2023- present	VP Finance/ Chief Finance Officer King Energy Generation Inc
	Jan. 2021- 2023	Accounting Consultant King Energy Generation Inc.
	2013 – Jan. 2021	Accounting/Admin Manager King Energy Generation Inc.
	Dec. 2012 - 2013	General Accountant King Energy Generation Inc.
	2011-Nov. 2012	Credit Assistant/Analyst Level 5 Banco de Oro Unibank
	April 2008-2011	Client Service Associate Banco de Oro Unibank

Name	Engr. Ariel J. Buragay	
Position	Vice President-Operations	
Education	1983-1989	Bachelor of Science in Electrical Engineering Cagayan de Oro College
Business Experience	Aug. 2023- present	Vice President- Operations King Energy Generation Inc.
	Jan. 2023- Aug. 2023	General Manager King Energy Generation Inc.
	Feb. 2016 - present	King Energy Generation Inc. Plant Manager
	April 2015 – Feb. 2016	Plant OIC Great Providence Wood Products Corporation
	Aug. 2014-March 2015	Liaison Officer Evergrowth Wooden Product Corp.
	March 2008-Jan 2014	Engineering Dept. Head Asia Pacific Timber and Plywood Corporation, APTPCO
	Aug. 2001 – Feb. 2008	Operations and Maintenance Manager Sacramento Steel Corp. Formerly Coresteel
	Feb. 1998-Aug. 2001	Electrical-System Maintenance Head Coresteel Industrial Pilipinas Inc.
	Feb 1997 – Feb. 1998	Electrical Foreman Bisdac Development Corporation
	April 1994 – Jan. 1997	Seafarer/POEA Rating: Asst. Electrician Magsaysay Lines Incorporated

	<p>Nov. 1991 – Aug. 1992 Electrical Contractor Coca-Cola Bottlers Phils. Inc.</p> <p>March 1987 – Dec. 1990 Maintenance Electrician/ Service Electrician ECC Engineering Services</p>
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Name	Atty. Marites F. Sangual
Position	Corporate Secretary/ Legal Manager
Education	<p>2006-2011 Bachelor of Laws (LLB) Xavier University- Ateneo de Cagayan</p> <p>2002-2006 Bachelor of Science Major in Psychology Xavier University- Ateneo de Cagayan</p>
Business Experience	<p>Jan. 2022 -present Legal & Administrative Division Manager King Energy Generation Inc.</p> <p>Aug. 2023- present Corporate Secretary King Energy Generation Inc.</p> <p>Feb. 2018 – Dec. 2021 Corporate Counsel King Energy Generation Inc.</p> <p>Feb. 2018 – present Legal Consultant Various Companies</p> <p>July 2017 – Jan. 2018 Attorney IV Provincial Assessor’s Office of Misamis Oriental</p> <p>Sept. 2016 – June 2017 Acting Provincial Legal Officer Provincial Legal Office of Misamis Oriental</p> <p>Dec. 2014 – Aug. 2016 Attorney IV Provincial Legal Office of Misamis Oriental</p> <p>Aug. 2013 – Dec. 2014 Attorney III</p>

	<p style="text-align: center;">Provincial Legal Office of Misamis Oriental</p> <p>Oct. 2012 – May 2013 Volunteer Lawyer Xavier University Center For Legal Assistance</p> <p>March – Aug. 2012 Associate Lawyer San Jose Tagarda & Yap Law Firm</p> <p>Dec 2011 – March 2012 Legal Assistant San Jose Tagarda & Yap Law Firm</p>
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Name	Ramil T. Inzo
Position	Vice President- Compliance/ Compliance Officer
Education	2019-2020 Master of Business Administration Medina College 2004 Master of Arts in Educational Administration (9 units) Bukidnon State University 2000-2004 Bachelor of Secondary Education Major in Mathematics Bukidnon State University 1996 Electrical Technology Xavier University - Ateneo de Cagayan Center for Industrial Technology (With full time scholarship grant from Del Monte Phils. Inc.)
Business Experience	Aug. 2023- present VP- Compliance King Energy Generation Inc. Aug. 2023- present Compliance Officer King Energy Generation Inc. Jan. 2023- July 2023 Compliance Manager King Energy Generation Inc. March 2022- present General Manager

	Diamond Streamworks Inc.
April 2017 -present	Safety, Health, and Environmental Manager King Energy Generation Inc.
Sept. 2012- April 2017	Safety and Environmental Head King Energy Generation Inc.
May 2013 – present	Designated Permitting/Compliance Officer King Energy Generation Inc.
Sept. 2012 – May 2013	Head-Safety Officer- Bukidnon PP1 OIC King Energy Generation Inc.
Nov. 2009 – Sept. 2012	Production Supervisor Universal Robina Corporation
Oct. 2008 – Nov. 2009	Good Mfg. Practice Marshall Universal Robina Corporation
June 1997 – Oct. 2008	Production Maintenance Technician Mfg. Specialist Production Operator 2 Universal Robina Corporation
March. 1997–May 1997	Collector At Large Cagayan Electric Power and Light Company Incorporated
Sept. 1996-Feb. 1997	Service Crew Jollibee Foods Corporation (Cogon Branch)
June 1994 -Dec. 1994	Service Crew Jollibee Foods Corporation (Limketkai Branch)
Other affiliations:	
Jan. 2018 – present	Safety Consultant Meter King Inc.
Jan. 2018 – present	Safety Consultant Grandstellar Builders Incorporated
Aug. 2018 - present	Safety Consultant

	Galaxy Power Solutions Phils. Inc
June 2009-Aug. 2011	General Manager URC Employees Multi-Purpose Cooperative
May 2009- April 2010	Board of Director Oro Savings and Sharing Cooperative
May 2008-April 2009	Board Secretary Oro Savings and Sharing Cooperative
March 2007-April 2008	Board of Director Oro Savings and Sharing Cooperative
May 2009-May 2010	Council Treasurer Provincial Cooperative Devt. Council -Misamis Oriental
June 2009- May 2010	Chairman of the Steering Committee Labor Management Cooperation

The following are the Control persons of KEGI:

NAME	CITIZENSHIP	POSITION
Engr. Ariel J. Buragay	Filipino	VP-Operations
Ramil T. Inzo	Filipino	VP-Compliance
Atty. Marites F. Sangual	Filipino	Legal Manager
Engr. Amorlito D. Melicor Jr.	Filipino	Power Trading and Billing Department Manager
Judelyn G. Ipanag	Filipino	Accounting Head
Rose Jane C. Docto	Filipino	Finance Head
Flordemie P. Basa	Filipino	Human Resource Officer
Rita S. Pabular	Filipino	Procurement Head
Jeffrey Sy	Filipino	Investor Relations Officer- SPODKEGI

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.

1.) ENGR. ARIEL J. BURAGAY, REE, RME (VP-Operations)

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 Phi ls. 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.

2.) RAMIL T. INZO (VP-Compliance)

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. From April 2017 to December 2022, he served as the Safety, Health, and Environmental Manager at King Energy Generation Inc. Here, he led comprehensive safety, health, and environmental programs, ensuring regulatory compliance and nurturing a culture of workplace safety. His outstanding performance led to his promotion as the company's Safety, Health, and Environment Division Manager, where he spearheaded the development, planning, and implementation of safety and environmental policies, including the proper management of hazardous waste. He ensures timely and cost-efficient compliance with legal requirements and permits from regulatory 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 Units (LGU), and national regulations. 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: Crisis Management Lead Implementation Course held on September 2022, Safety Program Audit (SPA) held from July 15-19, 2019, Work Environmental Measurement Training Workshop held from July 31- August 2, 2018, Training of Trainers held on November 27-30, 2017, Basic Occupational Safety and Health held on May 2-5, 2017, Environmental Professional Summit held from November 27-28, 2014, Basic Training Course for Pollution Control Officers Part I held from November 20-21, 2014, Oil Spill Management Training held from October 29-30, 2014, Basic Training Course for Pollution Control Officers Part 2 held from June 25-27, 2014 Loss Control Management Seminar held from April 22-23, 2014. His competencies include his special skills in environmental assessment/preparer, land use conversion, resident 3rd party safety facilitator/lecturer, safety, health and environmental.

3.) ATTY. MARITES F. SANGUAL (*Legal Manager*)

Atty. Sangual held the position of Corporate Counsel of the company from February 1, 2018 up to December 31, 2021. She was promoted as Legal and Administrative Division Manager on January 1, 2022. Later in January 2023, she was retained as Legal Department Manager.

As Legal Department Manager of the company, her primary responsibility is to ensure the company's compliance with lawful orders, rules and 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 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 corporate governance.

4.) 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 party ers 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.

5.) JUDELYN G. IPANAG (*Accounting Head*)

Judelyn G. Ipanag began her professional career in January 2021 as an Accounting Staff and Document Information Controller at Archemicals Corp. She then worked as an Accounting Associate at Metro Rei Property Ventures Inc. from July 2021 to December 2021. After displaying commendable performance, she continued her accounting-related work from January 2022 until the end of March 2022 under Diamond Streamworks Inc. Due to her exemplary performance, she was appointed as an Accountant at King Energy

Generation Inc from April 2022 to the present. Her remarkable knowledge in the field of Accounting and Taxation made her stand out.

Her dedication and pursuit of excellence in her profession helped her become one of the exemplary employees of the organization. Her unwavering commitment to sharpening her skills is evident in her constant endeavor to improve her expertise. Her knowledge of taxation enabled her to oversee and manage timely reports for BIR and other government reports. In 2019,

She earned her Bachelor of Science in Accountancy from Xavier University - Ateneo de Cagayan. She chose to specialize in the tax field and is now a Certified Tax Technician. She has participated in various training and seminars to increase her knowledge, such as Tax Updates and Tax Practice sponsored by the Philippine Association of Certified Tax Technicians (PACTT), Inc., an eight-day bookkeeping lecture series on Service and Merchandising concern with Payroll, Internal Control for Cash, Basic taxation and compliance requirement entitled Accounting for Non-Accountants sponsored by Philippine Institute of Certified Public Accountants (PICPA), and a Review of VAT Zero-Rated Transactions and VAT Zero-Rating Application sponsored by Philippine Institute of Certified Public Accountants (PICPA) Cagayan de Oro - Misamis Oriental Chapter.

6.) 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 KEG Is, 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, BOO and other bank orientations.

7.) 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.

8.) 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.

9.) JEFFRY L. SY (*Investor Relations Officer*)

With a robust career spanning over three decades, Jeffrey has established himself as a seasoned professional in the financial industry. Armed with a Bachelor of Science in Management Engineering from Ateneo de Manila University, Jeffrey has navigated through various roles with unwavering expertise and commitment. Currently serving as an Investor Relations Officer at King Energy Generation Inc., his journey reflects a trajectory marked by continuous growth and dedication.

In his current role as Investor Relations Officer, Jeffrey plays a pivotal role in fostering relationships with stakeholders and investors. His strategic insights and adept

communication skills contribute to the company's success in navigating the complex landscape of investor relations.

Before joining King Energy Generation Inc., Jeffrey served as Officer In Charge at Philippine Business Bank since January 2021 up to the present, showcasing his leadership abilities and operational acumen. During his tenure at Philippine Business Bank, Jeffrey also served as a Trust Investment Officer from September 2018 to December 2020, demonstrating his proficiency in trust management and investment strategies.

His tenure at BDO Unibank, Inc. saw him excel as an Institutional Trader from January 2014 to May 2018, where he honed his skills in asset and fund management.

Jeffrey's commitment to professional growth is evident from his participation in various seminars and training programs, including Certified UITF Sales Person and Standardized UITF Training Program for Trainers.

With a wealth of experience, a solid educational background, and a commitment to ongoing professional development, he stands a pillar of expertise in the financial sector, continually driving growth and success in his endeavors.

Furthermore, the following are the technical experts of KEGI:

1.) 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 Luisiana through a Memorandum of Agreement). He obtained units in his master's study in Management from Licea 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.

2.) 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 I 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

3.) ENGR. 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 KEGled 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 KEGled 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-KEGled 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 KEGled 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)

Security Ownership of Officers, Managers and Key Persons

The following table shows the security ownership of management in the common shares of the Company as of December 31, 2023.

Name of Director	Amount and Nature of Beneficial Ownership		Citizenship	No. of Common Shares Own	% Ownership
	Direct	Indirect			
Engr. Edelyn Jane A. Salvame	100,000.00		Filipino	100,000.00	0.004%
Engr. Gilbert J. Rodriguez	100,000.00		Filipino	100,000.00	0.0039%
Engr. Ariel J. Buragay	100,000.00		Filipino	100,000.00	0.0039%
Jodette P. Ello, CPA	100,000.00		Filipino	100,000.00	0.0039%
TOTAL	400,000.00			400,000.00	0.156%

Compensation of Directors

The Compensation of KEGI's Board of Directors and Executive Officers for 2023 is as follows:

Board of Directors: <i>Beginning of August 2023</i>	Gross - P 700,000.00
Executive Officers: <i>Vice President Position and Up</i>	Gross - P 4,905,000.00

For standard arrangements, the executive compensation for KEGI officers and Directors shall apply. For other arrangements such as consulting, executing employment contracts, resignation, change in control arrangements and other similar matters, the management has not yet decided on the compensation package. If ever, this shall be assessed on a per project basis that is commensurate to the nature of the task to be done.

10. The Issuer (select all that apply):

<input checked="" type="checkbox"/>	Expects compensation to change in the next year
<input type="checkbox"/>	Owes compensation for prior years

Arrangements with Officers, Directors, Managers and Key Persons

11. The Issuer (select all that apply):

<input type="checkbox"/>	Has entered into employment or non-compete agreements with any Officer, Manager, Director or Key Person.
<input checked="" type="checkbox"/>	Plans to enter into employment or non-compete agreements with any Officer, Manager, Director or Key Person

Insolvency Legal Proceedings of Management and Key Personnel

12. An Officer, Manager, Director, Key Person of the Issuer (Put ✓ in column if applicable and x otherwise):

Name	Position: D = Director ID – Independent Director O - Officer	Criminal	Administrative-	Bankruptcy	Case Details
Engr. Edelyn Jane A. Salvame	D	x	x	x	
Engr. Gilbert J. Rodriguez	D	x	x	x	
Engr. Ariel J. Buragay	D	x	x	x	
Jodette P. Ello, CPA	D	x	x	x	
Milagros S. Castro, CPA	D	x	x	x	
Raymond B. Ang	D	x	x	x	
Sally O. Ang	D	x	x	x	
Atty. Jairo M. Ladera	ID	x	x	x	
Atty. Alisa Trena R. Olano, REA, REB, REC	ID	x	x	x	
Ramil T. Inzo	O	x	x	x	
Atty. Marites F. Sangual	O	x	x	x	

Certain Legal Proceedings

This section applies to:

- The issuer, its subsidiaries and affiliates
- All Directors and Officers of the Issuer
- All Beneficial Owners of 10% or more of the Issuer's outstanding voting equity and
- All Promoters of the Issuers

13. Have any of the above-listed persons filed or subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive either at the time of the bankruptcy or within two (2) years prior to that time. Yes No

If yes, provide details.

14. Have any of the above-listed persons been named as the subject of a pending felony or misdemeanor criminal proceeding excluding traffic violations or other minor offenses not related to fraud or a financial crime? Yes No If yes, provide details.

15. Have any of the above-listed persons been the subject of an order, judgment, decree, sanction or administrative findings imposed by any government agency, administrative agency, self-regulatory organization, civil court, or administrative court in the last five (5) years related to his or her involvement in any type of business, securities, insurance, or banking activity? Yes No If yes, provide details.

16. Are any of the above-listed persons the subject of a pending civil, administrative, or self-regulatory action related to his or her involvement in any type of business, securities, insurance, or banking activity?

Yes No If yes, provide details

17. Has any civil action, administrative proceeding, or self-regulatory proceeding been threatened against any of the above-listed persons related to his or her involvement in any type of business, securities, insurance or banking activity? Yes No If yes, provide details

Litigation

18. The Issuer (select all that apply):

	Has been involved in litigation or subject to administrative action in the last five (5) years that has had a material effect upon the Issuer's business, financial condition or operations
<input checked="" type="checkbox"/>	Has pending litigation or administrative action that may have a material effect upon the Issuer's business, financial condition, or operations
	Is currently threatened by litigation or administrative action that may have a material effect upon the Issuer's business, financial condition, or operations
	None of the above

Family Relationship

19. Describe any family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated or chosen by the registrant to become directors or executive officers.

a) Engr. Edelyn Jane A. Salvame

- She is the niece of spouses Raymond and Sally Ang.

b) Sally O. Ang

- She is the wife of Raymond B. Ang and she is the Aunt of Engr. Edelyn Jane A. Salvame in the mother Side,

c) Raymond B. Ang

- He is the husband of Sally O. Ang. He is the Uncle of Engr. Edelyn Jane A. Salvame in the mother Side, and the husband of Sally O. Ang.

Certain Relationship and Related Party Transactions

20. The Issuer (select all that apply):

	Has made loans to an Officer, Manager, Director or Principal Stockholders within the last two (2) years
	Has one or more outstanding loans with an Officer, Manager, Director or Principal Stockholder in the future.
	Has done other business not associated with this offer with current Officer, Manager, Director, or Principal Stockholder within the last two (2) years
	Plans to do other business not associated with this offering with a current Officer, Manager, Director, or Principal Stockholder in the future

FINANCIAL INFORMATION

Management Discussion and Analysis (MD&A) or Plan of Operation

EXECUTIVE OVERVIEW

King Energy Generation, Inc. (KEGI) is in the process of completing its requirements for the registration of the approved Initial Public Offering of capital stock. Its pre-operating expenses amounts to PhP3,350,682.85 which represents filing fees for the registration of shares and accrued professional fees.

KEGI has been operating as a power generation company through its seven (7) diesel power plants for thirteen (13) years. These power plants are strategically located in various locations in Mindanao. It's first power plant inaugurated in 2012 is in Quezon Bukidnon with capacity of 3.2MW. In year 2013, the next plant inaugurated was in Gingoog City with 10.6MW capacity. During year 2014, two power plants were inaugurated with locations in Panaon Misamis Occidental and Tandag Surigao Del Sur with capacities of 15.6MW and 7.8MW, respectively. The company continuously expanded its operations and opened another 3 power plants in 2015 and 2017. These plants are in Maramag Bukidnon with capacity of 7.8MW, Camiguin Power Plant with capacity of 4.4MW and its second plant in Misamis Occidental located in San Isidro Jimenez with capacity of 16.2MW.

Most of **KEGI's** power supply agreements are on a 10-year term. In addition to the bilateral contracts, three of its power plants has Ancillary Services Procurement Agreement with the National Grid Corporation of the Philippines. Its only in 2023 that two of its Service Contracts with capacities of 2.8MW and 9.4MW ended. However, the management is diligently working on the renewal of its existing contracts and already started venturing into new contracts most specifically its gear towards renewable energy to address the concern of the 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 rights to conduct hydropower operations on specific locations in

the country. The company consistently strives to aim to help the communities by providing power at a reasonable rate.

In 2023, KEGI acquired 42.70% ownership of Maramag Mini Hydro Power Corporation when it started its commercial operation. MMHPC was incorporated and registered with SEC to primarily make, generate, sell and supply electricity through the exploration, development, and utilization of Hydro Renewable Sources of energy and technologies. It is expected to make a significant contribution to the renewable energy sector. KEGI's investment to MMHPC is a strategic move that will not only provide a stable source of income but also help to grow the renewable energy industry.

ECONOMIC HIGHLIGHTS

The 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.

FINANCIAL HIGHLIGHTS

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 to December 31, 2023.

Statement of Financial Position

	As of December 31, 2023	As of December 31, 2022	As of December 31, 2021
Non-Current Assets	3,370,890,526	3,649,211,643	3,890,590,063
Current Assets	958,414,672	887,370,434	850,374,956
Total Assets	4,329,305,198	4,536,582,077	4,740,965,019
Equity	3,161,449,949	3,151,158,963	3,135,598,316
Non-Current Liabilities	543,563,830	650,898,767	938,673,001
Current Liabilities	624,291,419	734,524,347	666,693,702
Total Liabilities and Equity	4,329,305,198	4,536,582,077	4,740,965,019

KEGI manages its capital to ensure that company 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 sales of shares, including the original subscription payment at the time of incorporation constituting the paid in capital, is held by the pertinent custodian banks

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. The decrease in non-current assets is mainly due to the depreciation of the company's property, plant and equipment.

On the other hand, the substantial decrease of around P110 million in current liabilities in 2023 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, the increase in the shareholders' equity is due to the annual net earnings of the company.

Statement of Income

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Sale of Power	779,621,152	1,045,512,292	1,078,296,268
Cost of Service	603,158,632	827,787,580	771,023,575
Gross Income	176,462,520	217,724,712	307,272,693
Operating Expenses	134,381,831	131,807,262	132,894,248
Operating Income before Finance Income and Finance Cost	42,080,689	85,917,450	174,378,445
Income before Tax Expense	10,688,788	45,586,583	88,037,963
Net Income	10,945,431	35,160,647	65,209,201
Other Comprehensive Income (Loss)	(654,445)	-	(38,432)
Total Comprehensive Income	10,290,986	35,160,647	65,170,769
Earnings per Share	0.43	1.38	4.10

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 fair

value of the consideration received and represents amounts receivable for services provided in the normal course of business.

During the year 2023, the company experienced a significant decrease in its gross revenue, amounting to a total of P265,891,140 compared to the revenue generated in 2022. This decline in revenue can be attributed to a couple of reasons. Firstly, two contracts between Misamis Oriental II Electric Service Cooperative Inc. and Fibeco Inc, which had energy generation capacities of 2.8MW and 9.4MW, respectively, expired. Secondly, one of the company's clients requested a Special Payment Agreement starting mid of year 2023, which only allowed half of its capacity instead of the full capacity on our power billings. These factors had a substantial impact on the company's sales, considering the significant energy generation capacities of the departing customers. However, the company's entry into the Wholesale Electricity Spot Market (WESM) in the same year helped to improve its sales revenue.

The percentage of cost of services to revenue in the years 2021, 2022, and 2023 is 71%, 79%, and 77%, respectively. This trend is primarily due to the price of commodities, specifically fuel cost, which is the company's source for power generation. In 2021, the total operating expenses accounted for 20% of total revenue, while in 2022, the percentage decreased to 16% due to the company's efforts to minimize general and administrative expenses. However, in 2023, operating expenses increased to 21% due to the company's Research and Development costs.

Additionally, the finance costs have continuously decreased from 2021 to 2023. This decrease is attributed to a corresponding decrease in the principal amount, which serves as the basis for calculating interest expenses. This reduction in principal amount was a result of regular payments being made towards the outstanding amount. This gradual and consistent decrease in financing costs is a positive development, as it indicates that the company is managing their finances well and reducing their debt burden over time.

Statement of Equity

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Capital Stock	2,571,800,000	2,571,800,000	2,569,600
Treasury Shares	(21,800,000)	(21,800,000)	-
Share Premium	337,469,946	337,469,946	337,469,946
Deposit for Future Subscription	-	-	-
Retained Earnings	274,672,880	263,727,449	228,566,802
Cumulative Remeasurement Loss on Retirement Liability	(692,877)	(38,432)	(38,432)
Total Equity	3,161,449,949	3,151,158,963	3,135,598,316

In 2021, the Securities and Exchange Commission gave their approval for the company's request to increase their authorized capital stock. This was accompanied by an increase in the number of stockholders who subscribed to the company's stocks throughout the year. In 2022, KEGI took a bold step by acquiring 218,000 of their own shares at a par value of P100.00 to bolster shareholder value. Moreover, the company saw even more success as they received an additional 22,000 stock subscriptions in the same year at a par value of P100.00. These moves demonstrate KEGI's commitment to growth and their shareholders' prosperity.

Statement of Cash Flows

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Cash Flows From (Used) in Operating Activities	211,853,518	180,977,443	246,189,743
Cash Flows From (Used) in Investing Activities	(11,959,471)	(62,005,942)	(27,823,987)
Cash Flows From (Used) in Financing Activities	(204,203,016)	(223,269,768)	(187,127,391)
Net Increase (Decrease) in Cash	(4,308,969)	(104,298,267)	31,238,365
Cash, Beginning	50,996,810	155,295,077	124,056,712
Cash, Ending	46,687,841	50,996,810	155,295,077

Cash Flow Statement shows the change in cash flow from the operating activities, investing activities and financing activities at the end of the accounting period, and indicates the ending balance of the cash.

Operating cash flow indicates whether a company can generate sufficient positive cash flow to maintain and grow its operations. Net cash from operating activities totaled P246 million in 2021, P180 million in 2022, and P211 million in 2023. There is an increase of trade and other receivables of P28 million and a decrease of P81 million for payables in year 2021. In 2022, the company experienced an increase of P148 millions of trade and other receivables and a decrease of P14 million. In 2023, an increase of P6 million in trade and other receivables incurred and a decrease in P18 million in liabilities. Also, Finance

cost paid in 2022 is P42 million lower than the amount paid in 2021, and in 2023, P9 million lower than paid in 2022.

Net cash payment for investing activities is P27 million in 2021, P62 million in 2022, and P11 million in 2023. Such are used for acquisition of additional property, plant and equipment, and additional investment in associate and subsidiary.

Net cash payment for financing activities is P187 million in 2021, P223 million in 2022 and P204 million in 2023. Cash was mainly used for payment of loans and borrowings, however in 2021 and 2022, cash was received from additional issuance of shares amounting to P19.6 million and P2.2 million, respectively. Additionally in 2022, cash was also used in acquisition of treasury shares amounting P21.8 million.

FINANCIAL RATIOS

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

Illustration 1: KEGI's Financial Ratios for year ended December 2021 to 2023

	2021		2022		2023	
Liquidity Ratio						
Current Ratio	<u>158,114,672.00</u>	-	<u>152,140,310.00</u>	-	<u>151,114,156.00</u>	-
	624,291,419.00	1.54	712,922,050.07	1.24	606,693,702.00	1.28
Profitability Ratio						
Gross Margin	<u>176,558,600.00</u>	-	<u>207,558,461.56</u>	-	<u>296,813,318.35</u>	-
	1,711,712,212.00	0.10	1,145,555,105.00	0.18	1,111,111,506.00	0.18
Operating Margin	<u>11,815,781.00</u>	-	<u>45,515,581.00</u>	-	<u>81,011,181.00</u>	-
	779,712,282.00	0.01	1,045,555,105.00	0.04	1,078,384,506.00	0.08
Solvency Ratio						
Solvency	<u>329,458,585.00</u>	-	<u>348,755,479.28</u>	-	<u>402,051,927.29</u>	-
	1,157,855,391.00	0.28	1,185,421,110.00	0.29	1,606,165,001.00	0.25
Coverage Ratio						
Debt Service Coverage (DSC)	<u>111,111,281.00</u>	-	<u>155,221,111.11</u>	-	<u>151,111,111.11</u>	-
	222,222,222.00	1.45	216,465,255.00	1.42	211,111,111.11	1.42
Net Financial Contracting Capacity	<u>(158,114,672.00)</u>	-	<u>(152,140,310.00)</u>	-	<u>(151,114,156.00)</u>	-
	624,291,419.10	5,682,465,185.00	712,922,050.10	1,081,267,116.00	606,693,702.10	1,521,625,012.00

LIQUIDITY RATIO

In order to assess the company's capacity to repay its short-term debts, the management typically looks at the current or working capital ratio. This ratio can be calculated by dividing the current assets by the current liabilities of the company. It is a key financial metric that indicates the company's liquidity and ability to settle its short-term obligations.

KEGI has been consistently maintaining a current ratio above 1 for the past three years, including 2021, 2022, and 2023. This is a clear indication that the company has a strong liquidity position and can easily meet its short-term obligations without any financial strain. This is a testament to KEGI's ability to manage its finances effectively, making it a reliable and trustworthy partner for investors, creditors, and customers. Overall, KEGI's financial position is robust, and the company has sufficient resources to support its growth and expansion plans.

PROFITABILITY RATIO

The financial health of a company is determined by its ability to generate income in comparison to its revenue and operating costs. This is assessed by calculating its annual gross and operating margins, which help measure the efficiency and profitability of its operations.

The company's gross margin for the years 2021 to 2023 are 28%, 20%, and 23%, respectively. This means that for every peso earned in revenue, the company will generate 28 cents, 20 cents, and 23 cents in gross profit.

Moreover, the operating margin for the same years is 8%, 4%, and 1%, respectively. This margin measures the profitability of a company's core business operations before interest, taxes, depreciation, and amortization. A higher operating margin reflects a company's ability to cover its operating expenses and earn a profit.

However, there has been a decline in the operating margin percentage due to the increase in research and development expenses and a decrease in sales revenue. The company has invested more in R&D to develop new products and improve existing ones, which has led to higher expenses. Although this has impacted the profitability of the company's operations, it has positioned the company for future growth.

In conclusion, the company's projected gross margin and operating margin for the years 2021 to 2023 indicate a positive trajectory. While there has been a decline in operating margin percentage, the company's investment in R&D is a strategic move that will pay off in the long run.

SOLVENCY RATIO

The solvency ratio is a crucial financial metric that management uses to gauge a company's ability to remain financially stable over the long term. It is calculated by comparing a company's net income, which includes depreciation and other cash expenses, to its total liabilities. This ratio helps management understand whether the company is generating enough income to cover its debts and remain solvent.

The company's solvency ratios for 2021, 2022, and 2023 is at 25%, 25%, and 28% respectively, suggest that the company is managing its finances effectively. With a balance between generating income and managing liabilities, these figures are considered acceptable for a financially healthy company. A solvency ratio between 20% and 30% is considered healthy, and the company's ratios fall within this range. Therefore, KEGI is in a secure financial position for the coming years.

DEBT SERVICE COVERAGE RATIO (DSCR)

For an industry that is highly levered, evaluation of the company's debt service coverage ratio is very important. This is a financial metric that compares a company's total debt obligations, including both principal repayments and interest, to its operating income. In the energy sector, the Energy Regulatory Commission (ERC) requires power generation

and distribution companies to maintain an annual DSCR of at least 1.25x, as per the EPIRA law.

KEGI has been consistent in maintaining a Debt Service Coverage Ratio (DSCR) of 1.45x, 1.63x, and 1.72x over the past three years (2021 to 2023), which are all compliant with the ERC's financial benchmark. This is an excellent indication of its ability to generate enough cash flow to cover its outstanding debts. With such an impressive track record of strong DSCR ratios, KEGI appears to have a solid financial position and the ability to manage its debt obligations effectively and ability to manage its debt obligation effectively.

NET FINANCIAL CONTRACTING CAPACITY (NFCC)

The management regularly evaluates its financial contracting capacity to determine its ability to undertake new projects or enter into new contracts with customers. The net financial contracting capacity of the company has been calculated to be P3,673,625,082.80 for the year 2021. The net financial contracting capacity for 2022 is P3,488,967,096.40, while the net financial contracting capacity for 2023 sees a significant increase to P6,682,465,085. This remarkable growth is a testament to the company's financial prowess and its ability to expand operations and preparedness to venture into Renewable Energy projects.

With a net financial contracting capacity of over P6 billion for 2023, the company is well-equipped to take on new projects and contracts. The substantial increase in financial contracting capacity for 2023 indicates a positive trend in the company's financial performance and its ability to expand its operations. The company is poised to make significant strides towards its goal of promoting Renewable Energy projects and contributing to a sustainable future.

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 judgements and estimates are results of giving due consideration of materiality. With the established company accounting policies, management has made judgements 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.

SUMMARY OF FINANCIAL INFORMATION

Prospective purchasers of the Offer should read the summary financial data below together with the financial statements, including the notes thereto, included in this Prospectus and “Management's Discussion and Analysis of Results of Operations and Financial Condition”. The summary financial data for the year ended December 31, 2021 to December 31, 2023 are derived from the audited financial statements of King Energy Generation, Inc. including the notes thereto. The detailed financial information for the calendar years ended December 31, 2021 to December 31, 2023 are found on page 125 of the prospectus and the Statement of Comprehensive Income months ended December 31, 2023 are found on page 126 of the Prospectus.

The summary of financial and operating information of King Energy Generation, Inc presented below as of and for the years ended December 31, 2021 to December 31, 2023 were derived from the consolidated financial statements of King Energy Generation, Inc, audited by Baconga, Patriana and Co. and prepared in compliance with the Philippine Financial Reporting Standards (“PFRS”).

KING ENERGY GENERATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2023, and 2022

(With Comparative Figures 2021)

	Notes	2023	2022	2021
ASSETS				
Noncurrent Assets				
Generation plant, property and equipment, <i>net</i>	5 P	3,342,966,100 P	3,629,912,062 P	3,871,181,013
Investment in associate	6	-	13,170,584	17,077,809
Investment in subsidiary	6	15,206,600	-	-
Deferred tax asset	22	12,717,826	5,912,997	2,115,241
Other noncurrent asset	8	-	216,000	216,000
Total Noncurrent Assets		3,370,890,526	3,649,211,643	3,890,590,063
Current Assets				
Cash	9	46,687,841	50,996,810	155,295,077
Trade and other receivables	10	685,416,981	691,830,999	550,563,941
Inventories	11	170,022,882	95,259,097	104,225,698
Prepayments and other current assets	12	56,286,968	49,283,528	40,290,240
Total Current Assets		958,414,672	887,370,434	850,374,956
TOTAL ASSETS	P	4,329,305,198 P	4,536,582,077 P	4,740,965,019
EQUITY AND LIABILITIES				
Equity	P	3,161,449,949 P	3,151,158,963 P	3,135,598,316
Noncurrent Liabilities				
Loans and borrowings, <i>net of current portion</i>	14	133,155,761	336,741,650	540,411,418
Trade and other payables, noncurrent	16	403,950,747	309,347,089	393,364,328
Retirement liabilities	15	6,457,322	4,810,028	4,897,255
Total Noncurrent Liabilities		543,563,830	650,898,767	938,673,001
Current Liabilities				
Loans and borrowings	14	204,327,397	204,944,524	204,944,524
Trade and other payables	16	419,964,022	529,579,823	460,181,806
Income tax payable		-	-	1,567,372
Total Current Liabilities		624,291,419	734,524,347	666,693,702
Total Liabilities		1,167,855,249	1,385,423,114	1,605,366,703
TOTAL LIABILITIES AND EQUITY	P	4,329,305,198 P	4,536,582,077 P	4,740,965,019

KING ENERGY GENERATION, INC.

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2023, and 2022
(With Comparative Figures 2021)

	Notes	2023	2022	2021
SALE OF POWER	18 P	779,621,152 P	1,045,512,292 P	1,078,296,268
COST OF SERVICE	18	603,158,632	827,787,580	771,023,575
GROSS INCOME		176,462,520	217,724,712	307,272,693
OPERATING EXPENSES				
Depreciation	5	25,747,474	26,647,620	25,737,328
Employees salaries, wages, and other benefits	19	26,047,760	21,641,609	16,395,133
Provision for impairment losses	10	10,380,997	10,380,997	17,164,448
Taxes and licenses		4,277,996	2,526,711	13,157,788
Security services		7,647,012	7,548,823	8,388,886
Other operating expenses	20	60,280,592	63,061,502	52,050,665
		134,381,831	131,807,262	132,894,248
OPERATING INCOME BEFORE FINANCE INCOME AND FINANCE COST		42,080,689	85,917,450	174,378,445
Interest and other income		91,080	42,813	88,238
Finance cost	14	(27,332,297)	(36,466,455)	(78,901,330)
		(27,241,217)	(36,423,642)	(78,813,092)
INCOME BEFORE OTHER EXPENSE		14,839,472	49,493,808	95,565,353
Share in net loss of associate	6	(4,150,684)	(3,907,225)	(7,527,390)
INCOME BEFORE TAX EXPENSE		10,688,788	45,586,583	88,037,963
TAX EXPENSE	22			
Current		6,548,186	14,223,692	24,944,003
Deferred		(6,804,829)	(3,797,756)	(2,115,241)
		(256,643)	10,425,936	22,828,762
NET INCOME		10,945,431	35,160,647	65,209,201
OTHER COMPREHENSIVE LOSS				
Actuarial loss on retirement liabilities	15	(654,445)	-	(38,432)
TOTAL COMPREHENSIVE INCOME	P	10,290,986 P	35,160,647 P	65,170,769
EARNINGS PER SHARE	23 P	0.43 P	1.38 P	4.10

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
2023	Baconga, Patriana and Co.	1,000,000
2022	Baconga, Patriana and Co.	1,500,000
2021	Baconga, Patriana and Co.	1,000,000
2021	Cuenca, Ponferrada, Alag and Co.	202,000

Tax Fees

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

TAXES	2023	2022	2021	TOTAL
Real Property Taxes	30,191,425.10	30,019,421.87	29,927,096.00	90,137,942.97
Local Business Tax	4,725,484.05	5,261,466.82	5,372,390.00	15,359,340.87

BIR Income Tax	6,548,186.00	14,223,692.00	24,944,003.00	45,715,881.00
BIR Value Added Tax	36,254,094.22	39,758,087.30	47,951,002.00	123,963,183.52
Total	77,719,189.37	89,262,667.99	108,194,491.00	275,176,348.36

BIR Income Tax

In the years 2022 and 2023, the company had to pay a total of 14,223,692.00 and 6,548,186.00 as Income Tax Payable. However, they were also eligible for a creditable income tax amounting to 21,436,269.00 and 19,359,427.00 for the respective years, which could be used as tax credit payments to reduce their tax liability. This means that the total tax credit payments exceeded their income tax payable for both years. As a result, the company was able to carry forward the excess tax credit to the following year.

All Other Fees

There are no other fees billed by the external auditor for any other products and services.

KEGI's audit and compliance committee reviews the client service plan and service fee proposal presented by the external auditor and recommends such for the approval of the Board of Directors, if found acceptable.

Information on Independent Accountant and other Related Matters

External Audit Fees and Services

21. The External Auditor has rendered (select all that apply):

<input checked="" type="checkbox"/>	audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years
<input checked="" type="checkbox"/>	Other assurance and related services that are reasonable related to the performance of the audit or review of the registrant's financial statements.
<input checked="" type="checkbox"/>	The audit committee has approved the above mentioned services

1. The aggregate fees billed are shown below

	Audit 2023	Audit 2022	Audit 2021
Audit Fees	P1,200,000	P1,300,000	P1,000,000
Taxes	71,172,003.37	77,218,480.29	109,030,173

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

2. The Issuer has no disagreement with its external auditor on any matter regarding (select all that apply):

<input checked="" type="checkbox"/>	Accounting principles or practices
<input checked="" type="checkbox"/>	Financial statement disclosures
<input checked="" type="checkbox"/>	Auditing scope or procedure

INDEPENDENT AUDITORS AND COUNSELS

Tax and Legal Matters

All legal opinions/matters in connection with the issuance of each Offer will be passed upon by

ATTY. ALBERT WENCES C. DABA III, REA, REB, REC for the Company. **ATTY. ALBERT WENCES C. DABA III, REA, REB, REC** have no direct interest in the Company.

ATTY. JORGE B. MAGDAONG, JR. may from time to time be engaged to advise in the transactions of the Company and perform legal services on the basis that **ATTY. JORGE B. MAGDAONG, JR.** provide such services to its other clients.

Independent Auditors

The consolidated financial statements of the Company as at and for the years ended have been audited by

BACONGA, PATRIANA AND CO., independent auditors, in accordance with Philippine Standards on Auditing as set forth in their report thereon appearing elsewhere in this Prospectus.

The Audit Committee of the Company, reviews and monitors, among others, the integrity of all financial reports and ensures compliance with both internal financial management manual and pertinent accounting standards, including regulatory requirements. The Audit Committee also performs the following duties and responsibilities relating to the services of the Company's external auditors:

There is no arrangement that experts and independent counsels will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

OTHER MATERIAL FACTORS

There is no any other material factors that will or could affect the Issuer or its business or which are necessary to make any other information in this Statement not misleading or incomplete.