SECURITIES AND EXCHANGE COMMISSION
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Company Information

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Company Type: Stock Corporation

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COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business address: No. Street City / Town / Province)

ERIC PETER Y. ROXAS

Contact Person

(632) 8818 8892

Company Telephone Number

1	2

Month

3	1

Day

Fiscal Year

1	7	-	A	

Form Type

June 30

Month Day

Annual Meeting

N/A

Secondary License Type, If Applicable

M	S	R	D

Dept. Requiring this Doc.

-

Amended Articles Number/Section

Total Amount of Borrowings

13

Total No. of Stockholders

-

Domestic

-

Foreign

To be accomplished by SEC Personnel Concerned

LCU

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended December 31, 2024

2. SEC Identification No. CS201310124

3. BIR Tax Identification No. 008-541-419-000

4.Exact name of issuer as specified in its charter Repower Energy Development Corporation

5.Province, country or other jurisdiction of incorporation or organization Philippines

6. Industry Classification Code [ ] (SEC Use Only)

7. Address of principal office 3rd Floor JTKC Center, 2155 Chino Roces Ave.,

Makati City Postal Code 1230

8. Issuer's telephone number, including area code (02) 8818-8892

9. Former name or former address, if changed since last report N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding COMMON
	650,000,002

11. Are any or all of the securities listed on a Stock Exchange?

Yes [✓] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein: Philippine Stock Exchange - ALL Outstanding Common Shares

12. Are any or all of the securities listed on a Stock Exchange?

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports

Yes [✓] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [✓] No [ ]

PART I - FINANCIAL INFORMATION

Section 1. Financial Statements
- ***See Attached.***

Section 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
- ***See Attached.***

PART II - OTHER INFORMATION

There are no other information for the period not previously reported in SEC Form 17-C.

SIGNATURES

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

Issuer	REPOWER ENERGY DEVELOPMENT CORPORATION
Signature and Title	ERIC PETER Y. ROXAS, *President*
Date	
Signature and Title	ROLANDO P. DOMINGO, *Chief Financial Officer*

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Item 1. Business

Repower Energy Development Corporation ("REDC" or the "Company") was established on May 29, 2013 to be the hydropower arm of Pure Energy Holdings Corporation ("PEHC"). The parent company, PEHC, is a holding company established to be in the business of providing essential resources for the developmental growth of the country, driven by the vision to make available renewable energy and clean water. PEHC is a conglomeration of hydropower, bulk water and distribution, solar and geothermal member-companies.

PEHC envisioned the further development of its portfolio of hydropower projects as this is believed to be the foremost in renewable energy investment as compared to the other renewable energy sources like solar, wind, geothermal, and tidal or ocean energy. With this vision in mind, REDC focused on the development and operation of run of river hydropower projects. The Company immediately engaged the services of Vergel3 Consult Inc., founded by the late Engr. Manny Vergel, the only Filipino World Bank Consultant for run of river hydropower and acclaimed to be the father of hydropower in the Philippines. With the assistance of Vergel Consult for the preparation of feasibility studies, the Company has been able to secure Hydropower Service Contracts from the Department of Energy.

While working on financial close for its basket of hydropower projects, and in order to speed up the activities of REDC, on July 15, 2015, the Company acquired 42.28% of Philippine Power and Development Company ("PPDC") and in 2016, the Company further acquired 20.89% and subscribed and paid the 25% increase in the authorized capital stock of PPDC from Php650,000 to Php100,000,000, bringing its ownership to 99.39%. Currently, the remaining balance on the subscription price of the outstanding subscribed shares is Php 7,700,000.00. PPDC is a power company incorporated in 1927 and recognized as the owner of the three (3) oldest operating power plants in the country. REDC took over PPDC operations in 2015 and immediately re-engineered the hydropower plants, replacing its hydropower components' infrastructure, and bringing in the latest state-of-the-art electro-mechanical turbines, generators, and all other related equipment. Since such take-over, the actual generation output of the three (3) plants have increased by four hundred percent (400%). Before its rehabilitation, the three (3) PPDC plants were producing an approximate total of 300 MWh per month with a plant factor of less than 39% of its old rated capacity. After the rehabilitation works, it now produces an average total of 1,300 MWh per month with individual plant factors ranging from 50-80% of its new rated capacity. The facilities, all located in Laguna, namely, the Palakpakin, Balugbog and Calibato hydroelectric power plants, have all been restored to full commercial operation beginning 2018 to 2020. The acquisition and modernization of PPDC has merged the age- old technical experience of the senior engineers with the newer technologies of the Company's younger engineers to create a formidable REDC team for development and operation of mini hydropower plants.

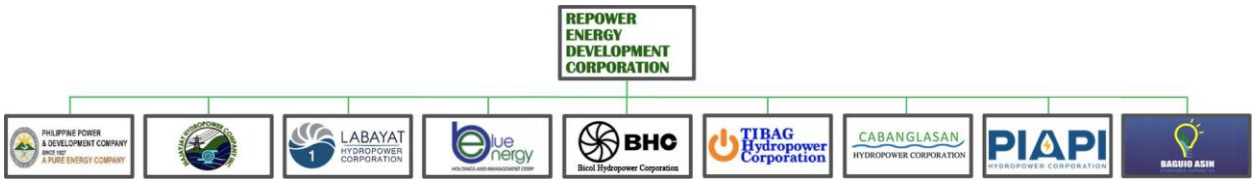
At the same time that the Company was working on the modernization of the newly acquired PPDC plants, REDC, through its subsidiary Labayat 1 Hydropower Corporation ("Labayat 1"), embarked on its first of five hydropower projects in Quezon Province, the 3.456 MW Upper Labayat Mini Hydro Power Plant ("MHP") located in Maragondon, Real, Quezon. With financial close secured, the 3.456MW Upper Labayat MHP broke ground in May 2016 and was successfully commissioned in September 2021. Notwithstanding all the challenges of completing the plant through the Covid pandemic years, the Upper Labayat MHP is now one of REDC's model plants, and the Company is elated with the successful operations and above performance generation to date. Ground breaking of the 1.4MW Lower Labayat MHP and 5.0 MW Tibag MHP, all in the vicinity of Quezon province, followed suit and these plants are expected to be commissioned within the first half of 2023. The 4.5MW Piapi and 15MW Pulanai (Pulangi) has since commenced construction in February and March 2023 respectively. The 1.5 MW Tignoan MHP is in the process of completing its permitting requirements.

In November 2019, REDC purchased 864,750 shares or 88.19% of the capital stock of Majayjay Hydropower Company, Inc. ("MHCI") from existing shareholders of record. These shares were consolidated with the 106,750 shares or 10.89% acquired by Mr. Dexter Tiu of PEHC and were

beneficially owned by him as early as 2016 when construction was about to start. The consolidation which was effected through a deed of sale in 2019, executed between Mr. Tiu and REDC, brought the equity of REDC in MHCI to a super majority of 99.08%. MHCI owns and operates the 2.19MW mini-hydroelectric power plant located in Majayjay, Laguna. The Majayjay MHP commenced its operations on May 17, 2019.

The Majayjay MHP is also covered by the public offering requirement to the extent of 15% of its capital stock. Expanding further, in July 2021, REDC acquired another hydropower facility, the Bicol Hydropower Corporation ("BHC") and as with its experience with PPDC, turned it around. On the date of takeover, BHC was not operational but had a 25-year old dilapidated electro-mechanical turbine and equipment with a rated capacity of 960 kW. After the take-over, BHC's facility was re-engineered, modernized and its hydropower components uprated with the installation of new state-of-the-art electro-mechanical equipment and re-built with improved infrastructure of hydropower components. Today, the BHC plant, located at Brgy Panicuason, Naga City, runs at 1.6MW capacity with an average plant factor operating efficiency of more or less 65%.

Having successfully operated for almost a decade, REDC now prides itself with six (6) operating hydropower plants with a combined capacity of 10.146 MW, with two (2) more hydropower plants under construction and targeted to operate within the first half of 2023:



*The Piapi Hydropower service contract has still yet to be transferred to its intended SPC, Piapi Hydropower Corporation.

Company	Hydropower Plant	Capacity	Location
Philippine Power and Development Company	Balugbog MHP	1.1 MW	Nagcarlan, Laguna
	Palakpakin MHP	1.5 MW	Calauan, Laguna
	Calibato MHP	0.3 MW	San Pablo City, Laguna
Majayjay Hydropower Company Inc.	Majayjay MHP	2.19 MW	Majayjay, Laguna
Labayat 1 Hydropower Corporation	Upper Labayat MHP	3.456 MW	Real, Quezon
Bicol Hydropower Corporation	Inarihan MHP	1.6 MW	Naga City, Camarines Sur
BEHMC Lower Labayat Hydropower Corp.	Lower Labayat MHP	1.4 MW	Real, Quezon
Tibag Hydropower Corporation	Tibag MHP	5.0 MW	Mauban, Quezon

Note: The contracted capacity of Tibag MHP may be increased from 5.0 MW to 5.808 MW, subject to securing all applicable permits. The DOE issued a Certificate of Endorsement dated May 26, 2023,

certifying that the increase in the capacity of the Tibag MHP from 5.0 MW to 5.808 MW is consistent with the Power Development Plan of the government pursuant to the provisions of Republic Act No. 9163 or the Electric Power Industry Reform Act of 2001. The said certificate is being issued to the ERC for the issuance of the Certificate of Compliance. Last May 19, 2023, the Company requested for the amendment of the Hydropower Service Contract and the Certificate of Registration from 5.0 MW to 5.808 MW. As of the date of this Prospectus, the request has not been approved. The Company shall make the necessary disclosures once the amendments have been approved.

Still, three (3) other hydropower plants are in the pipeline. The Piapi MHP has commenced construction this February 2023, while the Pulanai (Pulangi) MHP has commenced construction in March 2023. The target COD for these two (2) hydropower plants is around the last quarter of 2025. Tignoan is still perfecting its permitting requirements and may break ground by 2024 when everything is complete. It has received its bank financing approval already.

Still, three (3) other hydropower plants are in the pipeline. The Piapi MHP has commenced construction this February 2023, while the Pulanai (Pulangi) MHP has commenced construction in March 2023. The target COD for these two (2) hydropower plants is around the last quarter of 2025.

Company	Hydropower Plant	Capacity	Location
*BEHMC Upper Tignoan Hydropower Corp.	Tignoan MHP	1.5 MW	Real, Quezon
Cabanglasan Hydropower Corporation	Pulanai (Pulangi) MHP	15.0 MW	Valencia, Bukidnon
Piapi Hydropower Corporation	Piapi MHP	4.5 MW	Mauban, Quezon

*This project has already been terminated will not proceed any further.

REDC's hydropower projects are contributing clean and sustainable energy to the grid, estimated to power several thousand households in the surrounding host communities, and the stable energy supply is expected to benefit the local economy in terms of tourism and industrial activities.

Summary of MHPs Operated by or Partially Owned by REDC

Name of MHP	Registered Capacity	Location	Status
Philippine Power and Development Company (99.39% Owned by REDC)			
Balugbog MHP	1.1 MW	Nagcarlan, Laguna	Operational for 4 years
Calibato MHP	0.3 MW	San Pablo, Laguna	Operational for 2 years
Palakpakin MHP	1.5 MW	Calauan, Laguna	Operational for 4 years
Majayjay Hydropower Company, Inc. (99.08% Owned by REDC)			
Majayjay MHP	2.19 MW	Majayjay, Laguna	Operational for 3 years
Labayat 1 Hydropower Corporation (71% Owned by REDC)			
Upper Labayat MHP	3.456 MW	Maragondon, Real, Quezon	Operational for 1 year
Bicol Hydropower Corporation (100% Owned by REDC)			
Inarihan MHP	1.6 MW	Naga City, Camarines Sur	Operational for 1 year
Tibag Hydropower Corporation (100% Owned by REDC)			

Tibag MHP	5 MW	Mauban, Quezon	Under Construction to statrt operations Q2 2023
Blue Energy Holdings and Management Corporation (30% Owned by REDC)			
Lower Labayat MHP	1.4 MW	Real, Quezon	Under Construction to statrt operations Q2 2023
Cabanglasan Hydropower Corporation (100% Owned by REDC)			
Pulanai (Pulangi) MHP	15 MW	Valencia, Bukidnon	Under Construction
Piapi Hydropower Corporation (60% Owned by REDC)			
Piapi MHP	4.5 MW	Mauban, Quezon	Under Construction

COVID-19 Global Pandemic

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

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

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

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

Considering the evolving nature of the pandemic, the Company continues to follow the maximum health protocols imposed by the national government, as well as the relevant local government units, while performing the necessary works to deliver the projects on schedule. The Company implemented and continues to practice proactive measures to minimize, if not totally, eliminate health risks, such as extending assistance on the scheduling of COVID-19 vaccines and boosters to employees, adopting a hybrid work arrangement, providing shuttle service, weekly COVID-19 antigen testing, adequate supply of protective

equipment, providing sanitizers and posting infographic materials in common areas of the office, plants and staff houses, and extending health maintenance organizations (HMO) coverage and a care package to employees who are confirmed COVID-19-positive.

The financing banks normally will take a few months to process a loan application. But due to the COVID-19 Pandemic, the banks have taken a more cautious stance due to the rising default rate from other clients, hence it took longer to process the loan applications. In this case, the group had to source internally generated funds to bridge cost overruns in projects under construction or to jumpstart another project while waiting for its loan approval to be obtained.

CORPORATE MILESTONES

Date	Milestone
May 2013	Establishment of Repower Energy Development Corporation
February 2014	Awarding of Greenfield Hydropower Service Contracts by the DOE including the Upper Labayat, Lower Labayat, Tibag, Pulanai (Pulangi), Piapi and Tignoan HSCs.
July 2015	Acquisition of 42.28% of Philippine Power and Development Company
December 2015	Start of rehabilitation of PPDC Palakpakin and Balugbog hydropower plants
January 2016	Signing of Php 246.463 million loan with Development Bank of the Philippines for the 2.19 MW Majayjay MHP
January 2016	Acquisition and beneficial ownership of 10.89% of Majayjay Hydropower Company Inc. by Dexter Tiu
May 2016	Groundbreaking of Upper Labayat MHP
June 2016	Ownership of 99.39% of Philippine Power and Development Company
March 2017	Signing of Php 468 million loan with Land Bank of the Philippines for the 3.456 MW Upper Labayat MHP
May 2017	Groundbreaking of Lower Labayat MHP
July 2017	Signing of Php 238.7 million loan with Land Bank of the Philippines for the PPDC Plants
July 2018	Commercial operations of the Rehabilitated 1.1 MW Balugbog MHP
October 2018	• Commercial operations of the Rehabilitated 1.5 MW Palakpakin MHP • Start of rehabilitation of PPDC's Calibato hydropower plant
May 2019	• Commercial operations of the 2.19 MW Majayjay MHP • Groundbreaking of 5.0 MW Tibag MHP
November 2019	Acquisition of additional 88.19% of Majayjay Hydropower Company Inc., which, including its acquisition of shares previously under the name of Dexter Tiu, brings REDC's total ownership to 99.08%[1]
January 2020	Commercial operations of the Rehabilitated 0.3 MW Calibato MHP
December 2020	Signing of Php 900 million loan with Development Bank of the Philippines for the 5.0 MW Tibag MHP
July 2021	Acquisition of 75% of Bicol Hydropower Corporation[2]
September 2021	Commercial operations of the 3.456 MW Upper Labayat MHP
May 2022	Acquisition of the remaining 25% of Bicol Hydropower Corporation, thereby 100% ownership[3]
April 2022	Commercial operations of the modernized 1.6 MW Inarihan MHP
November 2022	Signing of Php 2.6 billion loan with Land Bank of the Philippines for the 15.0 MW Pulanai MHP
January 2023	Installation of turbines, generators, all other electro-mechanical equipment, and substation for: • 5.0 MW Tibag MHP • 1.4 MW Lower Labayat MHP
February 2023	• Commencement of construction of the 4.5 MW Piapi MHP
March 2023	• Commencement of construction of the 15.0 MW Pulanai (Pulangi) MHP

Philippine Power and Development Company (PPDC)

PPDC was incorporated on November 2, 1927. Back then, it was an independent power producer that pioneered, built (in 1928) and operated the first mini hydropower plant in Nagcarlan, Laguna, now known as Balugbog MHP. This MHP served the neighboring towns in Rizal, Nagcarlan, and Liliw, Laguna. At the time when Meralco was constructing its Botocan Hydro Plant, Meralco drew its electricity from PPDC. In addition, the MHP supplied electricity to the City of San Pablo for a considerable period after the liberation (i.e., post-World War II).

PPDC consequently built its Tulo MHP in Calamba, Laguna in 1938; its Palakpakin MHP at Calauan, Laguna in 1939; and the Calibato MHP in San Pablo, Laguna in 1940. PPDC continued to expand its business and purchased the Sta. Cruz Electric Plant in Sta. Cruz, Laguna in 1939 and Sto. Tomas Electric Plant in Sto. Tomas, Batangas in 1944. The combined generated powers from these power plants supplied electricity to the municipalities of Majayjay, Magdalena, Sta. Cruz, Pila, Victoria, Bay, Los Baños, and Calamba, all in the Laguna province, and Sto. Tomas, Batangas.

During World War II, PPDC went through all kinds of difficulties. Thus, during the early years after liberation, its quality of service suffered. Bouncing back in 1948, PPDC installed diesel-electric units to boost supply and by 1952 the 2,000 kVA diesel peaking plant at Barrio Lecheria in Calamba, Laguna was built. When National Power Corporation ("NPC") power became available at its Calamba substation in 1959, PPDC contracted to purchase a portion of its power from NPC. Starting in the year 1961, PPDC served 39% of the people in Laguna province, 24 hours a day, with 12.0 million kWh of energy delivered, 70% of which was produced by its own plants while the rest was purchased from Botocan and NPC.

The company supplied electricity to 11 Laguna municipalities until 1983 when Meralco took over its distribution lines by virtue of a Presidential Decree ("P.D.") issued by then President Ferdinand E. Marcos. Most of PPDC's employees were accredited for employment by Meralco. As a distribution utility company, Meralco is not allowed to be a power generator by law, thus could not acquire the hydropower plants. Hence, PPDC continued to operate the three (3) plants, supplying bulk power to Meralco from July 1983 to May 2020.

Before its rehabilitation, the three (3) PPDC plants were producing an approximate total of 300 MWh per month with a plant factor of less than 39% of its old rated capacity. After the rehabilitation works, it now produces an average total of 1,300 MWh per month with individual plant factors ranging from 50-80% of its new rated capacity.

Hydropower Plant	Original Capacity	Upgraded Capacity
Palakpakin MHP	448 KW	1.5MW
Balugbog MHP	528 KW	1.1 MW
Calibato MHP	75 KW	0.3 MW

In May 2020, after the upgrading and modernization of the three (3) plants, and with the expiry of its Power Supply Agreement with Meralco, PPDC promptly applied for the Feed in Tariff (FIT) regime of the government. To date, PPDC is a holder of a Provisional Authority to Operate FIT (PAO-FIT) , as it still has to comply with the EPIRA Law stating it has to have at least a 15% public ownership before it can be given the COC-FIT by the Energy Regulatory Commission ("**ERC**").

PPDC has three (3) mini hydropower plants in operation:

- MW Balugbog Mini Hydropower Plant in Nagcarlan, Laguna;
- 1.5 MW Palakpakin Mini Hydropower Plant in Calauan, Laguna; and
- 0.3 MW Calibato Mini Hydropower Plant in San Pablo City, Laguna.

REDC has re-engineered, repowered, and modernized PPDC's facilities utilizing the latest available technologies to upgrade, expand, and automate its hydropower facilities. Averaging 95 years old, these mini hydropower plants are the Philippines' oldest operating plants as compared to the industry average age of the hydropower projects found in the Philippines at 20.38 years old.

Hydropower Plant	2021 Gross Revenue		2021 Plant Efficiency	2022 Gross Revenue		2022 Plant Efficiency
	in Php	in MWh		in Php	in MWh	
1.5 MW Palakpakin MHP	47,013,562	7,938.83	60.42%	41,552,283	6,966.72	53.02%
1.1 MW Balugbog MHP	48,883,075	8,172.36	84.81%	45,390,623	7,628.47	79.17%
0.3 MW Calibato MHP	8,276,597	1,362.56	51.85%	15,504,627	2,020.13	76.87%
TOTAL	104,173,234	17,473.75		102,447,533	16,615.32	

The Balugbog MHP was also declared as a National Heritage site by the Laguna Local Government Unit ("LGU").

As of the date of this Prospectus, the Palakpakin MHP, Balugbog MHP, and Calibato MHP were each issued a PAO-FIT certificate by the ERC and applications to renew these were filed before their expiry. The ERC has stated that the three (3) plants need to comply with the 15% public ownership rule before it is issued a permanent or its COC-FIT. The Company's monthly revenues and collection is being paid for by IEMOP at WESM rates.

Majayjay Hydropower Company, Inc. (MHCI)

Majayjay Hydropower Company, Inc. or MHCI was acquired by REDC on November 6, 2019 for the aggregate equity holding of 99.08% through a buy-out from its majority stockholders and their affiliates.

MHCI owns the 2.19MW hydroelectric power plant located at Majayjay, Laguna. MHCI was granted by the ERC its COC- FIT on July 7, 2021.

Hydropower Plant	2021 Gross Revenue		2021 Plant Efficiency	2022 Gross Revenue		2022 Plant Efficiency
	in Php	in MW		in Php	in MW	
2.19 MW Majayjay MHP	102,207,122	17,220.43	89.76%	94,904,416	15,891.83	82.94%

Labayat 1 Hydropower Corporation (Upper Cascade Labayat MHP)

Labayat 1 Hydropower Corporation was incorporated on August 17, 2015. It is a special purpose corporation ("SPC") organized to own, develop, manage, and operate the 3.456 MW Upper Labayat MHP located in Maragondon, Real, Quezon under HSC 2014-02-389 dated February 24, 2014.

Labayat 1 Hydropower Corporation is controlled by REDC through its ownership of 71.00% of its capital stock, while the remaining 29.00% is owned by Volga Power Corporation of the Frabelle Group.

Breaking ground last May 2016, the company had to work through the challenges brought about by the COVID-19 pandemic to bring the project to completion. The Upper Labayat MHP successfully commissioned in September 2021, and now stands as a model for our basket of Hydropower projects in the Quezon province, with above performance generation to date.

As of the date of the Prospectus, the FIT application is still in process and the ERC has yet to issue the company its FIT Certificate. Given this, the company's monthly revenues and collection is being paid for by

IEMOP at WESM rates. The ERC requires that the company comply with the 15% public ownership rule as provided for by the EPIRA law before the COC-FIT certificate is issued.

Hydropower Plant	2021 Gross Revenue		2021 Plant Efficiency	2022 Gross Revenue		2022 Plant Efficiency
	in Php	in MW		in Php	in MW	
3.456 MW Upper Labayat MHP	26,901,234	4,863.02	59.90%	156,336,606	18,607.20	87.56%

*The Upper Labayat MHP only operated for 3 months for the year 2021 and 8 months for the year 2022.

As provided for in applicable laws, mainly, the Revised Corporation Code of the Philippines, the Company and the other stockholder, are entitled to rights pertaining to shareholders in general such as voting, inspection, dividend, and appraisal rights, among others, mainly in proportion to their respective equity standings or participation. The corporate charters serve as contract, and, thus, the law, between and among the stockholders of L1HC, affording them rights of representation in the management of the affairs and operation of L1HC, and shares in the profits and liabilities, proportionate to their respective shareholdings.

Bicol Hydropower Corporation (BHC)

Bicol Hydropower Corporation or BHC is the latest addition to the group's corporate portfolio. BHC was acquired on July 26, 2021 for 74.12% from its majority stockholders. In 2022, the acquisition of the remaining 25.88% of BHC was completed, thereby giving the Company 100% ownership and control over BHC. 4

BHC obtained both its Certificate of Registration and Operating Contract from the DOE on February 8, 1996 under Republic Act No. 7156 dated September 12, 1991, otherwise known as "An Act Granting Incentives to Mini-hydroelectric Power Developers and for Other Purposes". The said contract had a term of 25 years which expired last February 8, 2021. Presently, BHC has been issued by the DOE its updated Certificate of Registration No. 2021-11-907, dated December 2, 2021, as RE developer of the Inarihan MHP, as well as its Hydropower Service Contract No. 2021-11-907 dated December 3, 2021.

BHC originally had a rated capacity of 960 kW with a minimal plant factor operating efficiency of just under 20%. After the acquisition by REDC, its facility was re-engineered, modernized and its hydropower components were uprated with the installation of new state-of-the-art electro-mechanical equipment, and the infrastructure of its hydropower components either rebuilt or improved.

Hydropower Plant	Old Capacity	Upgraded Capacity
Inarihan MHP	960 KW	1.6 MW

Today, the BHC plant, located in Brgy. Panicuason, Naga City, runs at 1.6MW capacity with an average plant factor operating efficiency of more or less 65%.

BHC has been issued by the DOE its Certificate of Endorsement for FIT, and its application for the PAO-FIT is already pending before the ERC.

Hydropower Plant	2022 Gross Revenue		2022 Plant Efficiency	Remarks
	in Php	in MW		
1.6 MW Inarihan MHP	28,353,487	4,624.64	67.35%	July to December

Blue Energy Holdings and Management Corporation (Blue Energy or BEHMC)

Blue Energy, spearheaded by Christopher A.D. Tiu, was incorporated on September 11, 2014 as an investment holding company. REDC owns 30.00% of Blue Energy, with the other partners owning the remaining 70.00%, as follows: (a) Christopher John Tiu (30.00%); (b) Kelvin Chai Gaisano (25.00%); (c) Constantine Phillip Ong (10.00%); and (d) Ryan Yapkianwee (5.00%). It is through this association that Blue Energy will develop the Lower Labayat and Tignoan MHP projects, each assigned to their respective special purpose corporations, namely, BEHMC Lower Labayat and BEHMC Upper Tignoan. At present, Lower Labayat MHP is in the construction phase and its targeted COD is within the first half of 2023, while the Tignoan MHP is in the process of completing the permits necessary for construction. The lending bank has already approved the project loan for Tignoan MHP.

Since 2021, REDC has infused additional capital in BEHMC in cash and through its deposits for future stock subscription (DFSS) in the aggregate amount of Php 40,191,200.00, thereby bringing its total equity to 31.74% as of date of this Prospectus. The corresponding change in the capital structure in terms of total number of shares and equity percentages has yet to be processed for approval by the SEC of the appropriate amendments in the corporate charters

Tibag Hydropower Corporation (THC)

THC, a 100% owned subsidiary of REDC, is presently completing the construction of the 5MW Tibag hydropower project located in Mauban, Quezon. Currently, it has installed the electro-mechanical equipment, turbines, generators, and other equipment in its facility and is in the process of completing the civil works hydropower components. It started operations during the last quarter of the year 2023.

Cabanglasan Hydropower Corporation (CHC)

CHC, a 100% owned subsidiary of REDC, owns the 15MW Pulanai (Pulangi) run of river hydropower project located in Valencia, Bukidnon. It has recently received its project loan approval from the lending bank and has started construction in March 2023. It is scheduled to be operational by the end of 2025.

Piapi Hydropower Corporation (PHC)

PHC is a company formed by the Company which is 40% owned by a foreign-owned domestic corporation, Ultrasafe Corporation. Its registration with the SEC was approved on December 20, 2022 under SEC Certificate of Registration No. 2022120079285-04. With its primary purpose of “to carry and conduct business in all renewable energy resources such as hydro, solar, wind, biomass, tide, geothermal, and others, including bidding, construction, assembling, installation, and operation of different renewable power plants, equipment, and supplies connected therewith; x x x”, the 60% Filipino- owned PHC will own, develop, operate and manage the 4.5 MW Piapi River Hydroelectric Power Plant (Piapi HEPP) located at Mauban, Quezon Province. Since construction has commenced in February 2023, the corresponding transfer of the pertinent permits, clearances, endorsements and other authorizations, along with HSC No. 2014-02-390, is underway.

As provided for in applicable laws, mainly, the Revised Corporation Code of the Philippines, the Company and the other stockholder, are entitled to rights pertaining to shareholders in general such as voting, inspection, dividend, and appraisal rights, among others, mainly in proportion to their respective equity standings or participation. The corporate charters i.e. the Articles of Incorporation and By-Laws, serve as contract, and, thus, the law, between and among the stockholders of PHC, affording them rights of representation in the management of the affairs and operation of PHC, and shares in the profits and liabilities, proportionate to their respective shareholdings

In unison with the development of its current hydropower service contracts, REDC will continue with its strategic acquisition of existing hydropower projects, enhancing their value through operational improvements, focused redevelopment, and the introduction of latest state-of-the-art technologies, including the use of artificial intelligence technology. It continues to search for other viable run of river hydropower projects, locally and internationally, to further increase the company's sustainability, its revenue stream, and to continue to be a niche player in the hydropower RE industry, expanding its footprint in the country.

The Company is also exploring the possibility of going into wind development, tidal power, and large hydropower especially in its Quezon province area where it maintains a stronghold, where it presently has one (1) operating hydropower plant and three (3) hydropower plants under construction. While the Company has already built kilometers of access roads, transmission lines and NGCP switchyard facilities, it continues to look for other viable forms of renewable energy in the area.

Compliance with the Listing Rules of the PSE

On May 4, 2023, the Company's Board of Directors and stockholders approved an amendment to Article Eighth of the Company's Articles of Incorporation to comply with and refer to the Amended Listing Rules for the Main and SME Boards of the PSE dated June 13, 2022 ("Amended Lock-up Rules"). Notwithstanding the current language of the lock-up provisions in the Company's latest Amended Articles of Incorporation, the Company will adhere to and follow the Amended Lock-Up Rules in connection with the Offer. The application for the approval of the foregoing amendment to the Articles of Incorporation will be submitted to the SEC no later than thirty (30) calendar days after the Listing Date.

RECENT DEVELOPMENTS

For L1HC, REDC is now stockholder of record to the extent of 71% over the 29% of the other stockholder; and has continually infused fresh capital now equivalent to total equity contribution of 82% albeit the latter has yet to be converted into equity, and is now covered by a pending application for increase in the ACS. Thus, the relationship of the Company with the said other stockholder is that of common shareholders of a company with the same appurtenant rights and liabilities proportionate to their respective equity standings.

PHC was formed by the Company and a 100% foreign owned domestic corporation.

For both L1HC and PHC, as provided for in applicable laws, mainly, the Revised Corporation Code of the Philippines, the Company and the other stockholders, are entitled to rights pertaining to shareholders in general such as voting, inspection, dividend, and appraisal rights, among others, mainly in proportion to their respective equity standings or participation. The corporate charters serve as contract, and, thus, the law, between and among the stockholders of L1HC or PHC, affording them rights of representation in the management of the affairs and operation of L1HC or PHC, and shares in the profits and liabilities, proportionate to their respective shareholdings.

On May 30, 2023, REDC entered into a Memorandum of Agreement with Gugler Water Turbines GMBH for the purpose of cooperating on the planning, data gathering, mapping, conceptualizing and techno-economic analysis of seawater pumped storage plants in the Philippines. In this agreement, Gugler Water Turbines GMBH will provide part of the needed data and information to support REDC in undertaking a feasibility study to evaluate the possibility of developing and operating the first seawater pumped storage plant in the Philippines.

During the 2nd quarter of 2023, REDC submitted separate Letters of Intent ("LOI") to the DOE for the development of the Silang Maragondon Wind Farm and the Pandan Labayat Wind Farm, both to be located

in the province of Quezon, specifically, for the award by the DOE of the corresponding Wind Energy Service Contracts **("WESCs")**.

In compliance with the DOE Circular No. DC2019-10-0013 and the DOE letters, the Company is in the process of completing its submittals including pertinent acknowledgments and undertakings in regard to existing developers in the areas of interest which have already been approved by the DOE. The Company is in the process of submitting the undertakings and acknowledgements required by the DOE for the Silang Maragondon Wind Farm and the Pandan Labayat Wind Farm by the end of June 2023.

The Silang Maragondon Wind Farm, which will cover 2,592 hectares of land, and the Pandan Labayat Wind Farm, which will cover 2,025 hectares of land have a combined potential capacity of 200MW.

STRENGTHS AND STRATEGIES

Competitive Strengths

Well positioned to take advantage of the encouraging economic backdrop and surging electricity market

The narrative of the Philippine power sector is linked to the country's robust economic fundamentals and attractive demographic qualities. The Philippines is one of the fastest growing economies in the ASEAN region, representing 11.8% of the region's total gross domestic product in 2021. According to the International Monetary Fund, the Philippines' GDP is expected to grow at a CAGR of 5.0% between 2016 and 2026. The primary driver of the economy will be boosted by infrastructure spending and sustained public projects. Furthermore, robust domestic consumption and private spending are also expected to support the economy and project stronger growth post-pandemic. Based on the Power Development Plan 2016-2040 published by the DOE, to meet the projected electricity demand requirement by 2040, the power system capacity addition that the Philippines will require is 43,765MW broken down as follows: 25,265MW for baseload, 14,500MW for mid-merit and 4,000MW for peaking.

To meet increasing demand, growth in installed capacity is essential and has compelled the government to encourage the growth in renewable energy capacity. The National Renewable Energy Program has set a target of reaching 15,304MW of installed renewable capacity by 2030. In addition, the renewable portfolio standards ("RPS") mandate distribution utilities to source a portion of their power from renewable energy and Competitive Renewable Energy Zones for enhanced renewable infrastructure.

Despite being a young company relative to its competitors, it has established a track record of successfully developing new ROR hydropower projects and acquiring and re-engineering existing ROR hydropower plants to help meet the increasing demand for energy generation in the Philippines. Backed by a strong management team and seasoned technical experts, REDC is well positioned to identify strategic locations, develop and construct economically viable projects, take advantage of a supportive industry landscape to grow its Company and create value for its shareholders.

Strong and sustained regulatory support for renewable energy development in the Philippines

One of the incentives provided by the Government through the Renewable Energy Act is the availability of Feed-in Tariff ("FIT"). This is a first-come,-first-serve scheme that provides priority treatment to RE developers in terms of connection to the grid, purchase and transmission of and payment for by grid operators, and a fixed premium rate for a specified period of time. Base FIT rates for the various RE sources are Php 9.68 per kWh for solar energy round 1 and Php 8.69 per kWh round 2, Php 8.53 per kWh for wind energy round 1 and Php 7.40 per kWh round 2, Php 6.63 per kWh for biomass round 1 and Php 6.19 per kWh round 2, and Php 5.90 per kWh for run-of-river ("ROR") hydropower round 1 and Php 5.87 per kWh degraded and round 2.

The following table shows the status of the RE sources against the FIT installation targets as at July 5, 202192 based on information provided by TransCo.:

Technology	No. of Plants	Installed Capacity	Installation Targets
Biomass			
Luzon	18	133.29MW	**250.00MW**
Visayas	9	95.65MW	
Mindanao	5	30.32MW	
Subtotal	**32**	**259.26MW**	
Hydropower			
Luzon	14	137.82MW	**350.00MW**[93]
Visayas	6	14.20MW	
Mindanao	6	87.11MW	
Subtotal	**26**	**239.13MW**	
Solar			
Luzon	16	283.73MW	**500.00MW**
Visayas	6	225.50MW	
Mindanao	2	16.72MW	
Subtotal	**24**	**525.95MW**	
Wind			
Luzon	5	336.90MW	**400.00MW**
Visayas	2	90.000MW	
Mindanao	-	-	
Subtotal	**7**	**426.90MW**	
TOTAL	**89**	**1,451.24MW**	**1,500.00MW**

Based on the data presented above, the Company is well positioned in the FIT scheme with only 239.131MW ROR hydropower projects having availed of the FIT. In contrast, all other RE technologies have reached their installation targets.

From a taxation standpoint, the Company through its hydropower subsidiaries are registered as RE developers under the RE Law and are entitled to tax incentives administered by the BOI with the exception of Bicol Hydropower Corporation, which is still in the process of obtaining its BOI Certificate of Registration. The registration will entitle these subsidiaries to, among other things, a corporate income tax holiday ("ITH") for seven (7) years, as well as a tax credit on funds used to purchase domestic capital equipment. The importation of capital equipment would also be duty free. Sales of fuel or power generated from RE sources as well as local purchase of goods, properties, and aservices are subject to VAT at zero rate. Following the expiration of the tax holiday, i.e. on the 8th year and thereafter, the income of these subsidiaries will become subject to a special tax rate of 10.00%. Accordingly, the Company expects that its income tax expense and that of the hydropower subsidiaries will increase upon the expiration of the ITH period.

As of the date of this Prospectus, the PPDC (Palakpakin, Balugbog and Calibato) and MHCI (Majayjay) projects have been registered with the BOI under RE Law. The BOI has also approved the transfer of registration of the Upper Labayat MHP project from REDC to Labayat 1 Hydropower Corporation as per Board Resolution 02-07 series of 2018, and with an upward amendment in capacity from 3.0MW to 3.456MW as per Management Committee Resolution No. 36-21 series of 2020. Similarly, the BOI has approved the transfer of the respective registrations through Management Committee Resolution 18-15 series of 2020, of the (1) Tibag River MHP from REDC to its fully-owned subsidiary/SPC, Tibag Hydropower Corporation, and (2) Pulanai (Pulangi) River MHP from REDC to fully-owned subsidiary/SPC, Cabanglasan

Hydropower Corporation. The Lower Labayat and Tignoan Projects have also been transferred to Blue Energy as per Management Committee Resolution No. 18-15 series of 2020. BHC, on the other hand, has filed for the BOI registration under the RE Law of the 1.6 MW Inarihan MHP last August 6, 2021.

On top of the FIT rates and incentives granted by the RE Law, the Company also has an additional option to pursue an offtake agreement through the Green Energy Auctions Program (GEAP) of the DOE. The GEAP was undertaken to support and facilitate immediate and timely investments in new or additional renewable energy capacities to ensure provision of adequate supply and competitive rates of electricity in the country. Its mechanisms aim to ensure transparent and competitive selection of renewable energy facilities to achieve reasonable rates and encourage, as far as practicable, the renewable energy entrants in the system.

The DOE awarded 19 contracts totaling almost 2,000 MW of installed capacity to various renewable energy developers in the first round of the GEAP last June 2022.

Technology	**Initial Reserve Price (Php per kWh)**	**Target Capacity (MW)**	**Winning Bid Price (Php per kWh)**	**Awarded Capacity (MW)**
Hydro	5.4913	130 MW	5.4913	99.15 MW
Biomass	5.0797	230 MW	5.0797	3.40 MW
Solar	3.6779	1,260 MW	3.6779	1,449.98 MW
Wind	6.0584	380 MW	4.64	360.8 MW
Total		**2,000 MW**		**1,913.33 MW**

Following the success of the first round of the GEAP, the DOE is reported to have already been preparing for the second round of the GEAP and is planning to conduct the bidding by June 2023.

Run-of-river hydropower technology provides significant immediate and long-term benefits over other renewable energy technologies

The run-of-river hydropower provides several advantages relative to other renewable energy options including the following:

Consistency

Run-of-river hydropower is the most consistent and stable renewable energy resource compared to solar and wind energy.95 As long as hydrology is correctly assessed, the hydropower plants will run when there is water flow. With the state-of-the- art satellite and other equipment used in data gathering, factoring in the El Niño and La Niña phenomena for the past 30 years, REDC's World Bank consultant hydrologist has run his algorithmic model for the next 50 to 100 years. REDC's operating and greenfield hydropower plants are modeled to have between 50% to 80% (depending on the site) average operating plant factor year round as discussed in the Executive Summary of this Prospectus. Even if the water is polluted and silted, REDC's run-of-river hydropower plants can still generate energy.

According to F&S, among grid-connected renewable energy generation, geothermal had the highest average capacity factor at 63.2%, followed by wind at 33.9% and hydropower at 27,9%. The average capacity factor for solar power in the Philippine was at 12.7%. While this is the case for other hydropower developers, the Company prides itself with above industry-average capacity factor figures for its plants. Through the use of the latest state-of-the-art electromechanical components in its MHPs, the Company's projects enjoy higher capacity factors. In the last two years, the following operating plants of the Company recorded the following average capacity factors:

Project	**Capacity (in MW)**	**Average Plant Efficiency (2021 and 2022)**
Palakpakin MHP	1.5	56.72%
Balugbog MHP	1.1	81.99%

Calibato MHP	0.3	64.36%
Majyajay MHP	2.19	86.35%
Upper Labayat MHP	3.456	66.47%
Inarihan MHP	1.6	67.35%

In a study published by IRENA in irena.org, the Levelized Cost of Electricity (LCOE) for 2020 to 2021 of Solar, Wind and Hydro were US$0.048, US$0.033 and US$0.02, respectively. Proving that ROR hydro provides investors with significantly more generation per MW of capacity installed vis a vis the more prominent solar and wind.

Lifespan

After 94 years of operations, the PPDC run-of-river hydropower plants present the best proof that these types of power plants last over a lifetime. Periodic upgrades and maintenance are key to prolonging the lifespan of the plants. All REDC's greenfield hydropower projects will be utilizing known European manufactured turbines and electro-mechanical equipment that are again built to last a lifetime.

Different manufacturers of solar panels provide warranties of up to 25 years, implying that the lifespan of electro mechanical equipment for solar energy projects is 25 years. Furthermore, it is said that the solar panels' degradation is about 0.50% per annum.

For wind energy projects, top turbine suppliers such as Siemens guarantee a life of 20 years, up to a maximum of 25 years.ROR hydro projects provide investors with significantly more long-term upside since it can operate longer with significantly fewer and less costly replacements/retrofits unlike other renewable energy such as wind and solar which essentially have to be replaced upon full depreciation.

Low Operating Costs and Good Profitability

The run of river hydropower plants present the most efficient cost alternative as compared to solar and wind renewable energy resources. The Company's ROR hydropower plants have a generation cost between P1.05/kWh to P1.26/kWh as compared to the solar farms of P3.91/kWh and wind farms of P2.82/kWh.99

The Company further employs a clustered approach to project development wherein several projects are in a target area within the vicinity of each other. This provides for shared economies of scale through common infrastructure, such as shared transmission lines, tapping point and switchyard, access roads, and licenses and permits, thereby reducing development and operating costs. Nevertheless, the lands being used for the individual components of the MHPs are either owned or in the process of being acquired by the respective subsidiaries thru legal modes.

REDC employs the clustered approach method that allows REDC to derive synergies for its own and its affiliates' projects. For the four (4) operating ROR hydropower plants (Palakpakin, Calibato, Balugbog and Majayjay) located in Laguna province, our centralized O&M team which is stationed in our Majayjay power plant, and composed of seasoned mechanical, electrical, and electronics engineers are ready to go to any of the power plants who have experienced down time for one reason or another. Because of the proximity and fast response, together with the support of our experienced management team, downtime is reduced to a minimum—resulting in better productivity and higher generation metrics. One (1) operating and three (3) under construction projects in the Quezon province are all located within the Real and Mauban towns and use a common transmission line which exports power to NGCP's tapping point located in its Biga Switchyard (around 70MW capacity). The common transmission line that runs through the ROR projects saves a tremendous amount in CAPEX, instead of each and every project building their own transmission

line (current cost Php 5- 6M per km) and tapping to NGCP's tapping point. A centralized O&M team, just like the one in Laguna, is also in place to handle all the ROR plants in Quezon and in Camarines Sur (BHC).

Efficient business model complemented by synergistic relationship with the Pure Energy Group

Water having passed through the turbines of the hydropower plant, and electricity having been generated, the water flows out through the tailrace of the powerhouse. In several municipalities where REDC will build or already has its ROR mini hydropower plants. Pure Energy Holdings Corporation, through Tubig Pilipinas, plans to supply bulk water to either the Water Districts or LGU of the areas where REDC operates its hydropower plants. Tubig Pilipinas Group, Inc. or TPGI is a second-tier subsidiary of PEHC through Pure Water Corporation, the water distribution arm of PEHC. TPGI, is in the business of water supply, distribution and wastewater treatment.

TPGI's area of operations are both expanding and growing in terms of water connections and use of electricity. In the near future TPGI will need to source its own power requirements to save or cut down its electricity costs. This is where the Pure Energy group's Retail Energy Supply (RES) license held by its subsidiary, Unified Energy Solutions Inc., comes in and directs the electricity from one of its power plants to the intended TPGI area of coverage.

These two (2) businesses can enjoy synergy in that the infrastructure and power lines from the hydropower plant are already constructed and the water treatment facility of the bulk water supply will not need to invest in land acquisition, right of way, access roads, civil engineering, and power infrastructure. In addition, the water from the hydropower plant has already passed through the de-sander and the debris have already been removed, thereby allowing the water treatment facility to reduce expenses in the water pretreatment process. Moreover, the Company and its subsidiaries own numerous water permits in its name for all its power plants and projects in the pipeline, thus it can easily use this to supply bulk water in the future, once the opportunity arises and is subject to applicable laws and regulations.

Conversely, the Company's bulk water supply projects will have a hydropower component as well. From the main surface water source, the Company will utilize the pressure of water running through its pipelines and convert this to hydropower energy through in-pipe turbines. This technology is starting to take off in North America and may be adopted in the Company's projects as well.

Robust portfolio with stable cash flows coupled with a clear pipeline of commercially-viable projects with visible path to growth

REDC will have a total of around 36.5MW of mini hydropower projects clustered in Laguna, Quezon, Camarines Sur, Bukidnon, and other provinces. This represents almost an US$220.00 million investment in mini hydropower development.

For its long-term plans, REDC is continuously looking to acquire other operating MHPs and enter into JVs with other HSC developers. At the outset, REDC has projected to set up special purpose corporations (SPC) that will own, operate and manage specific HSC or MHP project/s and, accordingly, REDC has to date, assigned the pertinent acquired HSCs to five of such SPCs. These SPCs are Labayatl 1 for the Upper Labayat MHP, the THC for the Tibag River MHP, the CHC for the Pulanai (Pulangi) MHP, the BEHMC Lower Labayat for the Lower Labayat River MHP and the BEHMC Upper

Currently, all of the Company's operating hydropower plants have been issued either COC-FIT, PAO-FIT or COE-FIT granting the potential for significant long-term stable cash flows. The Majayjay MHP has COC-FIT, 3 of the PPDC plants, Palakpakin, Balugbog and Calibato MHPs have PAO-FIT and the Upper Labayat

and Inarihan MHPs have COE-FIT. Given the remaining available capacity for ROR hydropower under the FIT scheme, the Company has the option to either apply these projects under the FIT scheme or explore other offtake agreements depending on which alternative provides the higher economic return to the Company's shareholders.

Strong commitment to improving the lives of its communities through alignment with ESG best practices and UN SDGs across the Company's operations

REDC is committed to providing renewable energy which is both sustainable and low impact. While traditional hydropower plants construct dams which change the flow of the river, affect the ecology of the area, pose risks to the local wildlife, and increases risk of flood in low-lying communities, the Company's hydropower plants are low impact since the technology does not change or impede natural flow of the water, thereby reducing the risk of flood. Furthermore, 100% of the water the hydropower plants utilize is returned to the river, in a cleaner state than when it was diverted.

Prior to commencing operations on a new project site, the Company evaluates and incorporates the local environmental regulations of the region in which it is operating into its redevelopment plan. Each area has its own laws and conservation department regulation which the Company complies with. It is committed to each community near its point of operations to not only serve as a good steward of the operated property but also to positively contribute to the community itself.

Experienced management team supported by industry experts with years of successful track records

The Company's senior management team are individuals that have direct, first-hand experience in start-up endeavors in the fields of energy development, mining, industrial manufacturing, property development and finance. These seasoned executives bring with them a wealth of knowledge in establishing and running start-up companies, particularly utilities and infrastructure projects. The Company's CEO, Mr. Eric Roxas, a graduate of BS Industrial Management Engineering from De La Salle University, brings with him a track record of endeavors in the oil and gas, logging and mining industries. Dealings and negotiations with key officers and heads of governmental agencies in the DOE and DENR are also part of the senior management team's experience.

The Company's Board of Directors, furthermore, are comprised of distinguished executives and known Philippine business personalities in manufacturing, infrastructure, real estate, consumer food and beverage industry, finance, investment banking, and retail operations. These key persons are expected to lend their expertise and influence to the Company to further its goals and objectives.

The Company believes it is well equipped with an experienced business development team and capable engineering team which enable it to come up with credible and extensive viable project proposals which lead to winnable offers for both greenfield and re-development projects. Additionally, the synergistic approach of Pure Energy and its other project development arms which are present in a good number of provinces nationwide allows the Company and its subsidiaries to pin point and explore potential development sites with relative ease and speed.

REDC's team of advisers, consultants, and technical management have a combined 220 years' worth of work experience in the hydropower energy business, with experiences in top level government positions, local and foreign private firms, and the World Bank.

The country's premiere hydrology firm, and only Filipino World Bank consultant for mini hydropower, Manny M. Vergel III of Vergel3 Consult Inc., led the team that conducted the hydrology study as well as the comprehensive feasibility study and DED of all of the Company's projects.

Vergel3 Consult Inc.'s founder, Manny M. Vergel III, is considered as the father of the Philippine mini hydropower industry. According to Mr. Vergel, the measure of water abundance backed up by 30 years of data, together with a host of other factors such as correlation and triangulation methods of data from other sources, satellite data and the like, to get the forecast of water availability in the future, is both an art and a science.

Since 1992, Vergel3 Consult Inc. has completed dozens of feasibility studies and DEDs for various local and foreign private corporations, the World Bank, Japan International Cooperation Agency (JICA), and Republic of Palau. The firm was the project manager of 12 hydropower projects from construction to operation, and currently acts as the project manager for another six (6) hydropower projects.

Furthermore, REDC engages GHD, a worldwide renowned power consultancy firm to validate the findings of Vergel3 Consult Inc., before it moves forward with a project to financial close.

To further complement external technical experts and consultants, the Company acquired access to proprietary software that allows it to determine river flows in selected project sites, and to determine the optimum location of where to construct the mini hydropower plant along the river route. The software provides the Company with a unique technical advantage over other ROR hydropower plant developers.

In essence, the proprietary software allows the Company to determine river flow using Tropical Rainfall Measuring Mission (TRMM) sourced rainfall data. The TRMM satellite data source is a joint project of the US and Japan that launched a space satellite intended to monitor rainfall occurrences on a global scale. For rivers with no available flows record, as in most mini hydropower projects, rainfall runoff analysis is one of the several methods used as an alternative in deriving the discharge of the river using rainfall data from the TRMM.

The hydropower team consists of, to name a few: (a) Vergel3 Consult Inc., a firm founded by Manny M. Vergel III, the only Filipino World Bank Consultant for Mini Hydropower, and now being run by his son, John Vergel; (b) Manuel T. Frondoso, one of the heirs of the founding family who used to own the oldest operating mini hydropower plants in the country, and is currently Chairman of PPDC; and (c) a host of well experiences project managers who has built a number of MHPs brought in from Hedcor and other companies.

Strategies

Leverage on the Company's and the Pure Energy Group's development and management expertise to ensure steady growth

The Company shall leverage on its management team's expertise in developing future ROR hydropower plants and other forms of renewable energy, identifying potential acquisition, joint venture, and/or partnerships in growing its portfolio. The Company's management and principals have established good working relationships and rapport with various local government units, key regulatory agencies, and other potential joint venture partners that will provide REDC with the agility to act on opportunities for new projects as they arise. Further, through its proprietary artificial technology software, the Company is able to identify the viability of river flows in selected project sites and determine optimum location on where to establish the ROR hydropower plant along the river route.

With its pipeline of projects in the exploratory stage, the Company aims to develop an additional 1,000 MW targeted to be in pre-construction by 2028.

Streamline operations and improve economies of scale to further push margins

With its current portfolio, the Company has employed an effective cost mitigation structure by applying its hydropower clustered approach, which provides several projects with shared economies of scale through

common infrastructure, such as shared transmission lines, tapping point and switchyard, access roads, and licenses and permits. This reduces the Company's cost on a per project basis. The location and configuration of the Labayat River (both Upper and Lower Cascades), Tibag River, Piapi River and Upper Tignoan River MHPs all located in the Province of Quezon, specifically, in the contiguous areas of Real and Mauban, is illustrative. These projects are connected to the NGCP grid, whose transmission line and Biga Switchyard was built and owned by the Company. Further, the Company has a centralized O&M unit that manages its plants resulting in better efficiencies in terms of manpower, equipment, and spare parts inventories. However, REDC does not have an O&M agreement including any formal fee arrangements or cost sharing with any member of the REDC group although it collects a fixed monthly amount from Labayat 1 Hydropower Corporation, where the Company owns an 82% equity share.

In its future projects, the Company shall capitalize on this effective approach to minimize cost and maximize value. REDC is committed to spotting any operational inefficiencies and shall endeavor to proactively seek solutions in streamlining its operations. The Company targets to further replicate its successful business model of acquiring and retrofitting old ROR hydro power plants clustered in specific sites and operating them to their fullest potential.

Capitalize on offtake opportunities by fully utilizing market factors and government support

Given the Philippine government's focus on the importance of renewable energy and its implementation of various programs incentivizing the development and utilization of such, the Company is presented with various opportunities to grow its business in the RE industry. In line with this focus, the government has rolled out fiscal and non-fiscal incentives to support RE growth through Republic Act No. 9513. Some of the non-fiscal incentives included the RPS, net-metering ("NEM"), FIT, and the Green Energy Auction Program ("GEAP").

Currently, the Company's operating hydropower plants are benefited by the FIT scheme, ensuring long-term and stable cash flow for its projects. As of November 2022, the FIT program has sufficient contractible capacity under the ROR hydropower technology amounting to 111MW100. For the Company's pipeline projects, it intends to tap the remaining capacity and aims to operate all of its projects under the FIT scheme, should this remain available. In the scenario where the installation target for the FIT scheme has been exhausted, the Company will prioritize looking into GEAP as an alternative offtake arrangement before looking into other potential offtake agreements with various parties.

The Company is also exploring applying for carbon credits for its various hydropower projects at the appropriate time. Developing countries like the Philippines are entitled to undertake projects that reduce carbon emissions. There is a certificate for every ton of carbon avoided by the project. If a project generates so many megawatt-hours from renewable energy, the developer can claim the equivalent in carbon certifications and these can, in turn, be sold in the international markets. Philippine developers of RE projects - wind, solar, run-of-river hydropower, geothermal, wave, and tidal energy

-can benefit from generating carbon credits that are eligible to be sold into the international Emissions Trading Scheme (ETS) markets.

A certified emission reduction or better known as carbon credit certificate is issued per ton of carbon dioxide avoided, and serves as currency in carbon trading. Carbon credits are issued by the Clean Development Mechanism (CDM) Executive Board for emission reductions achieved by CDM projects and verified by a Designated Operational Entity under the rules of the Kyoto Protocol.

Carbon credits can be used by First World countries to comply with their emission limitation targets or by operators of installations covered by the European Union Emission Trading Scheme (EU ETS) to comply with their obligations to surrender EU Allowances, carbon credits for the CO2 emissions of their installations. Carbon credit certificates can be held by governmental and private entities on electronic accounts with the UN. It can be purchased from the primary market (purchased from an original party that makes the reduction) or secondary market (resold from a marketplace).

European countries that must meet emissions targets under the Kyoto Protocol are keen on buying these carbon credit certificates. The CDM is a mechanism between developed and developing countries. Emissions trading is done in big commercial markets, and the biggest trading market is in London. The UK, France, Germany, and Spain are interested and use these certificates to offset their emissions. About 80.00% of the carbon market is in Europe but other countries like Japan and Australia are also buying carbon credits.

Explore, adopt and deploy emerging technologies to enhance the Company's value creation

To remain competitive, the Company is committed to investing in the latest state-of-the-art technology available for its hydropower plants. The Company's strategy of re-engineering and modernizing the brownfield projects it acquired has proven to provide the Company maximum value by significantly improving actual generation output. Further, its implementation of AI technology in identifying suitable projects has allowed the Company to hastily ramp up its portfolio size while ensuring location viability.

The Company will remain on the lookout for any new and potentially disruptive technologies that can complement or benefit its operations such as modular hydropower plants or pumped-storage hydropower, and will explore ways to profitably adopt and deploy such technologies to support its expansion.

Continue to nurture relationships with technical partners and local communities to ensure the project delivers successes to all involved

Developing and operating hydropower plants effectively is a highly technical process. A project's success is a contribution of various internal and external personnel who ensure that the requisite market and feasibility studies are in place before the Company decides to undertake the project. It will continue to nurture its relationship with a vast network of consultants and advisors to ensure that it has the technical support required to undertake new projects and propel the Company's growth.

Aside from the technical aspect, REDC commits to be equally cognizant of the overall social and economic benefit of cultivating and maintaining strong relationships with the local communities where its plants operate. Over the years, the Company and the Pure Energy Group have hosted numerous initiatives, such as providing support and aid during the pandemic, medical missions, feeding programs, clean water initiatives, and tree planting activities, among others. In the development and operation of its hydropower plants, the Company likewise focuses on providing employment to the local communities as opportunities arise.

The Company will continue to remain environmentally and socially sensitive in the development and operation of its projects. The Company believes that a harmonious relationship with the local communities ensures business continuity and minimizes any potential external resistance on the Company's growth prospects.

Ensure organization is able to bring in new talent to cover the growing number of projects

Post the project development stage, the Company ensures that it has skilled personnel with the technical expertise and knowledge needed in operating its hydropower power plants. REDC has a strong

development and operations team of seasoned engineers that lead its workforce in ensuring the plants operate seamlessly. Further, the Company understands that in order to remain competitive in the industry it must maintain the caliber of talent that it currently employs.

REDC recognizes the need to add talent and further train its manpower to effectively carry out its growth plans and realize its prospects within the next five (5) to ten (10) years. In line with this, REDC has programs in place that provide the relevant training opportunities to its personnel. In addition, REDC will proactively seek and cultivate the human resource best suited for delivering outstanding results and will continue with organization improvements needed for a company poised for growth.

BUSINESS OPERATIONS

Hydropower

Hydropower is a general short term for hydroelectric power generation projects. The basic principle of any hydroelectric power generation project is that if water can be directed to flow from a higher level to a lower level, then the resulting water pressure by the water flow and gravity can be used to do work.

If the water pressure is allowed to move a mechanical component, then that movement involves the conversion of the potential energy of the water into mechanical energy. Hydro turbines convert water pressure into mechanical shaft power, which can be used to drive a useful device such as an electric generator.

Hydropower is classified according to its size, to wit:

Classification of Hydropower by Size [101]	
Size	**Description**
Large Hydro	More than 20.0 MW
Small Hydro	Above 10.0 MW but below 20.0 MW
Mini Hydro	Above 100.0 kW but below 10.0 MW
Micro Hydro	From 5.0 kW up to 100.0 kW

There are four (4) broad hydropower types. These are: (a) run of river hydropower; (b) storage hydropower; (c) pumped- storage hydropower; and (d) offshore hydropower. The following briefly discusses these types of hydropower.

Run of river Hydropower

Run of river hydropower channels flowing water from a river through a canal or penstock to spin a turbine. This type typically has little or no storage facility. Run of River provides a continuous supply of electricity (base load), with some flexibility of operation for daily fluctuations in demand through water flow that is regulated by the facility.

Storage Hydropower

Storage hydropower is typically a large system that uses a dam to store water in a reservoir. Electricity is produced by releasing water from the reservoir through a turbine, which activates a generator. Storage hydropower provides base load as well as the ability to be shut down and started up at short notice according to the demands of the system (peak load). It can offer enough storage capacity to operate independently of the hydrological inflow for many weeks or even months.

Pumped-Storage Hydropower

Pumped storage hydropower provides peak-load supply, by harnessing water that is cycled between a lower and upper reservoir using pumps, where such pumps use the surplus energy from its own system at times of low demand. When electricity demand is high, water is released back to the lower reservoir through turbines to produce electricity.

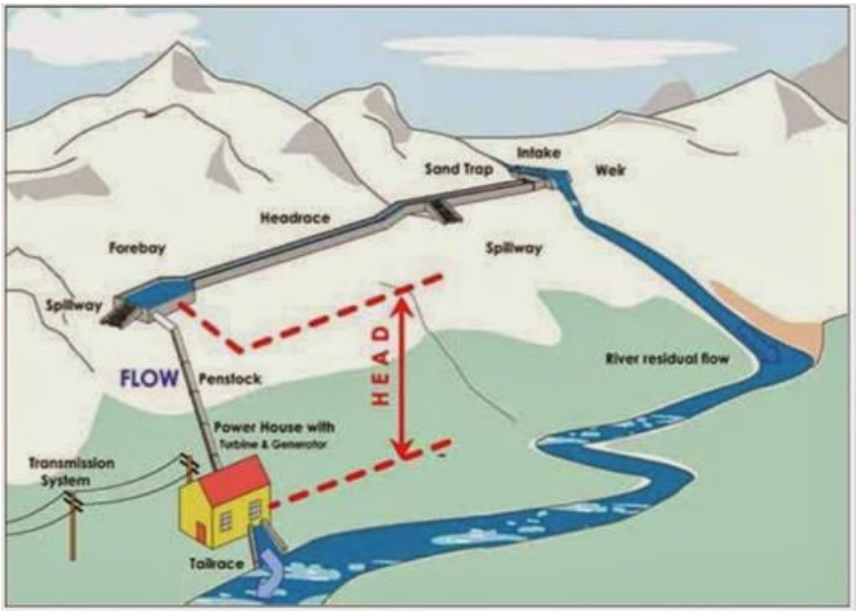
Offshore Hydropower

Offshore hydropower is a less established but growing group of technologies that use tidal currents or the power of waves to generate electricity from seawater.

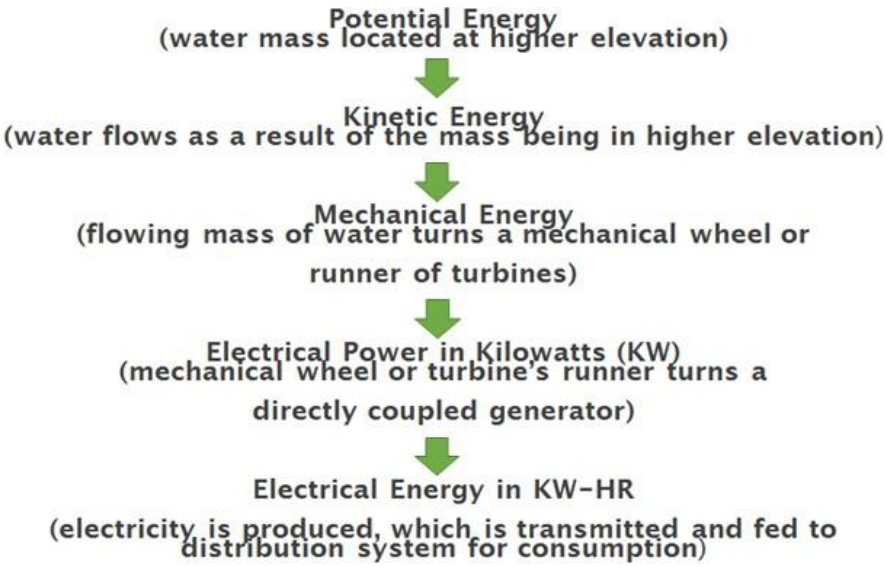
REDC's hydropower projects are all run of river type. Run of river plants are preferred and commonly found in most existing installations in the Philippines because of lesser environmental and socio-related problems. For example, storage hydropower plants that utilize dams have implementation problems related to social acceptability because of the high likelihood of submerging entire barangays under water with the water stored in the dams.

Several components are required to efficiently control the river flow in order to produce the desired output of a run of river hydropower installation. These components include the weir and intake, pipeline and/or canal, spillway, forebay, penstock, powerhouse, and transmission lines.

The following sets out the flow of a typical ROR hydropower installation.



Run of river hydropower plants convert the potential energy in water into electricity through the following process:



The potential energy of water in a higher elevation is captured at the weir or intake, which diverts about 80% of the river's flow at the weir into the headrace canal or pipeline. The diverted water then travels down the headrace pipeline or canal, converting the potential energy into kinetic energy. The water then reaches a storing facility that can either be a forebay (small reservoir) or a surge tank and releases the water into the penstock which is the final pipeline above the powerhouse, which causes the water to rush into the powerhouse, releasing its kinetic energy into mechanical energy when the flowing water turns the runners of the turbine in the powerhouse. The turbines' energy is coupled with a generator in the powerhouse to produce electricity which is then transmitted and fed into the distribution system or grid for consumption. The Company or its subsidiaries' operations are directly connected to the Grid through the NGCP or embedded in DUs. The Company, through its subsidiaries, sell 100% of its generated electricty through the IEMOP / WESM platform. The WESM platfrom allocates, distributes, bills and pays both the WESM generators and its end users such as the Cooperatives and RES suppliers. Either way, the energy generation is paid for through the pertinent REPA (FIT rate) or the PSA with the DU. The water after utilization in the powerhouse is then routed back into the original river waterway through the tailrace, restoring the original water back to its original waterway.

REDC is operating, exploring, and developing mini hydropower projects through a "clustered approach method" where several projects shall be located in one local area, thereby allowing for shared common infrastructure providing for economies of scale and, thus, reducing the cost of development and improving the bottom line.

There are several advantages of operating ROR mini hydropower projects.

First, it is more environmentally and socially acceptable to local barangays because it has lesser impact on the ordinary river flow, eliminating the risk of submerging entire barangays with the water stored in the dams.

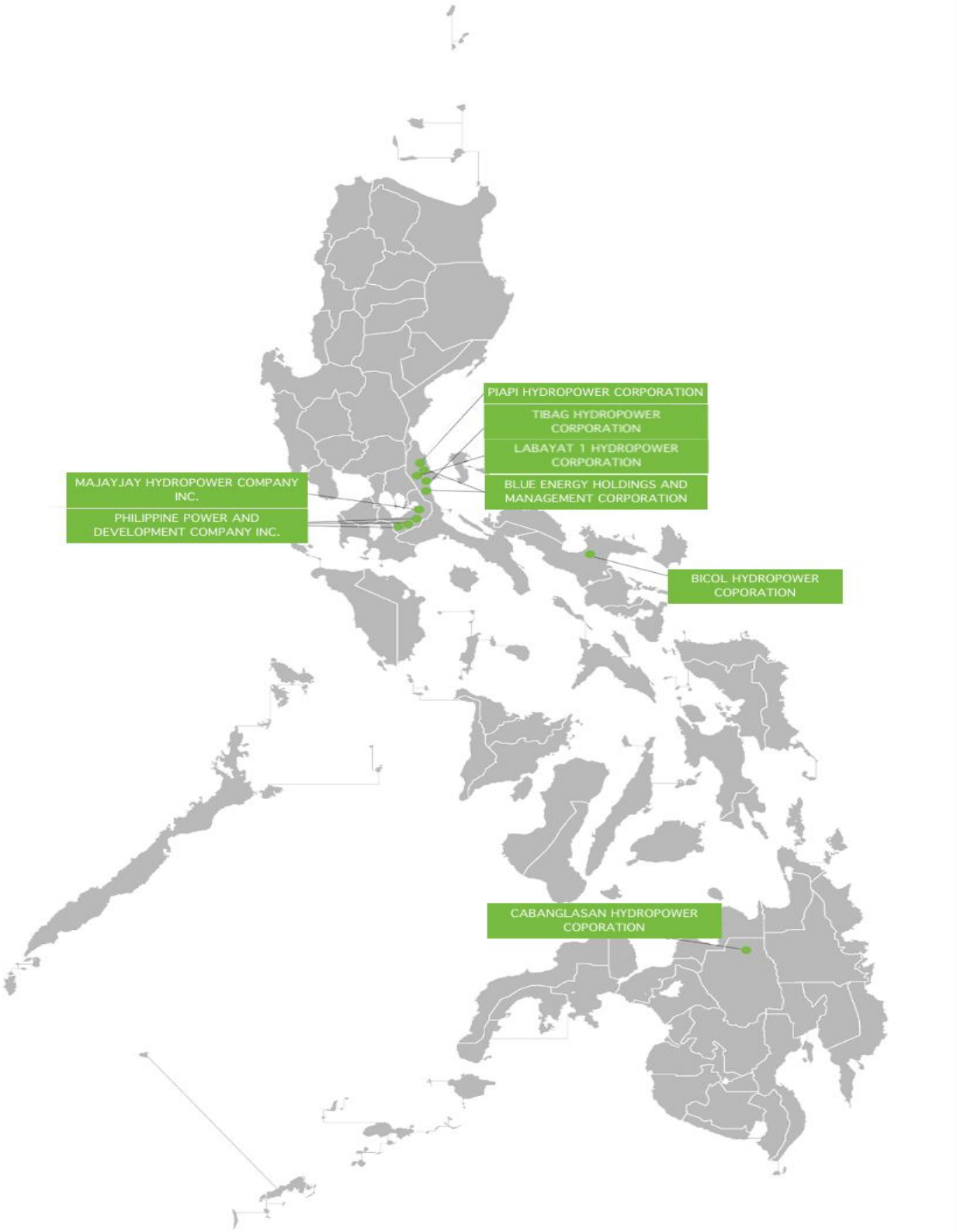
Second, ROR mini hydropower projects enhance the forest cover of the watershed. The DOE requires a watershed improvement plan at the conclusion of the operations contract. Additionally, mini hydropower developers are intrinsically incentivized to preserve the forest cover to maintain both water quality and quantity.

Third, it helps minimize CO2 emissions on a global scale. Compared to a typical coal or gas power plant, a hydropower plant does not produce CO2 and prevents about 0.60 Kg of CO2 per kWh of generation from entering the atmosphere. Thus, for a 1.0 MW mini hydro plant with an annual energy production of 4.4 million kWh at 50.00% plant factor, the emissions saved, were the energy to come from an equivalent fossil fuel-fed power plant is 2,640 Tons of CO2 per MW. This is equivalent to the annual CO2 emissions of 600 passenger cars.

Fourth, it provides savings for the country from the importation of oil. To fuel typical gas power plants, the Government imports 76.78 million barrels of oil a year. A hydropower plant on the other hand needs no oil to run. Thus, for a 1.0 MW mini hydro plant with an annual energy production of 4.4 million kWh at 50.00% plant factor, the Government saves on importing 1.32 million liters or 8,300 barrels of fossil-based fuel. This is equivalent to about US$415,000.00/year/MW worth of oil imports assuming that the price per barrel is at US$50.00.

Fifth, government directives under R.A. No. 9513 (Renewable Energy Act of 2008) provides for numerous incentives related to run of river hydropower projects.

Lastly, the MHCI, L1HC, and BHC MHPs are WESM registered while the Upper Labayat and Majayjay MHPs are FIT qualified. Moreover, PPDC's Balugbog and Palakpakin MHPs are currently receiving FIT rates while awaiting the issuance of their COC-FIT; as such, these GenCos enjoy must first dispatch status and payment and are governed by rules on fair, transparent competition in the spot market as fostered by the ERC. On top of the foregoing safeguards, the generation is protected under applicable PSAs, REPAs and other pertinent agreements to ensure payment from end-users.


PIAPI HYDROPOWER CORPORATION
TIBAG HYDROPOWER CORPORATION
LABAYAT 1 HYDROPOWER CORPORATION
BLUE ENERGY HOLDINGS AND MANAGEMENT CORPORATION
MAJAYJAY HYDROPOWER COMPANY INC.
PHILIPPINE POWER AND DEVELOPMENT COMPANY INC.
BICOL HYDROPOWER COPORATION
CABANGLASAN HYDROPOWER COPORATION

REDC Operating Hydropower Plants

Balugbog MHP (Operated by PPDC which is 99.39% owned by REDC)

Capacity	:	1.1 MW
Location	:	Nagcarlan, Laguna
Commissioning	:	2018
Turbine	:	Two (2) Francis type
Off-Taker	:	FIT Rate
Expiration of Off-take Agreement	:	July 22, 2038

The Balugbog MHP harnesses its power from the Talahibing and Liliw Rivers. The first plant with a capacity of 528kW started construction 1926, and was commissioned in 1928.

Under the previous management, the plant was upgraded to a 700kW capacity which was supplied to Meralco through Meralco's connection point in Brgy. Palina, Nagcarlan, Laguna Province from 1983 until 2020.

Under REDC, another plant upgrade was undertaken to increase the plant's capacity to 1.1MW. The plant remained in operation while undergoing upgrading from 2016 to 2018 when the plant was commissioned. The Plant currently supplies energy under the FIT rate.

There are two (2) units being operated with a "Francis" turbine type. Both turbines and generator units were manufactured by PROC. The turbines have a rated capacity of 550 kW, with a speed of 900 RPM each.

The substation has a transformer voltage of 0.48/34.5 kV with a transformer rating of 1375 kVA and a line voltage of 34.5 kV.

The transmission length is 600 meters.

A total of 5 local residents are employed to operate and maintain the plant.

As of the date of this Prospectus, an application to renew the Balugbog MHP's PAO-FIT has been filed prior to its expiry with the ERC.

Palakpakin MHP (Operated by PPDC which is 99.39% owned by REDC)

Capacity	:	1.5 MW
Location	:	Calauan, Laguna
Commissioning	:	2018
Turbines	:	Two (2) Francis type
Off-Taker	:	FIT Rate
Expiration of Off-take Agreement	:	October 18, 2038

The Palakpakin MHP harnesses its power from the Palakpakin River. The first plant with a capacity of 448kW started construction in 1935 and was commissioned in 1937.

The plant supplied Meralco with a capacity of 448 KW, through Meralco's connection point in Brgy. San Buenaventura, San Pablo City, Laguna Province. Under the previous management, the plant was upgraded to a 1.0MW capacity.

Under REDC, another plant upgrade was undertaken to increase the plant's capacity to 1.5MW. The 1.5MW plant was commissioned in October 2018 and currently supplies energy under the FIT rate.

This power plant only uses two (2) "Francis" turbine units and generator units, manufactured by PROC. Both turbines have a rated output of 750kW with a speed of 900 RPM each.

The substation has a transformer voltage of 0.48/34.5 kV with a transformer rating of 1875 kVA and a line voltage of 34.5 kV.

The transmission length is 1.6 kilometers.

A total of 11 local residents are employed to operate and maintain the plant.

<table>
<tr><td> </td><td>As of the date of this Prospectus, an application to renew the Palakpakin MHP’s PAO-FIT has been filed prior to its expiry with the ERC.</td></tr>
<tr><td colspan="2">Calibato MHP (Operated by PPDC which is 99.39% owned by REDC)</td></tr>
<tr><td>Capacity : 0.3 MW
Location : San Pablo, Laguna
Commissioning : 2019
Turbines : One (1) Francis type
Off-Taker : FIT Rate
Expiration of Off-take Agreement : January 5, 2040
 </td><td>The Calibato MHP harnesses its power from the Inahin River. The first plant with a capacity of 75kW started its construction in 1938 and was commissioned in 1940.
The plant supplied Meralco with a capacity of 75 kW until it was upgraded by the previous management to 0.22 MW. The plant supplies power through Meralco’s connection point in Brgy. Sto. Angel, San Pablo City, Laguna Province.
Under REDC, another plant upgrade was undertaken to increase the plant's capacity to 0.3MW. The 0.3MW plant was commissioned in October 2018 and currently supplies energy under the FIT rate.
This plant is being operated with one (1) “Francis” turbine unit manufactured by Global Hydro Energy. The turbine has a rated output of 300 kW with a speed of 900 RPM.
The generation unit on the other hand was manufactured by Marelli Motori with a rated output of 300 kW.
The substation has a transformer voltage of 0.4/34.5 kV with a transformer rating of 375 kVA and a line voltage of 34.5 kV.
The transmission length is 300 meters.
A total of 3 local residents are employed to operate and maintain the plant.</td></tr>
<tr><td colspan="2">Majayjay MHP (Operated by MHCI which is 99.08% owned by REDC)</td></tr>
<tr><td>Capacity : 2.19 MW
Location : Majayjay, Laguna
Commissioning : 2019
Turbines : Two (2) Francis type
Off-Taker : FIT Rate
Expiration of Off-take Agreement : May 16, 2039</td><td>The Majayjay MHP harnesses its power from the River. The plant started construction in was commissioned in 2019 and currently supplies under the FIT rate.
This power plant uses two (2) “Francis” turbine manufactured by Global Hydro Energy. The turbines have a rated output of 1095 kW with a speed of 1200 RPM.</td></tr>
</table>

The generation unit on the other hand was manufactured by Marelli Motori with a rated output of 1160 kW.
The substation has a transformer voltage of 0.69/34.5 kV with a transformer rating of 3000 kVA and a line voltage of 34.5 kV.
The transmission length is 0.7 kilometers.
A total of 9 local residents are employed to operate and maintain the plant.

Upper Labayat MHP (Operated by Labayat 1 which is 82% owned by REDC)

Capacity	:	3.456 MW
Location	:	Real, Quezon
Commissioning	:	2021
Turbines	:	Three (3) Francis type
Off-Taker	:	FIT Rate
Expiration of Off-take Agreement	:	August 31, 2041

The Upper Labayat MHP harnesses its power from the Labayat River. The plant started construction in 2016, was commissioned in 2021 and currently supplies energy under the FIT rate.
This power plant uses three (3) “Francis” turbine units manufactured by Global Hydro Energy. The turbines have a rated output of 1156 kW with a speed of 900 RPM. The generation unit on the other hand was manufactured by Marelli Motori with a rated output of 1152 kW.
The substation has a transformer voltage of 4.16/34.5 kV with a transformer rating of 4500 kVA and a line voltage of 69 kV.
The transmission length is 3.5 kilometers.
A total of 11 local residents are employed to operate and maintain the plant.

Inarihan MHP (Operated by BHC which is 100% owned by REDC)

Capacity	:	1.6 MW
Location	:	Naga City, Camarines Sur
Commissioning	:	2022
Turbines	:	Two (2) Francis type
Off-Taker	:	FIT Rate

The Inarihan MHP harnesses its power from the Inarihan River. The first plant with a capacity of 960kW started construction in 1994, and was commissioned in 1998.
The plant supplied Casureco II with a capacity of

	960 KW, through Casureco's connection point in Brgy.

Expiration of Off-take Agreement : Pending Issuance of PAO FIT 	Panicuasson, Naga City, Camarines Sur Province until its decommissioning in 2019. Under REDC, another plant upgrade was undertaken to increase the plant's capacity to 1.6 MW. The 1.6 MW plant was commissioned in 2022 and currently supplies energy under the FIT rate. This power plant only uses two (2) "Francis" turbine units and generator units, manufactured by Zhejiang Jinlun Electromechanic Co. Ltd. Both turbines have a rated output of 850 kW with a speed of 1200 RPM each. The substation has a transformer voltage of 0.48/13.2 kV with a transformer rating of 2000 kVA and a line voltage of 13.2 kV. The transmission length is 1.8 kilometers. A total of 4 local residents are employed to operate and maintain the plant.

Summary of Technical Reports per Project Company

Summary of the Feasibility Study for the Improvement and Expansion of the Three (3) Existing PPDC MHPs

The technical report presented below was prepared by Vergel3 Consult in 2015 and submitted to the DOE in order to obtain the respective COCOCs for the three (3) plants.

The recommendations in the said report were followed for purposes of effecting and completing the construction, re- construction, re-engineering and upgrading of the plants from 2015 – 2019.

Summary of Results and Principal & Secondary Recommendations

It may be better not to wait for the climactic suspense as will be found in the maze of subsequent write-ups and analysis by revealing right before the details are presented, the highlights of the results whether increase in power capacity and enhancement of the energy production in terms of plant factor can be achieved, the subsequent results in civil works upgrading and the corresponding costs and financial returns of such hydro plant improvement. The tables below show the highlights that these can be achieved in two (2) categories of recommendations - Principal and Secondary Recommendations, viz:

Principal Findings and recommendations Summary on Power and Energy

The two (2) subsequent tables below give the summary of the principal findings vis-à-vis the recommendations:

PALAKPAKIN AND CALIBATO MHP HIGHLIGHTS

PLANT	PALAKPAKIN MHP HIGHLIGHTS		CALIBATO MHP HIGHLIGHTS	
Parameters	**Existing Plant**	**Results of Evaluation**	**Existing Plant**	**Results of Evaluation**
Gross Head (m)	-	61.84 m	-	20.02 m
Net Head (m)	61 m	60.60 m	19.80 m	19.02m
Installed Capacity (MW)	**540 KW**	**1,000 KW**	**75 KW**	**220 KW**
Plant Factor	**26.7%**	**68.8%**	**52.4%**	**70.4%**
Annual energy based on capacity and plant factor	1.26 Gw-hrs	6.05 Gw-hrs	0.34 Gw-hrs	1.36 Gw-hrs

The increase of flow for Palakpakin and Calibato MHP will not require penstock pipe replacement (Ø=1.00 m ID)

BALUGBOG MHP HIGHLIGHTS

Parameters	Existing Plant	Results of Evaluation for increase
Gross Head (m)	-	35.93 m
Net Head (m)	38.9 m	34.13 m
Installed Capacity (MW)	**448 KW**	**700 KW**
Plant Factor	**45.6%**	**60.6%**
Annual energy based on capacity and plant factor	1.79 Gw-hrs	3.73 Gw-hrs
Comments	The increase of flow for Balugbog MHP will not require penstock pipe replacement (Ø=1.00 m ID)	

It is apparent from the two (2) tables presented in the foregoing that the principal findings from the study / assessment made by Vergel3 and the corresponding recommendations are that the three (3) existing hydro PPDC needed total replacement of the plant's turbine / generation equipment for the primary reason that, viz: (1) the old existing plants have turbine rated flow belonging to the regime of the higher exceedance probability in the order of mid to dry months flow, where in fact, the lower exceedance probability in the order of 20% to 30% of time representing wet months flow can still be used to optimize the plant's capacities and energy production that will be financially advantageous to the Owner, and (2) the electro-mechanical generation sets are already 80 years old, and have surpassed its efficient life and need to be retired.

Secondary Findings and Recommendation

The secondary findings consist of the improvement of the water delivery component from the weir's intake to the canal / channels to the forebay to the penstock on the rational that what good is the hydrology and total change in generation equipment set to substantially increase the plans' capacities if the source is silted, the canals / channels are undersized and the weirs' height is inadequate to create the right driving head to cause water to flow at the calculated expansion flow rates to the channels. The following table presented summarizes the secondary recommendations

SECONDARY RECOMMENDATIONS (improvements related to the water delivery components from the source to the weirs, intake to the canal / channels to the forebay to the penstock)			
ITEM	**BALUGBOG MHP**	**CALIBATO MHP**	**PALAKPAKIN MHP**
1	Provide excluder wall at dam	Provide training wall at dam	Provide training wall at dam
2	Increase dam ht. of 0.90 meters by flashboard type	Increase dam ht. of 0.80 meters by flashboard type	Increase dam ht. of 0.90 meters by flashboard type
3	Dredging of dam	Dredging of dam	Dredging of dam
4	Dredging of headrace canal	Provide Slope Protection	Provide sidewall of headrace canal
5	Elevate of berm at headrace canal	Provide desilter with gates	Dredging of canal headrace
6	Provide sidewall of headrace canal	Elevate forebay berm	Elevate berm at forebay
7	Provide desilter with gates	Dredging of canal	Provide gates at forebay
8	Provide floating drum	Provide floating drum	Removal of all domestic waste
9	Elevate berm of forebay	Replacement of powerhouse and turbine	Replacement of powerhouse and turbine
10	Provide gates at forebay		
11	Replace conc. square box culvert at penstock to circular conc. Or steel pipe		
12	Seal off conc. Penstock		
13	Replacement of powerhouse and turbine		

Cost of Civil Upgrading Works Covered by Secondary Recommendations

For the various civil upgrading works to improve the water flow delivery characteristics, the table below shows the costs relative to the various works involved:

PARTICULARS	**BALUGBOG**	**PALAKPAKIN**	**CALIBATO**
GENERAL REQUIREMENTS (Mob./Demob.,Temfacil.,Submittals/Documentations, Const. Survey, Punchlisting/Testing)	8,800,000.00	8,800,000.00	4,150,000.00
REHABILATION OF INTAKE STRUCTURE & HEADRACE (Const. of training and excluder wall, extension of weir height, desilter and flush gate, Extension of headrace berm, dredging of headrace)	11,182,607.00	18,988,119.00	4,949,473.00
REHABILITATION OF FOREBAY & PENSTOCK (Extension of forebay berm, dredging, Const. of flush gate, Repair of defective portion of penstock line)	3,291,813.00	4,078,613.00	1,153,313.00
NEW POWERHOUSE	6,302,500.00	6,302,500.00	4,975,000.00
NEW TAILRACE CHANNEL (Trapezoidal concrete structure)	1,922,600.00	1,922,600.00	402,800.00
NEW SUB-STATION CIVIL WORKS	280,000.00	280,000.00	
CIVIL WORKS	**31,779,520.00**	**40,371,832.00**	**15,630,586.00**

Turbines, Generator control panels, Governors, Power Transformers, & Related Generating sets	22,523,750.00	31,062,500.00	7,561,750.00
Electrical Service (Powerhouse & Outdoor Sub-station)	954,256.00	954,256.00	610,755.00
13.2 KV Tie Line	800,000.00	800,000.00	500,000.00
NEW ELECTRO-MECHANICAL WORKS (Total replacement of E & M component)	**24,278,006.00**	**32,816,756.00**	**8,672,505.00**
DETAILED ENGINEERING DESIGN & SUPERVISION DURING CONSTRUCTION (FOR BALUGBOG AND PALAKPAKIN, FREE FOR CALIBATO)	PhP 2 million for DED & PhP 5 million for Supervision = PhP7,000,000	PhP 2 million for DED & PhP 5 million for Supervision = PhP7,000,000	Free, to be covered in engineering services for Palakpakin and Balugbug
CONTINGENCY (10% OF CIVIL WORKS)	3,177,952.00	4,037,183.20	1,563,058.60
PRE-OPERATING EXPENSES	7,547,160.62	7,994,425.74	2,349,372.11
INTEREST DURING CONSTRUCTION (6% OF 70% OF PROJECT COST)	3,234,729.46	4,043,056.65	1,237,006.17
TOTAL CONSTRUCTION COST	**77,017,368.08**	**96,263,253.59**	**29,452,527.88**
PHP COST PER MW	**PhP 110,024,810 per MW**	**PhP 96,263,253 per MW**	**PhP 133,875,130 per MW**
$ COST PER MW	**$2.4 Million per MW**	**$2.1 Million per MW**	**$2.9 Million per MW**

Financial Viability Summary Results

At the end of the day, it's always the financial figures that would finally earn the green light with continuity for the hydro undertaking and the table below shows the very high financial internal rate of return (FIRR) for a 70:30 debt: equity ratio, 6% loan interest rate and 12 years amortization period with three (3) years grace.

PARTICULARS	**BALUGBOG**	**PALAKPAKIN**	**CALIBATO**
FIRR	30.18%	49.77%	18.92%
Payback Period	2 Years	1 Year	3 Years

Summary of the Feasibility Study for the Majayjay MHP

The technical report presented below was submitted to the DOE in order to obtain the respective COCOC for the plant. After completing its construction in 2019 the plant was commissioned in the same year.

Hydropower Development Studies Highlights and Findings

The results of the feasibility level surveys, hydrological analysis and planning and design comprising the activities as described in the foregoing, resulted in the run-off river hydro power system's features which are described in detail in the subsequent chapters.

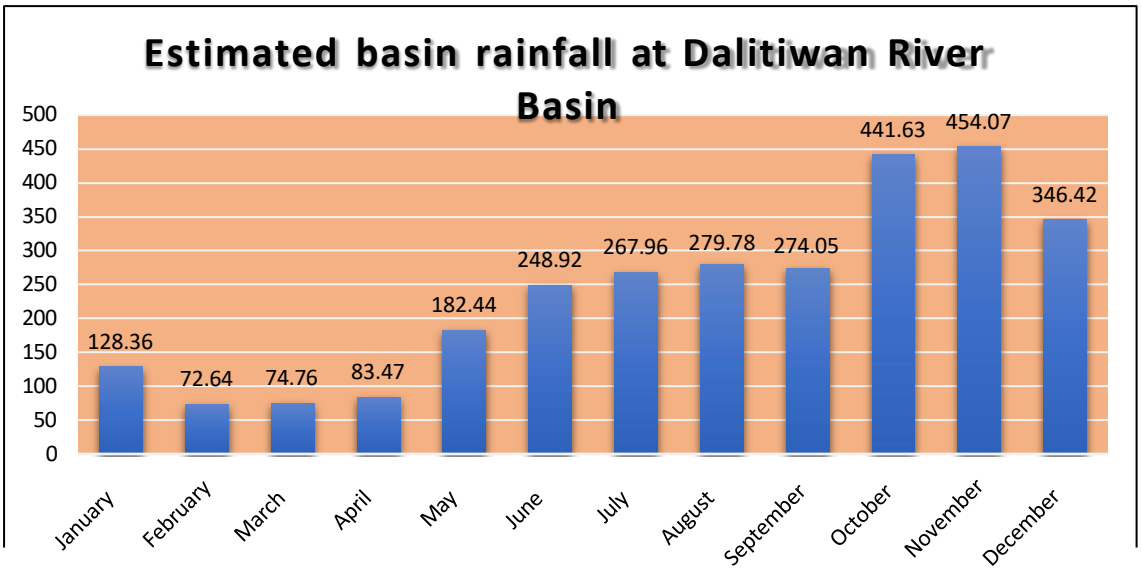
A summary or highlights of the rest of the project features is offered below for ready reference, viz:

1.1 Salient Technical Features of the Project

- 2,200 KW rated capacity consisting of 2 units of 1,170 KW Horizontal shaft Francis Type turbines with a design flow of 2.56 cms;
- 2 Diversion Weirs with equal height of 2.5 m and width of approximately 20 m, crest elevation of 316.50 masl. and 315.5 masl. respectively.
- Forebay with maximum water surface level elevation of 311.76 masl.
- Steel Penstock, 320 m length by 1.10 m diameter.
- Powerhouse, warehouse type structure and above maximum flood level with steel trusses, steel casement windows and CHB walls.

1.2 Salient Hydrologic and projected operation features of the project

- Basin area: Dalitiwan River: 11.640 sq. km and Panalaban River: 2.676 sq. km.
- Estimated basin rainfall at Dalitiwan River Basin

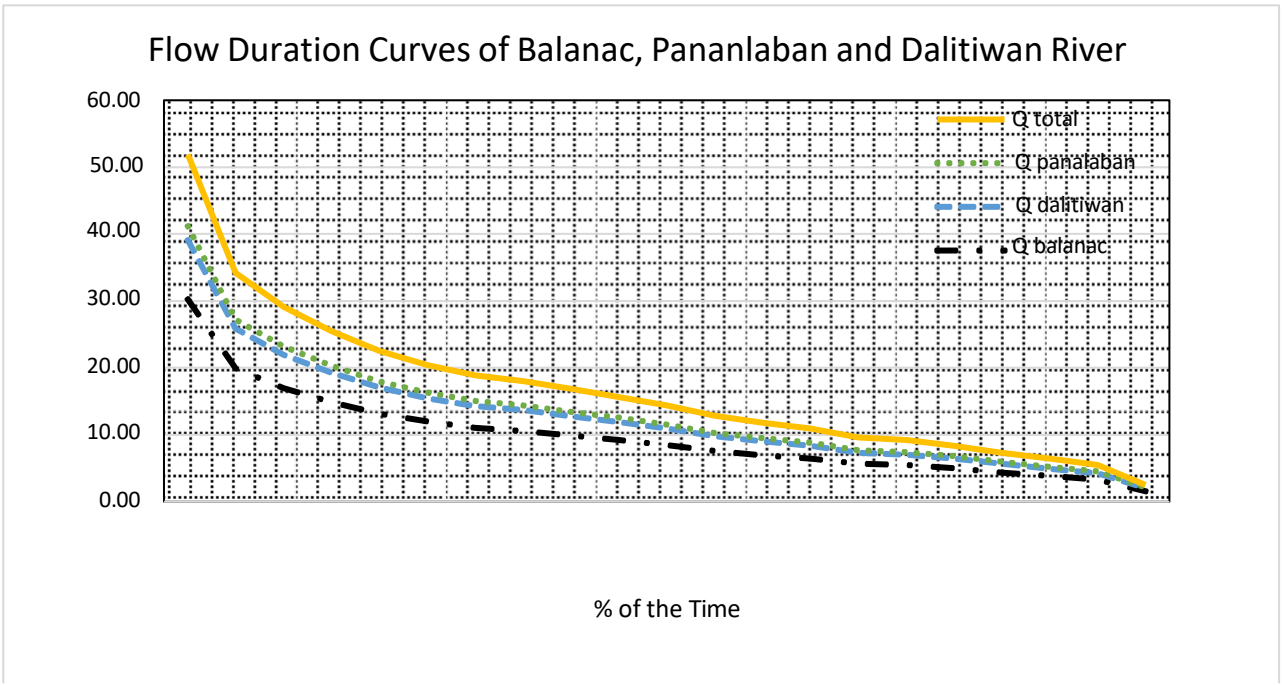


- Mean monthly streamflows of nearby gauged rivers

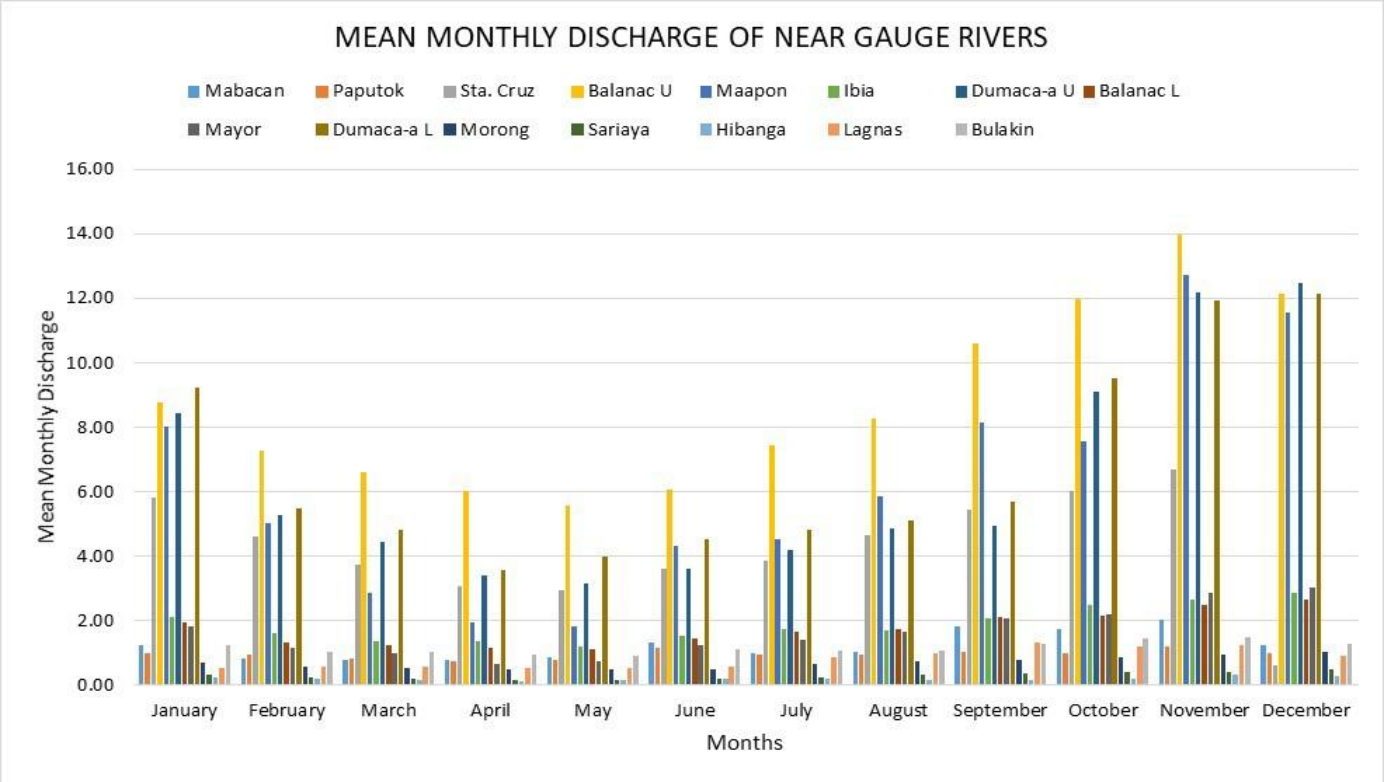
River	Mean Monthly Discharge											
	January	February	March	April	May	June	July	August	Septembe	October	November	December
Mabacan	1.23	0.81	0.76	0.78	0.86	1.31	0.99	1.03	1.83	1.71	2.01	1.25
Paputok	1.00	0.95	0.80	0.72	0.76	1.13	0.92	0.95	1.04	0.98	1.18	0.97
Sta. Cruz	5.82	4.59	3.73	3.05	2.94	3.59	3.86	4.64	5.44	6.04	6.69	0.62
Balanac U	8.76	7.27	6.60	6.01	5.56	6.08	7.43	8.25	10.59	11.98	13.96	12.16
Maapon	8.01	5.02	2.84	1.92	1.82	4.32	4.52	5.84	8.13	7.56	12.72	11.55
Ibia	2.10	1.60	1.36	1.36	1.20	1.51	1.72	1.68	2.06	2.49	2.66	2.84
Dumaca-a U	8.45	5.26	4.43	3.38	3.13	3.61	4.19	4.85	4.94	9.10	12.20	12.47
Balanac L	1.95	1.32	1.21	1.13	1.12	1.42	1.66	1.75	2.09	2.14	2.50	2.65
Mayor	1.80	1.15	1.00	0.66	0.73	1.22	1.41	1.64	2.08	2.17	2.84	3.01
Dumaca-a L	9.22	5.49	4.80	3.56	3.98	4.52	4.83	5.09	5.68	9.51	11.92	12.16
Morong	0.68	0.58	0.51	0.48	0.48	0.48	0.66	0.71	0.76	0.87	0.93	1.03
Sariaya	0.32	0.24	0.17	0.13	0.15	0.20	0.25	0.31	0.35	0.39	0.39	0.47
Hibanga	0.23	0.18	0.15	0.12	0.13	0.17	0.18	0.16	0.15	0.18	0.31	0.26
Lagnas	0.53	0.55	0.55	0.52	0.54	0.56	0.86	0.96	1.33	1.20	1.25	0.90
Bulakin	1.22	1.03	1.02	0.93	0.90	1.09	1.07	1.05	1.28	1.45	1.46	1.28

- Dependable flows for Balanac, Dalitiwan and Panalaban Intake Sites

% of The Time	Q balanac	Q dalitiwan	Q panalaban	Q total
0.00	30.23	8.85	2.09	10.74
5.00	19.98	5.85	1.38	7.03
10.00	17.00	4.98	1.17	5.95
15.00	14.89	4.36	1.03	5.19
20.00	13.17	3.86	0.91	4.57
25.00	11.97	3.50	0.83	4.13
30.00	11.06	3.24	0.76	3.80
35.00	10.59	3.10	0.73	3.63
40.00	9.89	2.90	0.68	3.38
45.00	9.21	2.70	0.64	3.13
50.00	8.44	2.47	0.58	2.85
55.00	7.57	2.22	0.52	2.54
60.00	6.96	2.04	0.48	2.32
65.00	6.48	1.90	0.45	2.15
70.00	5.69	1.66	0.39	1.86
75.00	5.45	1.60	0.38	1.77
80.00	4.99	1.46	0.35	1.61
85.00	4.38	1.28	0.30	1.39
90.00	3.83	1.12	0.27	1.19
95.00	3.32	0.97	0.23	1.00
100.00	1.57	0.46	0.11	0.37



- Flow graph mean monthly discharge of near gauge rivers



1.1 Salient Financial Features of the Project

- Project Costs

2.2 MW MAJAYJAY MINI-HYDRO POWER PLANT PROJECT

I	CONSTRUCTION COST (in PHP)	
I - A	**CIVIL WORKS**	**186,644,777.75**
I - A.1	*GENERAL REQUIREMENTS*	2,400,000.00
I - A.2	*WEIR & INTAKE STRUCTURE #1*	20,084,545.62
I - A.3	*WEIR & INTAKE STRUCTURE #2*	20,148,845.62
I – A.4	*HEADRACE*	47,390,950.00
I - A.5	*FOREBAY*	37,031,798.00
I - A.6	*PENSTOCK*	18,031,798.00
I - A.7	*POWERHOUSE INCLUDING SUBSTRUCTURE*	31,699,302.52
I - A.8	*TAILRACE CHANNEL*	743,908.00
I - A.9	*SUBSTATION CIVIL WORKS*	114,320.00

I - A.10	*ACCESS ROAD, 3KM*	9,000,000.00
I - B	**ELECTRO-MECHANICAL WORKS**	**71,310,817.86**
I - B.1	*MINI-HYDRO GENERATING SETS & ACCESSORIES*	70,380,000.00
I - B.2	*Electrical Service (Powerhouse & Sub-station)*	930,817.86
I - C	**TRANSMISSION LINE**	**3,600,000.00**
	SUB-TOTAL DIRECT COST	261,555,596.00
	CONTINGENCY	13,077,779.78
	TOTAL: DIRECT COST + CONTINGENCY	**274,633,375**
I - D	**ENGINEERING SERVICES**	**14,000,000.00**
I – D.1	*FEASIBILITY STUDY*	3,500,000.00
I – D.2	*DETAILED ENGINEERING DESIGN*	4,000,000.00
I – D.3	*CONSTRUCTION SUPERVISION*	6,500,000.00
I - E	**ADMINISTRATIVE/FINANCIAL COST**	**13,990,000.00**
I – E.1	*BROKERING AND TRANSPORT OF MHP EQUIPMENT TO SITE*	1,070,000.00
I – E.2	*RIGHT OF WAY, PROPERTY ACQUISITION*	5,000,000.00
I – E.3	*PRE-OPERATING EXPENSES & ADDITIONAL CONTINGENCIES*	4,050,000.00
I – E.4	*INSURANCE EXPENSES*	1,020,000.00
I – E.5	*DOCUMENTARY STAMPS AND BANK COMMITMENT'S FEE*	2,050,000.00
I – E.6	*TRANSPO AND ACC. OF FOREIGN TECHNICIANS DURING INSTALLATION OF HYDRO EQUIPMENT*	800,000.00
I – F	**INTEREST DURING CONSTRUCTION (8% OF LOAN AMOUNT)**	**38,168,714.00**

TOTAL: INDIRECT COST		**66,158,714.00**
TOTAL CONSTRUCTION COST		**340,792,089.00**
COST PER MW		**154,905,495.00**

- Operation and Maintenance Costs

The costs consist of the incremental operating and maintenance expenses associated with the operation of the project. Cost pertaining to hydropower station operation had been estimated based on typical mini hydro power plants being operated by cooperatives. This O&M cost include the estimated manpower costs and allows for interim replacement and repairs for normal preventive maintenance procedures. The operation and maintenance is estimated taking into account the numbers of personnel involved and fringe benefits, materials, spare parts, lubricants, and transportation expenses for the operation of the project.

Operation cost tends to remain almost constant over its long years of operation but for the purpose of this study an inflation rate of 4.5% per annum have been applied for the cost of operation and maintenance.

- Cost and Evaluation Summary of the Project

Capacity	kW	2,200
Total Project Cost	PhP	340,792,089
Interest During Construction	PhP	38,168,714
Loan Amortization @ 12%, 15 years repayment	PhP	35,025,578
Ave. Annual Generation during the first 9 years of operation	PhP/kWHr	9,966,033
Financial IRR	%	13.13%
Economic IRR	%	27.71%
Net Present Value, Million	PhP	25.068
Payback period on equity	Years	5
Benefit cost ratio		8.52
Investment cost	PhP/kWHr	154,905.50

Base Case and Sensitivity Tests

The parameters used in this analysis and their corresponding base case levels are:

PARAMETERS	BASE CASE LEVELS
Project Cost	PhP 340,792,089
Tariff Rate	PhP 5.70/kWhr
Load Factor	55%
Repayment Period	15 Years
Interest Rate	12% per annum

Before any analysis can be made, however, it is important to set the performance levels of the selected economic and financial indicators at base case to wit:

INDICATORS	BASE CASE
Ave. Net income for 9 years (PhP Millions)	5.16
Ave. Cash flow for 9 years (PhP Millions)	21.95
FIRR	13.13
Net Present Value (PhP Millions)	25.07

Summary of the Feasibility Study for the Inarihan MHP

The recommendations in the said report were followed for purposes of effecting and completing the construction, re- construction, re-engineering and upgrading of the plant from 2021-2022. The plant was commissioned in 2022.

Summary of Results and Principal & Secondary Recommendations

It may be better not to wait for the climactic suspense as will be found in the maze of subsequent write-ups and analysis by revealing right before the details are presented, the highlights of the results whether increase in power capacity and enhancement of the energy production in terms of plant factor can be achieved, the subsequent results in civil works upgrading and the corresponding costs and financial returns of such hydro plant improvement. The tables below show the highlights that these can be achieved in two (2) categories of recommendations - Principal and Secondary Recommendations, viz:

Principal Findings and recommendations Summary on Power and Energy

The two (2) subsequent tables below give the summary of the principal findings vis-à-vis the recommendations:

COMPARATIVE PROJECT HIGHLIGHTS

Parameters	Old Existing Plant	Results of Evaluation
Design Discharges (cms) / their respective % of time	0.96 cms / 78% of time	3.4 cms / 35% of time
Net Head (m)	61 m	61 m
Installed Capacity (MW)	960 KW	1,600 kW
Plant Factor	27% (Average last 3 years)	50%
Annual energy based on capacity and plant factor	2.3 Gw-hrs (Average last 3 years)	7 Gw-hrs
Comments	The increase of flow resulting in an increase in capacity from the existing 960 kW to 1.6 MW is attainable.	

It is apparent from table presented above that the principal findings from the study / assessment made by Vergel3 and the corresponding recommendations are that the existing 960 kW hydropower plant needs to be overhauled and upgrade its civil works components and facilities, as well as the power plant's turbines, generator, control panels and auxiliary equipment, for the primary reason that, viz:

1. The old existing plant has turbines with rated flow belonging to the regime of the higher exceedance probability in the order of mid to dry months flow, where in fact, the lower exceedance probability in the order of 20% to 30% of time representing wet months flow can still be used to optimize the plant's capacities and energy production that will be financially advantageous to the Owner, and

2. The electro-mechanical equipment and generation sets are already 25 years old, and need to be upgraded to coincide with the digital control panels being used today so as to be able to configure with the SCADA system, RTU system, VSAT and other electronics component that is one of the primary requirement of DOE, ERC, and TRANSCO to be paid the Feed in Tariff (FIT) rate.

Secondary Findings and Recommendation

The secondary findings consist of the improvement of the water delivery component from the weir's intake to the headrace channel to the forebay to the penstock on the rational that what good is the hydrology and upgrade in generation equipment set to substantially increase the power plant's capacities if the source is silted, the pipeline is leaking and other factors is inadequate to create the right driving head to cause water to flow at the calculated expansion flow rates to the channels. The following table presented summarizes the secondary recommendations:

1	Dredging of Weir
2	Dredging of Forebay
3	Replacement of headrace and penstock line that are leaking
4	Removal of domestic waste

5	Build new powerhouse
6	Elevate berm at forebay
7	Improve gates at forebay
8	Upgrade of Turbine, generator, and EM equipment
9	Upgrade of substation

Conceptual drawings of the plans and details of the civil works secondary recommendations are shown on the various drawings presented in the latter portion of this report.

Cost of Overhaul, Upgrading Works, and Repowering Covered by Principal and Secondary Recommendations

For the overhaul and upgrading works to improve the water flow delivery characteristics, including the electro-mechanical works and new system interface, the table below shows the estimated costs relative to the various works involved:

Particulars	Amount
GENERAL REQUIREMENTS (Mobilization /Demobilization, Temporary facilities, Submittals/Documentations, Construction Survey, Punch listing/Testing)	12,900,000.00
REHABILITATION OF INTAKE STRUCTURE & HEADRACE (rehabilitation of training and excluder wall, desilter and flush gate, replacement of headrace pipeline, etc)	95,800,000.00
REHABILITATION OF FOREBAY & PENSTOCK (Extension of forebay berm, dredging, const. of flush gate, repair of defective portion of penstock line)	31,100,000.00
NEW POWERHOUSE	54,300,000.00
UPGRADING OF TAILRACE CHANNEL	3,700,000.00
WEIR IMPROVEMENT	76,900,000.00
SUPPLEMENTAL INTAKE AND FEEDER PIPELINE	2,500,000.00
ACCESS ROAD REPAIRS	65,800,000.00
VARIABLES	8,410,000.00
CIVIL WORKS	**351,410,000.00**
Turbines, Generator control panels, Governors, Power Transformers, & Related Generating sets	33,000,000.00
Control Panels and Switchgear	6,100,000.00
Interconnection Facilities	2,200,000.00
VSAT and SCADA System	1,400,000.00
Pre-development Expenses (Amendments of permits, licenses, renewals, representation)	5,000,000.00
TOTAL CONSTRUCTION COST	**399,410,000.00**
PHP COST PER MW TO CONSTRUCT **$ COST PER MW**	**PhP 249,631,250 Per MW** **$4.9 million per MW**

Financial Viability Summary Results

At the end of the day, it is always the positive financial figures that would earn the green light for the Owner to proceed or not with a hydropower project, whether it is to overhaul and repower an existing power plant or to start a greenfield project from scratch. The table below shows the high financial internal rate of return (FIRR) for a 75:25 debt equity ratio, at 6% loan interest rate, and a 10 year amortization period with a two (2) years grace period.

Particulars	
FIRR	24.36%

Summary of the Feasibility Study for the Upper Labayat MHP

The technical report presented below was prepared by Vergel3 Consult in 2015 and submitted to the DOE in order to obtain the respective COCOC for the plant. After completing its construction in 2021, the plant was commissioned in the same year.

Hydropower Development Studies Highlights and Findings

The results of the feasibility level surveys, hydrological analysis and planning and design comprising the activities as described in the foregoing, resulted in the run-off river hydro power system's features which are described in detail in the subsequent chapters.

The Upper Labayat River Mini-Hydro Power Plant Project has 3 MW capacity. Tabulated below is the summary of cost estimates and financial viability evaluation of this study:

CAPACITY (MW)	ANNUAL ENERGY (GW-HR)	PLANT FACTOR (%)	PROJECT COST (PHP)	COST PER MW (PHP MILLION)	HYDRO TARIFF RATE (PHP)	FIRR (%)	PAYBACK PERIOD (YEARS)
3	16.15	61	484,765,635.53	161.59	HYDRO TARIFF RATE @ 5.90	18.08	5

A summary or highlights of the rest of the project features is offered below for ready reference, viz:

1.1 Salient Technical Features of the Project

- 3,000 KW rated capacity consisting of 3 units of 1,000 KW Reaction Type turbines with a design flow of 3.94 cms;
- Annual energy production of 16,150,000 KW-HRS. (16.15 Gw-hrs.) at a plant factor of 61%;
- Weir height of 8 m. with crest elevation of 188.40 masl.;
- Headrace Line, 1.80 m. inside diameter FRP, L=2,433 mtrs.
- Steel Surge tank, D=11.00 mtrs., H=17.00 mtrs.

- Steel Penstock, 1.25 m. inside diameter of main line, 180.00 m. long with wall thickness of 10 millimeter (mm.), with three (3) branch penstock line, D=0.70 m. inside diameter, wall thickness of 6.35 mm.

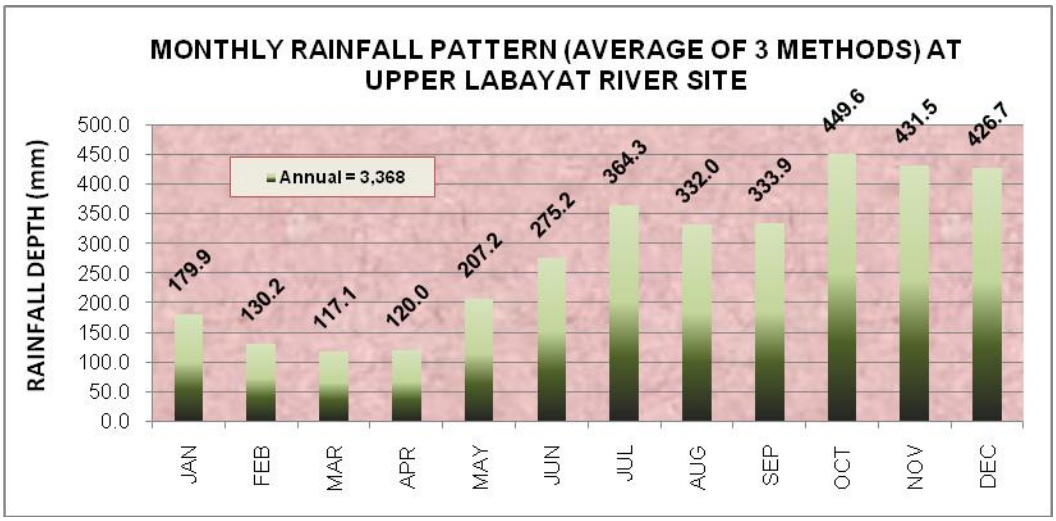
- Powerhouse with 3 units of 1,000 KW each Francis type turbines with tailrace level of 84.0 masl;

- Access Road, all weather access road, L=1.3 kms., carriageway W=6.0 mtrs.

1.2 Salient Hydrologic and projected operation features of the project

- Watershed area: 37.09 sq. km.

- Monthly rainfall patterns: Monthly rainfall pattern at Upper Labayat River Weir site (average of three (3) methods)



- Dependable flows derivation using various hydrologic methods

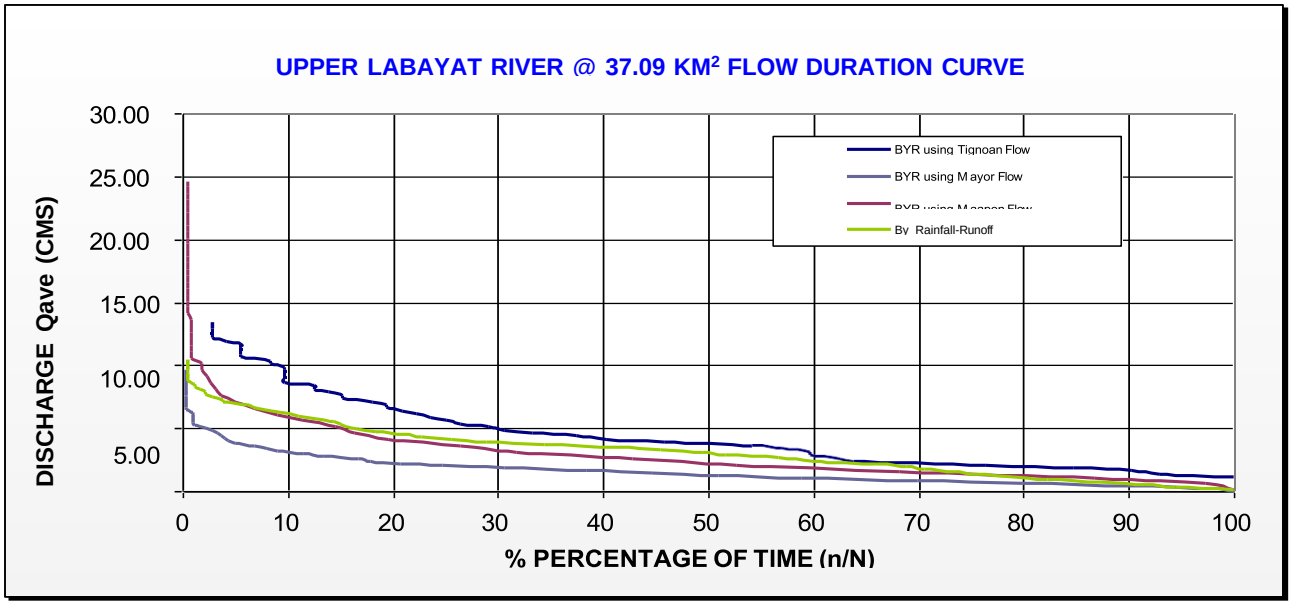
SUMMARY OF RESULTS OF UPPER LABAYAT RIVER AT BRGY. MARAGONDON, MUNICIPALITY OF REAL, QUEZON

% OF TIME	DISCHARGE (Q_P)			
	METHOD 01: BASIN-YIELD RATIO			METHOD 02: RAINFALL-RUNOFF ANALYSIS
	Ref: Tignoan River	Ref: Mayor River	Ref: Maapon River	
99.6%	1.11	0.03	0.57	0.09
91.3%	1.50	0.36	0.86	0.52
83.0%	1.90	0.53	1.18	0.89
74.7%	2.13	0.70	1.40	1.43
66.4%	1.89	0.86	1.63	2.17
58.1%	3.25	1.01	1.90	2.52
49.8%	3.73	1.23	2.22	3.00
41.5%	4.05	1.50	2.63	3.44
33.2%	4.62	1.73	3.01	3.71
24.9%	5.63	1.99	3.69	4.14
16.6%	7.25	2.61	4.54	4.94
8.3%	10.38	3.35	6.26	6.34

Note: Comparison of results of the discharge at Upper Labayat River using various methods.

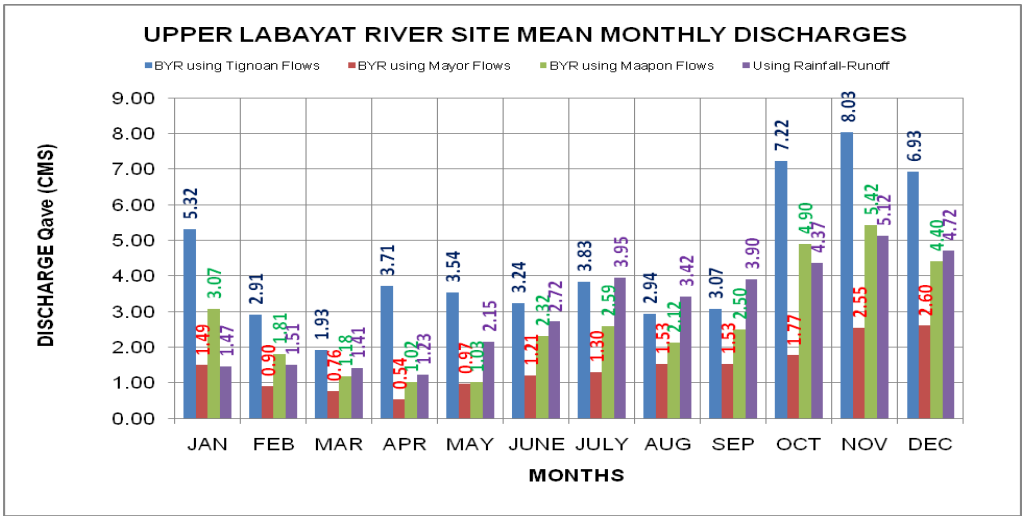
- Flow – Duration Curves

Flow duration curve of Upper Labayat River at 37.09 km^2 using various methods



- Monthly flow graph using various methods of flow derivation

Derived mean monthly discharges of Upper Labayat River at 37.09 Km^2 using various methods



- Flood discharge of Upper Labayat River using various method

RETURN PERIOD	$Q_{UL\ A=37.09}$, (CMS)				Mean Flood Envelope Curves
	Ref: Tignoan River		Ref: Maapon River		
	Drainage Area Proportion				
	Gumbel	LP-3	Gumbel	LP-3	
25	369.65	421.62	123.53	143.21	$Q_{P\ MEAN}$ = 408.23 s = 545
50	428.95	466.28	143.74	179.65	
100	488.24	500.73	163.95	219.68	
	Creager's Formula				
25	551.43	638.42	187.45	220.51	
50	649.35	705.84	221.41	276.62	
100	739.10	757.75	252.54	338.40	

- Options considered and projected operational characteristics

Planning option
3,000 KW Capacity with a designed flow of 3.94 cms

- Plant Factor

Scheme	Annual Energy from 3.0 MW Rated Capacity GW-HRS.	Potential Generation based on flow availability GW-HRS.	Plant Factor %
Labayat River 3,000 KW Drainage Area = 37.09 Sq.km.	16.15	26.28	61%,

Annual Operational Characteristics

3,000 KW CAPACITY KATIPUNAN RIVER MHP

INSTALLED CAPACITY: P=760.48 Q, Gross head Hg = 104.40 m., Net head Hn= 97 m., Q= 3.94 cms @ about 28% of time & rated capacity; 3 x 1,000 = 3,000 KW						
% of Time	**Discharge Q (m^3/s) from flow curve**	**Power from Flow Curve KW**	**Turbine Designed 'Q' in cms vis-a-vis Excess Flows & 10% Environ-mental Release**	**Design Capacity and Units in Operation**	**Days in operation & indicative month based on average monthly flow**	**Energy Col (5) x Col (6) x 24 hrs/day GW-Hrs.**
8.3%	7.66	5,825	3.94 for turbine with excess of 3.72, ok >10%	3,000 KW @3x1,000 (full)	30, Nov.	2.16
16.6%	5.58	4,240	3.94 for turbine with excess of 1.64, ok >>10%	3,000 KW @3x1,000 (full)	31, Dec.	2.23
24.9%	4.49	3,412	3.94 for turbine with excess of 0.55, ok > 10%	3,000 KW @3x1,000 (full)	31, Oct.	2.23
33.2%	3.78	2,874	3.40 for turbine with excess of 0.38, ok > 10%	2,585 KW @3x1,000 (86%)	31, Jul.	1.92
41.5%	3.37	2,565	3.03 for turbine with excess of 0.34, ok = 10%	2,306 KW @3x1,000 (77%)	30,Sept.	1.66
49.8%	2.98	2,268	2.63 for turbine with excess of 0.35 ok =10%	2,000 KW @2x1,000 (full)	31, Aug.	1.49

58.1%	2.56	1,944	2.30 for turbine with excess of 0.26, ok =10%	1,746 KW @2x1,000 (87%)	30,Jun.	1.26
66.4%	1.90	1,422	1.71 for turbine with excess of 0.19, ok = 10%	1,297 KW @2x1,000 (65%)	31,May	0.96
74.7%	1.65	1,257	1.48 for turbine with excess of 0.17, ok =10%	1,128 KW @2x1,000 (56%)	31, Jan.	0.84
83%	1.32	1,006	1.19 for turbine with excess of 0.13, ok =10%	907 KW @1x1,000 (91%)	31, Mar.	0.67
91.3%	0.96	730	0.86 for turbine with excess of 0.10, ok =10%	654 KW @1x1,000 (65%)	28, Feb.	0.44
99.6%	0.59	448	0.53 for turbine with excess of 0.06, ok =10%	403 KW @1x1,000 (40%)	30, Apr.	0.29
				Total:	'say' 365	16.15 Gw-hrs

1.1 Salient Financial Features of the Project

- Project Costs

SUMMARY

3 MW UPPER LABAYAT MINI-HYDRO POWER PLANT PROJECT

Municipality of Real, Quezon

I	**CONSTRUCTION COST**	
I - A	**CIVIL WORKS**	**356,761,423.17**
I - A.1	*GENERAL REQUIREMENTS (Mob./Demob., Temfacil., Equipment & Service vehicles, Submittals/Documentations, Const. Survey, Punchlisting/Testing)*	6,300,000.00
I - A.2	*DAM/WEIR (INTAKE STRUCTURE) (Weir Height = 8 mtrs., Weir Length = 80 mtrs.)*	94,899,477.61
I - A.3	*HEADRACE (FRP 1800 mm Φ, L = 2433 mtrs.)*	115,995,893.20
I - A.4	*SURGE TANK (Steel Surge Tank D = 11.0 mtr.; H = 17 mtrs.)*	17,596,446.06

I - A.5	*PENSTOCK (Steel main pipe D = 1250 mm, 10 mm thick, L = 180 mtrs. with trifurcation; Branch pipe D = 700 mm, 6.35 mm thick)*	28,823,499.75
I - A.6	*POWERHOUSE (Powerhose dimension 36 m x 15.5 m; lot dimension 80 m x 60 m)*	73,899,262.87
I - A.7	*TAILRACE CHANNEL (Trapezoidal concrete structure)*	7,042,037.80
I - A.8	*ACCESS ROAD TO PLANT SITE*	12,204,805.88
I - B	**ELECTRO-MECHANICAL WORKS**	**97,234,804.00**
I - B.1	*Turbines, Generator control panels, Governors, Power Transformers, & Related Generating sets*	80,435,000.00
I - B.2	*Electrical Service (Powerhouse & Outdoor Sub-station)*	6,899,804.00
I - B.3	*10 Tons Overhead Crane*	2,400,000.00
I - B.4	*69 KV Tie Line*	7,500,000.00
I - C	**DETAILED ENGINEERING DESIGN & SUPERVISION DURING CONSTRUCTION**	**11,000,000.00**
I - C.1	*Detailed Engineering Design*	4,000,000.00
I - C.2	*Supervision During Construction*	7,000,000.00
I - D	**CONTINGENCY (5% OF CIVIL WORKS)**	**17,838,071.16**
	SUB TOTAL 'CONSTRUCTION COST'	**482,834,298.33**
II		**OTHER COST**
II - A	**PRE-OPERATING EXPENSES**	**1,931,337.19**
	TOTAL INDIRECT COST	**1,931,337.19**
	TOTAL CONSTRUCTION COST	**484,765,635.53**
	COST PER MW	**161,588,545.18**

- Operation and Maintenance Costs

3 MW UPPER LABAYAT RIVER MHP

Cost Items	Amount
I Compensation, Allowances & Related Expenditures: **I-A Salaries**	
I-A.1 2 - Equipment Operators (Turbine & Genset) @ Php 20,000 / mo. x 13 months	0.520

I-A.2 2 – Control Panel Operators @ Php 20,000 / mo. x 13 months	0.520
I-A.3 2 – Weir Gate Tender @ Php 15,000 / mo. x 13 months	0.390
I-A.4 3 – Security Guards, @ Php 18,000 / mo. x 13 months	0.702
I-A.5 1 – Plant Manager @ Php 50,000 / mo. x 13 months	0.650
I-A.6 1 – Bookeeper/Secretary @ Php 18,000 / mo. x 13 months	0.234
I-A.7 1 – Maintenance Personnel/Helper @ Php 12,000 / mo. x 13 months	0.156
I-A.8 1 – Forester @ Php 30,000 / mo. x 13 months	0.390
Sub-Total `1' Salaries	**3.562**
I–B Employees' Benefits & Other Gov't. Dues (SSS, Medicare, PAG-IBIG, PhilHealth, Bonus)	**0.712**
II Water Rights Fee	**0.110**
III Real Property Tax	**1.108**
IV Benefits to Host Community	**0.263**
V Plant Insurance	**10.930**
VI Civil Works & Electro-Mechanical Maintenance Cost	**1.200**
VII Watershed Maintenance & Protection	**0.180**
TOTAL ANNUAL O & M COST	**18.065**
% OF TOTAL PROJECT COST	**3.73%**

- Financial Viability Indicators and Sensitivity Results

Base Case

Below is the result of the financial analysis for the various options considered in this study corresponds to a project cost of Php 484,765,635.53 and annual O&M cost of Php 18.06 Million.

- The internal rate of return (IRR or FIRR) on investment for a hydro tariff using the **Hydro Tariff Rate of Php. 5.90 is calculated at 18.08% and for a payback on equity of five (5) years.**

The weighted average cost of capital, WACC without CDM resulted to, viz:

- **WACC (using the hydro tariff rate of Php 5.90 /kw-hrs) =** 70% debt x 8% loan interest rate + 30% equity x 18.08% of return = 11.02**%, which is greater than lending rate of 8%, thus ok.**

The rest of the back-up figures are:

- **Hydro tariff rate of Php. 5.90 per kw-hr**
- **70-30 debt –equity ratio**
- **15 years loan term with 3 years grace period and amortization of 12 years**
- **Interest rate of 8%**
- **2.5% inflation applied yearly on O & M**
- **Annual Energy Generation: 16.15 Gw-Hr.**

Base Case Analysis Results

Case	FIRR	Payback Period	WACC	Unit Generation Cost
Base Case Hydro Tariff with starting selling rate @ Php. 5.90 / KW-hr.	18.08%	5 years	11.02%	1st year – 2.86 10th year – 4.25 15th year – 1.64
Additional sensitivity analysis for scenario 2 FIT				
Increase in interest rate by 1 percentile point from 8% to 9%	16.98%	5 years	10.69%	1st year – 3.07 10th year – 4.39 15th year – 1.64
Under generation of 10% from 16.15 Gw-Hr. to 14.54 Gw-Hr.	14.42%	7 years	9.93%	1st year – 3.17 10th year – 4.71 15th year – 1.82
Increase in project cost by 10% from Php. 484.77 M to Php. 533.24 M	14.94%	6 years	10.08%	1st year – 3.11 10th year – 4.63 15th year – 1.76

Summary of the Feasibility Study for the Tibag MHP

The technical report presented below was prepared by Vergel3 Consult in 2015 and submitted to the DOE in order to obtain the respective COCOC for the plant. The project is presently completing construction and is estimated to commence operation 1H of 2023.

Hydropower Development Studies Highlights and Findings

The results of the feasibility level surveys, hydrological analysis and planning and design comprising the activities as described in the detailed study & engineering, resulted in the run-off river hydro power system's features as indicated in detail in the subsequent chapters.

The Tibag River Mini-Hydro Power Plant Project has 4.4 MW capacity. Tabulated below is the summary of cost estimates and financial viability evaluation of this study:

CAPACITY (MW)	ANNUAL ENERGY (GW-HR)	PLANT FACTOR (%)	PROJECT COST (PHP)	COST PER MW (PHP MILLION)	HYDRO TARIFF RATE (PHP)	FIRR (%)	PAYBACK PERIOD (YEARS)
4.4	23.11	60	718,529,409.87	163.30	HYDRO TARIFF RATE @ 5.90	18.21	4

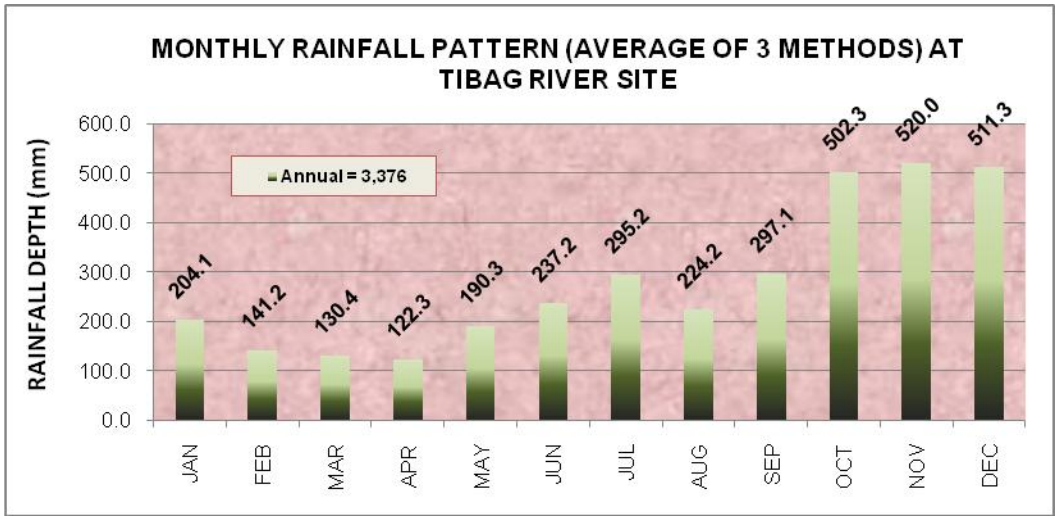
A summary or highlights of the rest of the project features is offered below for ready reference, viz:

1.2 Salient Technical Features of the Project

- 4,400 KW rated capacity consisting of 2 units of 2,200 KW Reaction Type turbines with a design flow of 6.24 cms;
- Annual energy production of 23,110,000 KW-HRS. (23.11 Gw-hrs.) at a plant factor of 60%.
- Weir height of 5 m. with crest elevation of 146.80 masl.;
- Steel Headrace Line, 2.10 m. inside diameter, Thickness=8 mm., L=2,554 mtrs.
- Steel Surge tank, D=11.20 mtrs., H=17.20 mtrs.
- Steel Penstock, 1.50 m. inside diameter of main line, 114.00 m. long with wall thickness of 10 mm., with two branch penstock line, D=1.10 m. inside diameter, wall thickness of 6.35 mm.
- Powerhouse with 2 units of 2,200 KW each Francis type turbines with tailrace level of 50.00 masl;
- Access Road, all weather access road, L=1,080 L.M., carriageway W=6.0 mtrs.

1.3 Salient Hydrologic and projected operation features of the project

- Watershed area: 44.40 sq. km.
- Monthly rainfall patterns: Monthly rainfall pattern at Tibag River Weir site (average of three (3) methods)



- Dependable flows derivation using various hydrologic methods

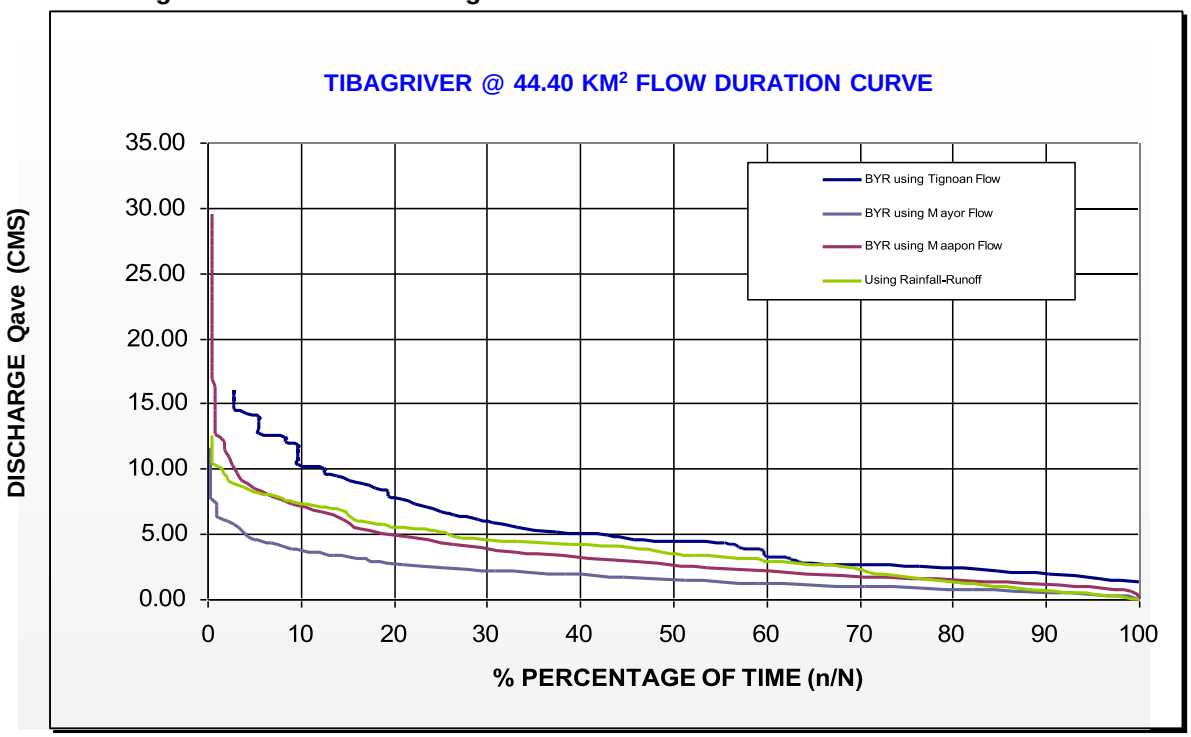
SUMMARY OF RESULTS OF TIBAG RIVER AT BRGY. PANDAN, MUNICIPALITY OF REAL, QUEZON

% OF TIME	DISCHARGE (Q_P)			
	METHOD 01: BASIN-YIELD RATIO			METHOD 02: RAINFALL-RUNOFF ANALYSIS
	Ref: Tignoan River	Ref: Mayor River	Ref: Maapon River	
99.6%	1.26	0.02	0.31	0.01
91.3%	1.80	0.42	1.08	0.61
83.0%	2.21	0.66	1.43	1.05
74.7%	2.52	0.84	1.62	1.73
66.4%	2.81	1.02	1.97	2.57
58.1%	3.76	1.20	2.33	3.12
49.8%	4.39	1.47	2.76	3.56
41.5%	4.95	1.77	3.27	4.06
33.2%	5.50	2.06	3.76	4.42
24.9%	6.61	2.40	4.56	5.13

16.6%	**8.71**	**3.11**	**5.59**	**5.94**
8.3%	**12.32**	**4.00**	**7.70**	**7.57**

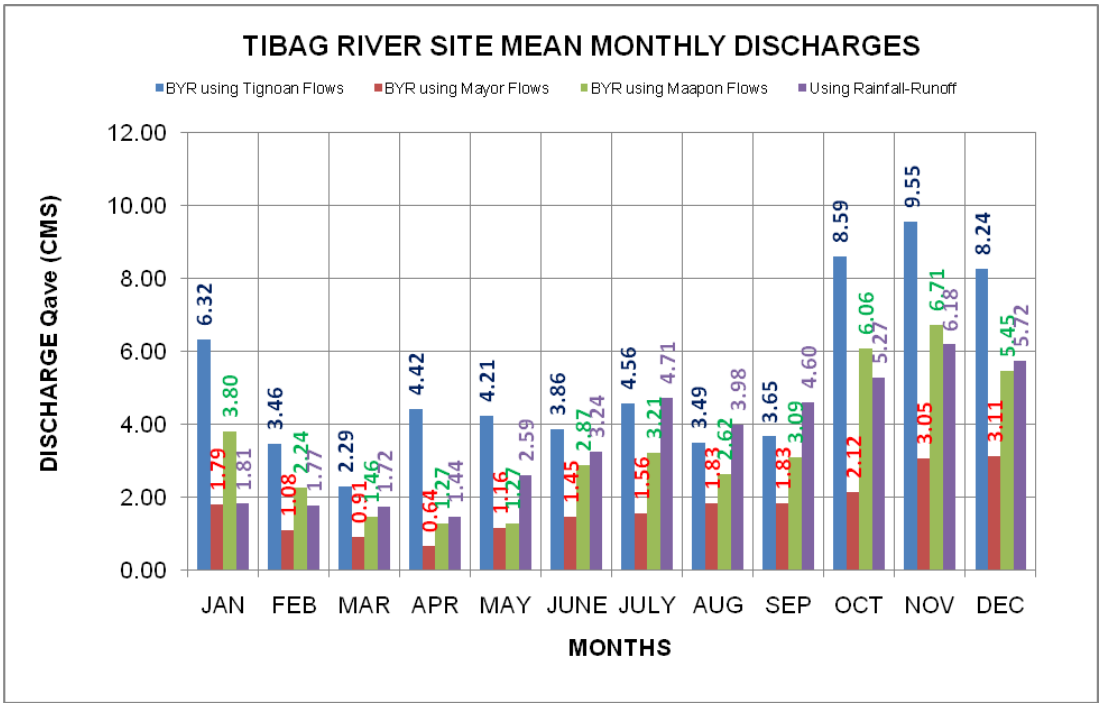
- Flow – Duration Curves

Flow duration curve of Tibag River at 44.40 km^2 using various methods



- Monthly flow graph using various methods of flow derivation

Derived mean monthly discharges of Tibag River at 44.40 Km^2 using various methods



- Flood discharge of Tibag River using various method

RETURN PERIOD	$Q_{T\ A=44.40}$, (CMS)				Mean Flood Envelope Curves
	Ref: Tignoan River		Ref: Maapon River		
	Drainage Area Proportion				
	Gumbel	LP-3	Gumbel	LP-3	
25	442.51	504.71	147.87	171.44	$Q_{P\ MEAN}$ = 461.11 s = 615
50	513.48	558.18	172.07	215.06	
100	584.46	599.42	196.26	262.98	
	Creager's Formula				
25	603.33	698.51	205.09	241.26	
50	710.46	772.27	242.25	302.66	
100	808.67	829.07	276.31	370.25	

- Options considered and projected operational characteristics

Planning option
4,400 KW Capacity with a designed flow of 6.24 cms

- Plant Factor

Scheme	Annual Energy from 4.40 MW Rated Capacity GW-HRS.	Potential Generation based on flow availability GW-HRS.	Plant Factor %
Tibag River 4,400 KW Drainage Area = 44.40 Sq.km.	23.11	38.54	60%,

Annual Operational Characteristics

4,400 KW CAPACITY TIBAG RIVER MHP

INSTALLED CAPACITY: P=705.60 Q, Gross head Hg = 96.80 m., Net head Hn= 90 m., Q= 6.24 cms @ about 26% of time & rated capacity; 2 x 2,200 = 4,400 KW						
% of Time	**Discharge Q (m^3/s) from flow curve**	**Power from Flow Curve KW**	**Turbine Designed 'Q' in cms vis-a-vis Excess Flows & 10% Environ-mental Release**	**Design Capacity and Units in Operation**	**Days in operation & indicative month based on average monthly flow**	**Energy Col (5) x Col (6) x 24 hrs/day GW-Hrs.**
8.3%	12.32	8,692	6.24 for turbine with excess of 6.08, ok >>10%	4,400 KW @ 2x2,200 (full)	30, Nov.	3.17
16.6%	**8.71**	**6,145**	6.24 for turbine with excess of 2.47, ok >10%	4,400 KW @ 2x2,200 (full)	**31, Dec.**	**3.27**
24.9%	**6.61**	**4,664**	5.95 for turbine with excess of 0.66, ok = 10%	4,198 KW @ 2x2,200 (95%)	**31, Oct.**	**3.12**
33.2%	**5.50**	**3,880**	4.95 for turbine with excess of 0.55, ok = 10%	3,492 KW @ 2x2,200 (79%)	**31, Jul.**	**2.60**
41.5%	**4.95**	**3,492**	4.45 for turbine with excess of 0.50, ok = 10%	3,139 KW	**30,Sept.**	**2.26**

				@ 2x2,200 (71%)		
49.8%	**4.39**	**3,097**	3.95 for turbine with excess of 0.44 ok =10%	2,787 KW @ 2x2,200 (63%)	**31, Aug.**	**2.07**
58.1%	**3.76**	**2,653**	3.38 for turbine with excess of 0.38, ok =10%	2,384 KW @ 2x2,200 (54%)	**30,Jun.**	**1.72**
66.4%	**2.81**	**1,982**	2.53 for turbine with excess of 0.28, ok = 10%	1,785 KW @ 1x2,200 (81%)	**31,May**	**1.33**
74.7%	**2.52**	**1,778**	2.27 for turbine with excess of 0.25, ok =10%	1,601 KW @ 1x2,200 (73%)	**31, Jan.**	**1.19**
83%	**2.21**	**1,559**	1.99 for turbine with excess of 0.22, ok =10%	1,404 KW @ 1x2,200 (64%)	**31, Mar.**	**1.04**
91.3%	**1.80**	**1,270**	1.62 for turbine with excess of 0.18, ok =10%	1,143 KW @ 1x2,200 (52%)	**28, Feb.**	**0.77**
99.6%	**1.26**	**889**	1.13 for turbine with excess of 0.13, ok =10%	797 KW @ 1x2,200 (36%)	**30, Apr.**	**0.57**
				Total:	'say' 365	23.11 Gw-hrs

1.1 Salient Financial Features of the Project

- Project Costs

SUMMARY

4.4 MW TIBAG RIVER MINI-HYDRO POWER PLANT PROJECT

Brgy. Pandan, Municipality of Real, Quezon

I	**CONSTRUCTION COST**	
I - A	**CIVIL WORKS**	**481,543,719.87**
I - A.1	*GENERAL REQUIREMENTS (Mob./Demob., Temfacil., Equipment & Service vehicles, Submittals/Documentations, Const. Survey, Punchlisting/Testing)*	8,700,000.00
I - A.2	*DAM/WEIR (INTAKE STRUCTURE) (Weir Height = 5 mtrs., Total Weir Length = 28 mtrs.)*	52,335,842.27
I - A.3	*HEADRACE (A36 Steel Pipe 2100 mm Φ, L = 2554 mtrs., T = 8 mm)*	238,973,252.71
I - A.4	*SURGE TANK (Steel Surge Tank D = 11.20 mtr.; H = 17.20 mtrs.)*	16,864,668.76
I - A.5	*PENSTOCK (Steel main pipe D = 1500 mm, 8 mm thick, L = 114 mtrs. with Bifurcation; Branch pipe D = 1100 mm, 6.35 mm thick)*	42,012,695.58
I - A.6	*POWERHOUSE (Powerhose dimension 33 m x 17 m; lot dimension 60 m x 80 m)*	79,758,638.25
I - A.7	*TAILRACE CHANNEL (Trapezoidal concrete structure)*	4,961,299.49
I - A.8	*ACCESS ROAD TO PLANT SITE*	37,937,322.82
I - B	**ELECTRO-MECHANICAL WORKS**	**185,908,504.00**
I - B.1	*Turbines, Generator control panels, Governors, Power Transformers, & Related Generating sets*	127,230,400.00
I - B.2	*Electrical Service (Powerhouse & Outdoor Sub-station)*	11,678,104.00
I - B.3	*25 Tons Overhead Crane*	5,000,000.00
I - B.4	*69 KV Tie Line*	42,000,000.00
I - C	**DETAILED ENGINEERING DESIGN & SUPERVISION DURING CONSTRUCTION**	**11,000,000.00**
I - C.1	*Detailed Engineering Design*	4,000,000.00
I - C.2	*Supervision During Construction*	7,000,000.00
I - D	**CONTINGENCY (5% OF CIVIL WORKS)**	**24,077,185.99**
I - E	**PRE-OPERATING EXPENSES**	**16,000,000.00**
	TOTAL 'CONSTRUCTION COST'	**718,529,409.87**

COST PER MW	163,302,138.61

- Operation and Maintenance Costs

4.4 MW TIBAG RIVER MHP

Cost Items	Amount
I Compensation, Allowances & Related Expenditures: **I-A Salaries**	
I-A.1 2 - Equipment Operators (Turbine & Genset) @ Php 20,000 / mo. x 13 months	0.520
I-A.2 2 – Control Panel Operators @ Php 20,000 / mo. x 13 months	0.520
I-A.3 2 – Weir Gate Tender @ Php 15,000 / mo. x 13 months	0.390
I-A.4 2 – Security Guards, @ Php 18,000 / mo. x 13 months	0.468
I-A.5 1 – Plant Manager @ Php 50,000 / mo. x 13 months	0.650
I-A.6 1 – Bookeeper/Secretary @ Php 18,000 / mo. x 13 months	0.234
I-A.7 1 – Maintenance Personnel/Helper @ Php 12,000 / mo. x 13 months	0.156
I-A.8 1 – Forester @ Php 30,000 / mo. x 13 months	0.390
Sub-Total `1' Salaries	**3.328**
I–B Employees' Benefits & Other Gov't. Dues (SSS, Medicare, PAG-IBIG, PhilHealth, Bonus)	**0.666**
II Water Rights Fee	**0.165**
III Real Property Tax	**1.196**
IV Benefits to Host Community	**0.385**
V Plant Insurance	**14.611**
VI Civil Works & Electro-Mechanical Maintenance Cost	**1.707**
VII Watershed Maintenance & Protection	**0.480**
TOTAL ANNUAL O & M COST	**22.538**
% OF TOTAL PROJECT COST	**3.14%**

- Financial Viability Indicators and Sensitivity Results

Base Case

Below is the result of the financial analysis for the various options considered in this study based on a project cost of Php718,529,409.87 and annual O&M cost of Php 22.54 Million.

- The internal rate of return (IRR or FIRR) on investment for a hydro tariff using the **Hydro Tariff Rate of Php. 5.90 is calculated at 18.21% and for a payback on equity of four (4) years.**

The weighted average cost of capital, WACC without CDM resulted to, viz:

- **WACC (using the hydro tariff rate of Php 5.90 /kw-hrs) =** 70% debt x 7% loan interest rate + 30% equity x 18.21% of return = 10.36**%, which is greater than lending rate of 7%, thus ok.**

The rest of the back-up figures are:

- **Hydro tariff rate of Php. 5.90 per kw-hr**
- **70-30 debt –equity ratio**
- **15 years loan term with 3 years grace period and amortization of 12 years**
- **Interest rate of 7%**
- **2.5% inflation applied yearly on O & M**
- **Annual Energy Generation: 23.11 Gw-Hr.**

Base Case Analysis Results

Case	FIRR	Payback Period	WACC	Unit Generation Cost
Base Case HydroTariff with starting selling rate @ Php. 5.90 / KW-hr.	18.21%	4 years	10.36%	1st year – 2.56 10th year – 4.02 15th year – 1.44
Additional sensitivity analysis				
Increase in interest rate from 7% to 8%	17.01%	5 years	10.70%	1st year – 2.78 10th year – 4.16 15th year – 1.44

Under generation by 10% from 23.11 Gw-Hr. to 20.80 Gw-Hr.	14.42%	6 years	9.23%	1st year – 2.84 10th year – 4.46 15th year – 1.59
Increase in project cost by 10% from Php. 718.53 M to Php. 790.38 M	14.92%	6 years	9.38%	1st year – 2.79 10th year – 4.39 15th year – 1.54

Summary of the Feasibility Study for the Lower Labayat MHP

The technical report presented below was prepared by Vergel3 Consult in 2015 and submitted to the DOE in order to obtain the respective COCOC for the plant. The project is presently completing construction and is estimated to commence operation 1H of 2023.

Hydropower Development Studies Highlights and Findings

The results of the feasibility level surveys, hydrological analysis and planning and design comprising the activities as described in the detailed study & engineering, resulted in the run-off river hydro power system's features as indicated in detail in the subsequent chapters.

The Lower Labayat River Mini-Hydro Power Plant Project has 1.4 MW capacity. Tabulated below is the summary of cost estimates and financial viability evaluation of this study:

CAPACITY (MW)	ANNUAL ENERGY (GW-HR)	PLANT FACTOR (%)	PROJECT COST (PHP)	COST PER MW (PHP MILLION)	HYDRO TARIFF RATE (PHP)	FIRR (%)	PAYBACK PERIOD (YEARS)
1.4	7.80 and 8.10 with +10% OL during 3 wet seasoon months	64 with 66 maximum +10% OL during 3 wet months	265,600,265.37	189.71	HYDRO TARIFF RATE @ 5.90	17.00	5

A summary or highlights of the rest of the project features is offered below for ready reference, viz:

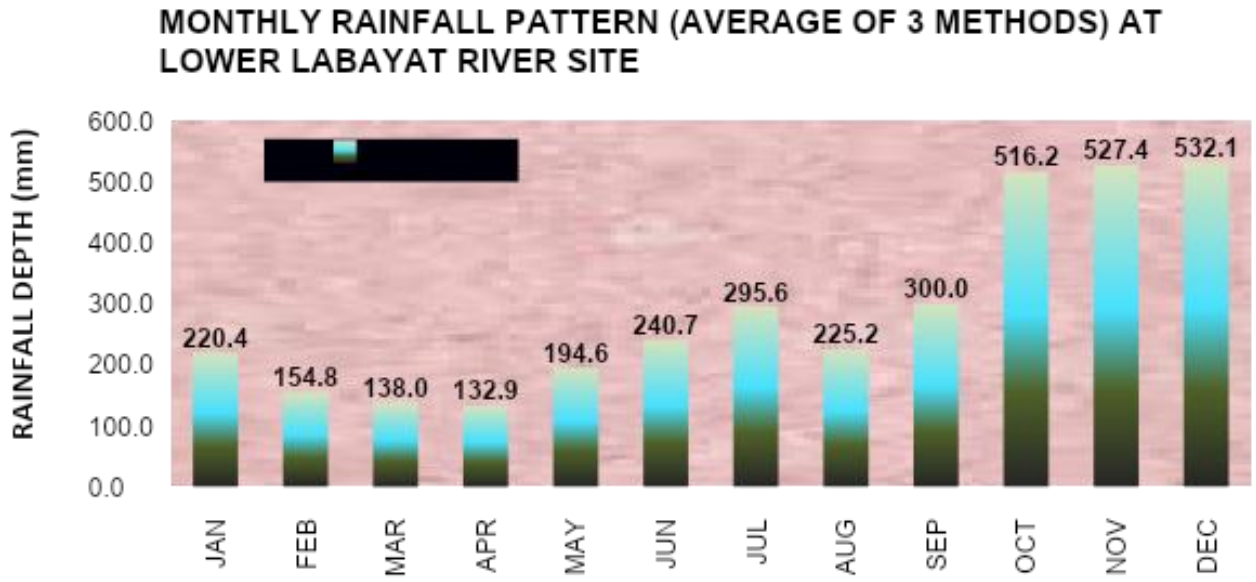
1.1 Salient Technical Features of the Project

- 1,400 KW rated capacity consisting of 2 units of 700 KW Reaction Type turbines with a design flow of 1.05 cms;
- Annual energy production of 7,800,000 KW-HRS. (7.8 Gw-hrs.) at a plant factor of 64%.
- Weir height of 5 m. with crest elevation of 208 masl.;

- Steel Headrace Line, 1.0 m. inside diameter, Thickness=6.35 mm., L=877 mtrs.
- Steel Surge tank, D=6.60 mtrs., H=10.20 mtrs.
- Steel Penstock, 0.70 m. inside diameter of main line, 581.00 m. long with wall thickness of 8 mm., with two branch penstock line, D=0.45 m. inside diameter, wall thickness of 6.35 mm.
- Powerhouse with 2 units of 700 KW each Francis type turbines with tailrace level of 32.00 masl;
- Access Road, all weather access road, L=2,820 L.M., carriageway W=6.0 mtrs.

1.2 Salient Hydrologic and projected operation features of the project

- Watershed area: 8.53 sq. km.
- Monthly rainfall patterns: Monthly rainfall pattern at Lower Labayat River Weir site (average of three (3) methods)



- Dependable flows derivation using various hydrologic methods

SUMMARY OF RESULTS OF LOWER LABAYAT RIVER AT BRGY. LUBAYAT, MUNICIPALITY OF REAL, QUEZON

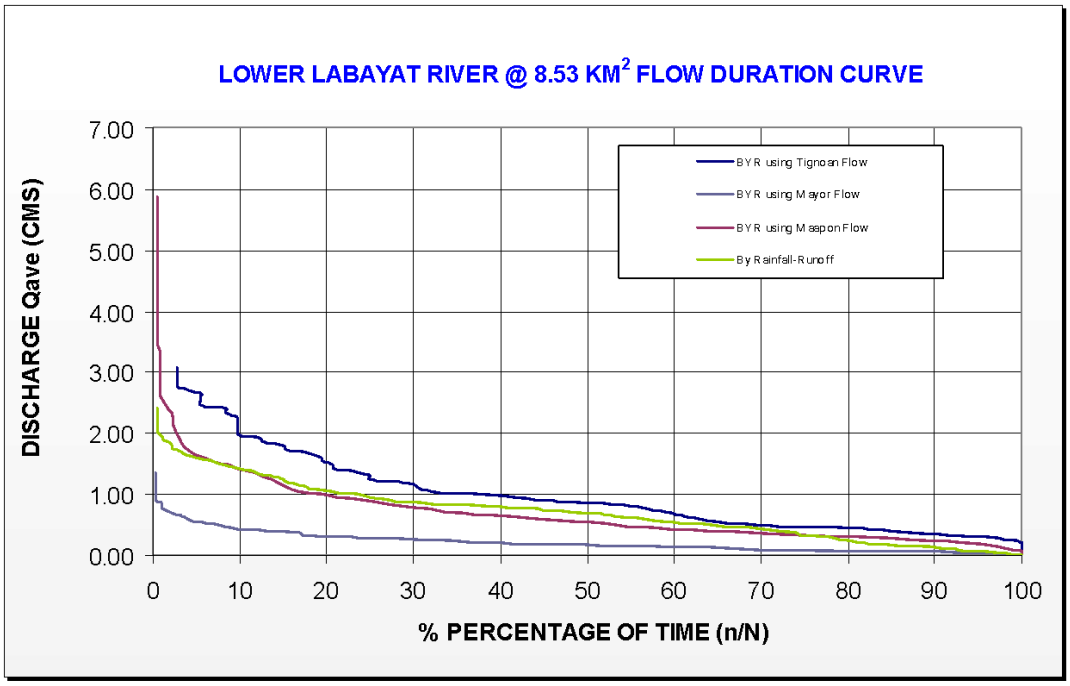
% OF TIME	DISCHARGE (Q_P)			
	METHOD 01: BASIN-YIELD RATIO			METHOD 02: RAINFALL-RUNOFF ANALYSIS
	Ref: Tignoan River	Ref: Mayor River	Ref: Maapon River	

99.6%	**0.23**	**0.01**	**0.09**	**0.03**
91.3%	**0.33**	**0.05**	**0.21**	**0.13**
83.0%	**0.42**	**0.08**	**0.27**	**0.21**
74.7%	**0.48**	**0.10**	**0.33**	**0.34**
66.4%	**0.55**	**0.12**	**0.39**	**0.49**
58.1%	**0.73**	**0.15**	**0.44**	**0.58**
49.8%	**0.86**	**0.18**	**0.54**	**0.69**
41.5%	**0.96**	**0.21**	**0.63**	**0.79**
33.2%	**1.05**	**0.24**	**0.73**	**0.85**
24.9%	**1.31**	**0.28**	**0.88**	**0.98**
16.6%	**1.70**	**0.37**	**1.06**	**1.16**
8.3%	**2.34**	**0.48**	**1.50**	**1.48**

Note: Comparison of results of the discharge at Tibag River using various methods.

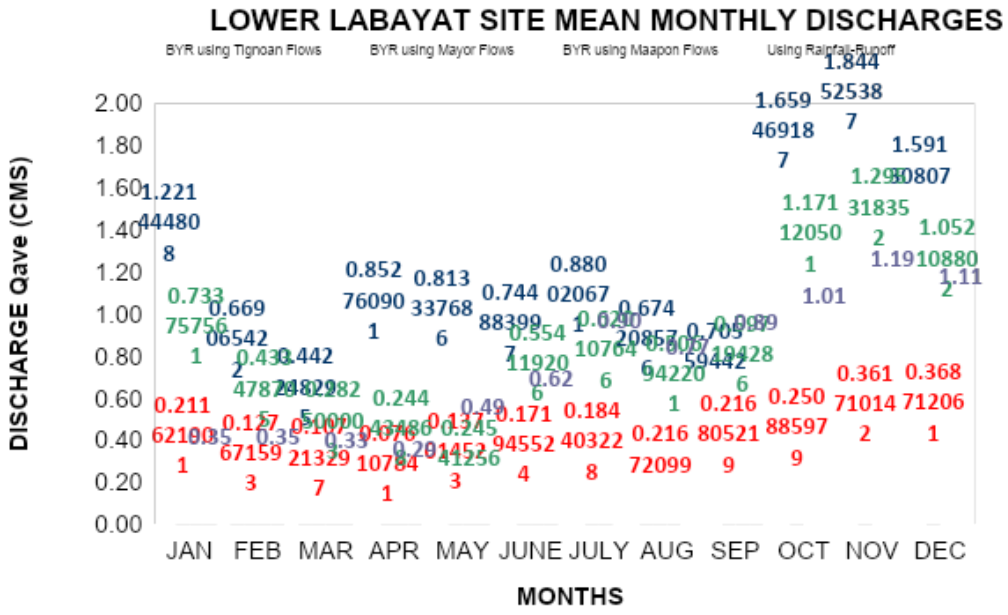
- Flow – Duration Curves

Flow duration curve of Lower Labayat River at 8.53 km^2 using various methods



- Monthly flow graph using various methods of flow derivation

Derived mean monthly discharges of Lower Labayat River at 8.53 Km^2 using various methods



- Flood discharge of Lower Labayat River using various method

RETURN PERIOD	$Q_{LL\ A=8.53}$, (CMS)				Mean Flood Envelope Curves
	Ref: Tignoan River		Ref: Maapon River		
	Drainage Area Proportion				
	Gumbel	LP-3	Gumbel	LP-3	
25	85.02	96.96	28.41	32.94	$Q_{P\ MEAN}$ = 137.20 s = 183
50	98.65	107.24	33.06	41.32	
100	112.29	115.16	37.71	50.52	
	Creager's Formula				
25	264.45	306.16	89.89	105.75	
50	311.40	338.50	106.18	132.66	
100	354.45	363.39	121.11	162.28	

- Options considered and projected operational characteristics

Planning option

1,400 KW Capacity with a designed flow of 1.05 cms

- Plant Factor

Scheme	Annual Energy from 1.40 MW Rated Capacity GW-HRS.	Potential Generation based on flow availability GW-HRS.	Plant Factor %
Lower Labayat River 1,400 KW Drainage Area = 8.53 Sq.km.	7.80	12.26	64%,

Annual Operational Characteristics

1,400 KW CAPACITY LOWER LABAYAT RIVER MHP

INSTALLED CAPACITY: P=517.44 Q, Gross head Hg = 176.0 m., Net head Hn= 170m., Q= 1.05 cms @ about 27% of time & rated capacity; 2 x 700 = 1,400 KW						
% of Time	**Discharge Q (m^3/s) from flow curve**	**Power from Flow Curve KW**	**Turbine Designed 'Q' in cms vis-a-vis Excess Flows & 10% Environ-mental Release**	**Design Capacity and Units in Operation**	**Days in operation & indicative month based on average monthly flow**	**Energy Col (5) x Col (6) x 24 hrs/day GW-Hrs.**
8.3%	2.34	2,990	1.10 for turbine with excess of 1.24, ok >>10%	1,400 KW @ 2 x 700 (full)	30, Nov.	1.01
16.6%	1.70	2,172	1.10 for turbine with excess of 0.60, ok >10%	1,400 KW @ 2 x 700 (full)	31, Dec.	1.04
24.9%	1.31	1,674	1.10 for turbine with excess of 0.21, ok = 10%	1,400 KW @ 2 x 700 (full)	31, Oct.	1.04
33.2%	1.05	1,341	0.94 for turbine with excess of 0.11, ok = 10%	1,201 KW @ 2 x 700 (86%)	31, Jul.	0.89
41.5%	0.96	1,226	0.86 for turbine with excess of 0.10, ok = 10%	1,099 KW @ 2 x 700 (79%)	30,Sept.	0.79
49.8%	0.86	1,099	0.77 for turbine with excess of 0.09 ok =10%	983 KW @ 2 x 700 (70%)	31, Aug.	0.73

58.1%	0.73	932	0.66 for turbine with excess of 0.07, ok =10%	843 KW @ 2 x 700 (60%)	30,Jun.	0.61
66.4%	0.55	702	0.49 for turbine with excess of 0.06, ok = 10%	626 KW @ 1 x 700 (89%)	31,May	0.47
74.7%	0.48	613	0.43 for turbine with excess of 0.05, ok =10%	549 KW @ 1 x 700 (78%)	31, Jan.	0.41
83%	0.42	536	0.38 for turbine with excess of 0.04, ok =10%	485 KW @ 1 x 700 (69%)	31, Mar.	0.36
91.3%	0.33	421	0.30 for turbine with excess of 0.03, ok =10%	383 KW @ 1 x 700 (55%)	28, Feb.	0.26
99.6%	0.23	293	0.21 for turbine with excess of 0.02, ok =10%	268 KW @ 1 x 700 (38%)	30, Apr.	0.19
				Total:	'say' 365	7.80 Gw-hrs

Note: Energy production is 8.10 Gwhrs considering +10% OL during 3 wettest months of November, December and October

1.3 Salient Financial Features of the Project

- Project Costs

SUMMARY

1.1 MW LOWER LABAYAT RIVER MINI-HYDRO POWER PLANT PROJECT
Brgy. Lubayat, Municipality of Real, Quezon

I	**CONSTRUCTION COST**	
I - A	**CIVIL WORKS**	**188,942,058.45**
I - A.1	*GENERAL REQUIREMENTS (Mob./Demob., Temfacil., Equipment & Service vehicles, Submittals/Documentations, Const. Survey, Punchlisting/Testing)*	5,000,000.00
I - A.2	*DAM/WEIR (INTAKE STRUCTURE) (Weir Height = 5 mtrs., Total Weir Length = 70 mtrs.)*	54,744,447.64

	HEADRACE (A36 Steel Pipe 1000 mm Φ, L = 877 mtrs., T = 6.35 mm)	32,140,834.68
I - A.3		5,163,781.23
I - A.4	*SURGE TANK (Steel Surge Tank D = 6.60 mtr.; H = 10.20 mtrs.)*	20,298,884.48
I - A.5	*PENSTOCK (Steel main pipe D = 700 mm, 8 mm thick, L = 581 mtrs. with Bifurcation; Branch pipe D = 450 mm, 6.35 mm thick)*	
I - A.6	*POWERHOUSE (Powerhose dimension 27 m x 17.5 m; lot dimension 60 m x 40 m)*	24,861,278.10
	TAILRACE CHANNEL (Trapezoidal concrete structure)	2,151,016.41
I - A.7	*ACCESS ROAD TO PLANT SITE*	44,581,815.91
I - A.8		
I - B	**ELECTRO-MECHANICAL WORKS**	**55,211,104.00**
I - B.1	*Turbines, Generator control panels, Governors, Power Transformers, & Related*	34,419,000.00
I - B.2	*Electrical Service (Powerhouse & Outdoor Sub-station)*	4,892,104.00
I - B.3	*69 KV Tie Line*	15,900,000.00
I - C	**CONTINGENCY (5% OF CIVIL WORKS)**	**9,447,102.92**
I - D	**ENGINEERING & SUPERVISION DURING CONSTRUCTION**	**12,000,000.00**
	TOTAL 'CONSTRUCTION COST'	**265,600,265.37**
	COST PER MW	**189,714,475.27**

- Operation and Maintenance Costs

1.1 MW LOWER LABAYAT RIVER MHP

Cost Items	Amount
I Compensation, Allowances & Related Expenditures: **I-A Salaries**	
I-A.1 2 - Equipment Operators (Turbine & Genset) @ Php 20,000 / mo. x 13 months	0.520
I-A.2 2 – Control Panel Operators @ Php 20,000 / mo. x 13 months	0.520
I-A.3 2 – Weir Gate Tender @ Php 15,000 / mo. x 13 months	0.390
I-A.4 2 – Security Guards, @ Php 18,000 / mo. x 13 months	0.468
I-A.5 1 – Maintenance Personnel/Helper @ Php 12,000 / mo. x 13 months	0.156
Sub-Total `1' Salaries	**2.054**
I–B Employees' Benefits & Other Gov't. Dues (SSS, Medicare, PAG-IBIG, PhilHealth, Bonus)	**0.308**
II Water Rights Fee	**0.028**
III Real Property Tax	**0.273**
IV Benefits to Host Community	**0.123**
V Plant Insurance	**4.289**
VI Civil Works & Electro-Mechanical Maintenance Cost	**0.355**
VII Watershed Maintenance & Protection	**0.048**
TOTAL ANNUAL O & M COST	**7.477**
% OF TOTAL PROJECT COST	**2.82%**

- Financial Viability Indicators and Sensitivity Results

Base Case

Below is the result of the financial analysis for the various options considered in this study based on a project cost of Php 265,600,265.37 and annual O&M cost of Php 7.477 Million.

- The internal rate of return (IRR or FIRR) on investment for a hydro tariff using the **Hydro Tariff Rate of Php. 5.90 is calculated at 17.00% and for a payback on equity of five (5) years.**

The weighted average cost of capital, WACC without CDM resulted to, viz:

- **WACC (using the hydro tariff rate of Php 5.90 /kw-hrs) =** 70% debt x 7% loan interest rate + 30% equity x 17.00% of return = 10.00**%, which is greater than lending rate of 7%, thus ok.**

The rest of the back-up figures are:

- **Hydro tariff rate of Php. 5.90 per kw-hr**
- **70-30 debt –equity ratio**
- **15 years loan term with 3 years grace period and amortization of 12 years**
- **Interest rate of 7%**
- **2.5% inflation applied yearly on O & M**
- **Annual Energy Generation: 8.10 Gw-Hr.**

Base Case Analysis Results

Case	FIRR	Payback Period	WACC	Unit Generation Cost
Base Case HydroTariff with starting selling rate @ Php. 5.90 / KW- hr.	17.00%	5 years	10.00%	1st year – 2.59 10th year – 4.10 15th year – 1.36
Additional sensitivity analysis				
Increase in interest rate from 7% to 8%	15.84%	5 years	10.35%	1st year – 2.82 10th year – 4.26 15th year – 1.36
Under generation by 10% from 8.1 Gw-Hr. to 7.29 Gw- Hr.	13.43%	7 years	8.93%	1st year – 2.87 10th year – 4.55 15th year – 1.51

Increase in project cost by 10% from Php. 265.60 M to Php. 292.16 M	13.96%	7 years	9.09%	1st year – 2.81 10th year – 4.47 15th year – 1.45

Summary of the Feasibility Study for the Pulanai MHP

The technical report presented below was prepared by Vergel3 Consult in 2015 and submitted to the DOE in order to obtain the respective COCOC for the plant. The project has commenced construction March 2023 and is estimated to commence operation Q4 of 2025.

Hydropower Development Studies Highlights and Findings

The results of the feasibility level surveys, hydrological analysis and planning and design comprising the activities as described in the foregoing, resulted in the run-off river hydro power system's features which are described in detail in the subsequent chapters.

The Pulanai River Mini-Hydro Power Plant Project has 10.6 MW capacity. Tabulated below is the summary of cost estimates and financial viability evaluation of this study:

CAPACITY (MW)	ANNUAL ENERGY (GW-HR)	PLANT FACTOR (%)	PROJECT COST (PHP)	COST PER MW (PHP MILLION)	HYDRO TARIFF RATE (PHP)	FIRR (%)	PAYBACK PERIOD (YEARS)
10.6	65.48	70.5	1,650,464,216.61	155.7	FIT RATE @ 5.90	22.51	3
					COOP RATE @ 5.80	22.74	3

A summary or highlights of the rest of the project features is offered below for ready reference, viz:

1.1 Salient Technical Features of the Project

- 10,600 KW rated capacity consisting of 3 units of 3,533 KW Reaction Type turbines with a design flow of 75.11 cms;
- Annual energy production of 65,480,000 KW-HRS. (65.48 Gw-hrs.) at a plant factor of 70.50%;
- Weir height of 20 m. with crest elevation of 350.00 masl.
- Steel Surge tank, D=14.00 mtrs., H=21.00 mtrs.
- Steel Penstock, 5.50 m. inside diameter of main line, 43.00 m. long with wall thickness of 16 millimeter (mm.), with three (3) sub penstock line, D=3.00 m. inside diameter, wall thickness of 12 mm.

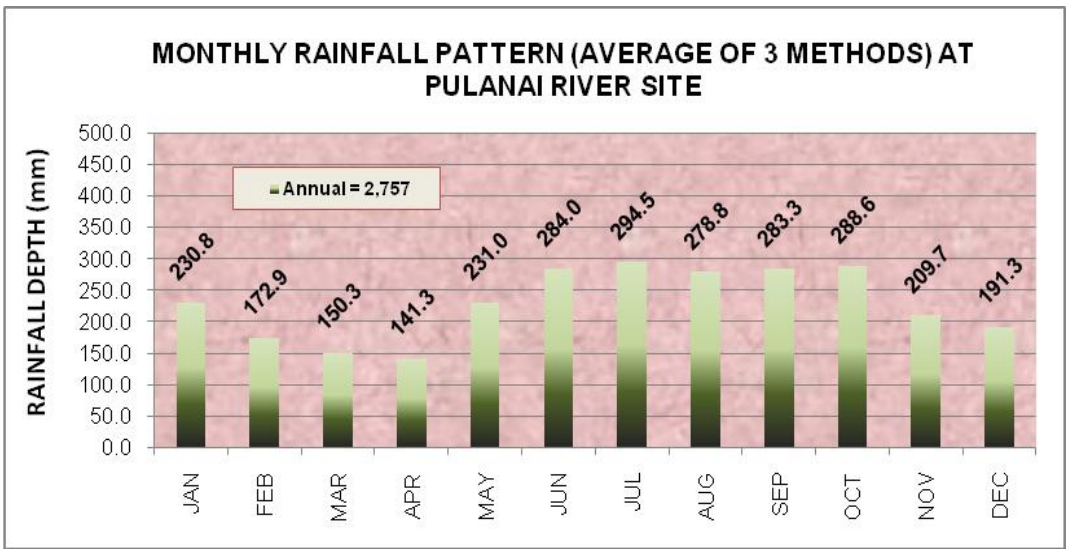
- Powerhouse with 3 units of 3,533 KW each Francis type turbines with tailrace level of 330.00 masl;

- Access Road, opening L= 0.50 kms.

1.2 Salient Hydrologic and projected operation features of the project

- Watershed area: 1,319.85 sq. km.

- Monthly rainfall patterns: Monthly rainfall pattern at Pulanai River Weir site (average of three (3) methods)



- Dependable flows derivation using various hydrologic methods

SUMMARY OF RESULTS OF PULANAI RIVER AT BRGY. LUMBAYAO, VALENCIA CITY, BUKIDNON

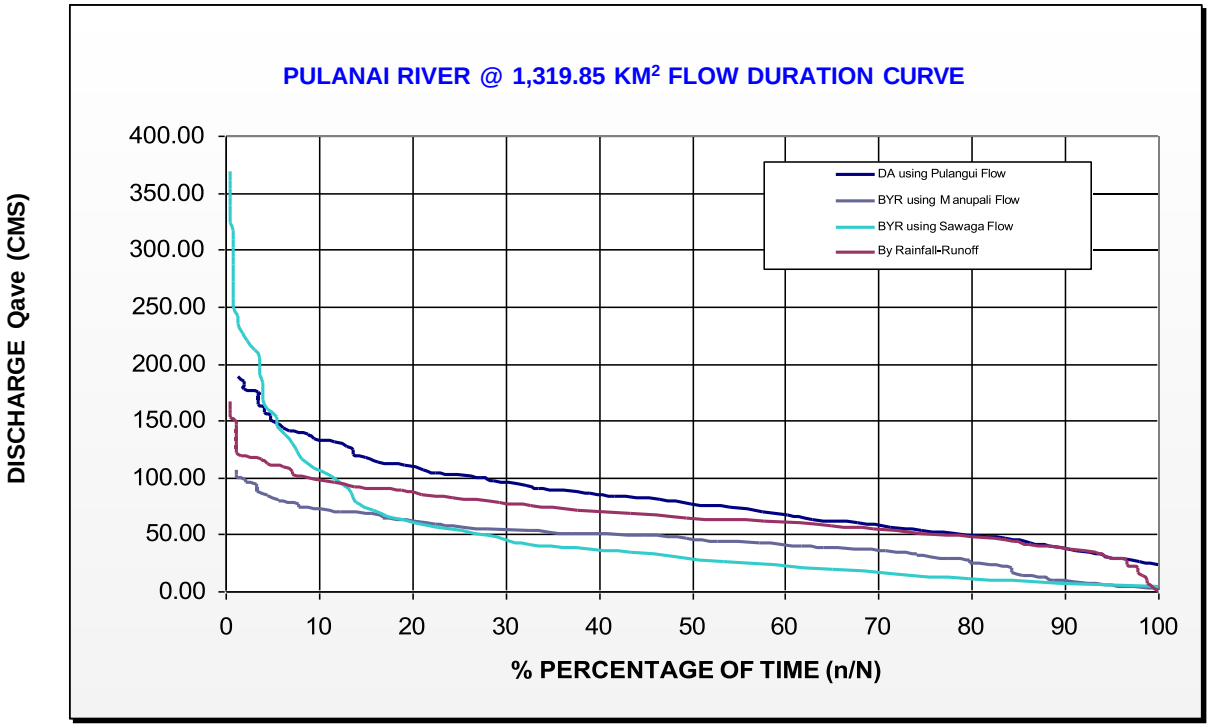
% OF TIME	DISCHARGE (Q_P)			
	METHOD 01: WATERSHED DIRECT CORRELATION	METHOD 02: BASIN-YIELD RATIO		METHOD 03: RAINFALL-RUNOFF ANALYSIS
	Ref: Pulangui River	Ref: Manupali River	Ref: Sawaga River	
99.6%	23.28	3.47	4.19	2.18
91.3%	35.85	7.43	7.22	36.23
83.0%	46.68	19.86	10.25	45.05
74.7%	52.93	30.93	14.01	50.59

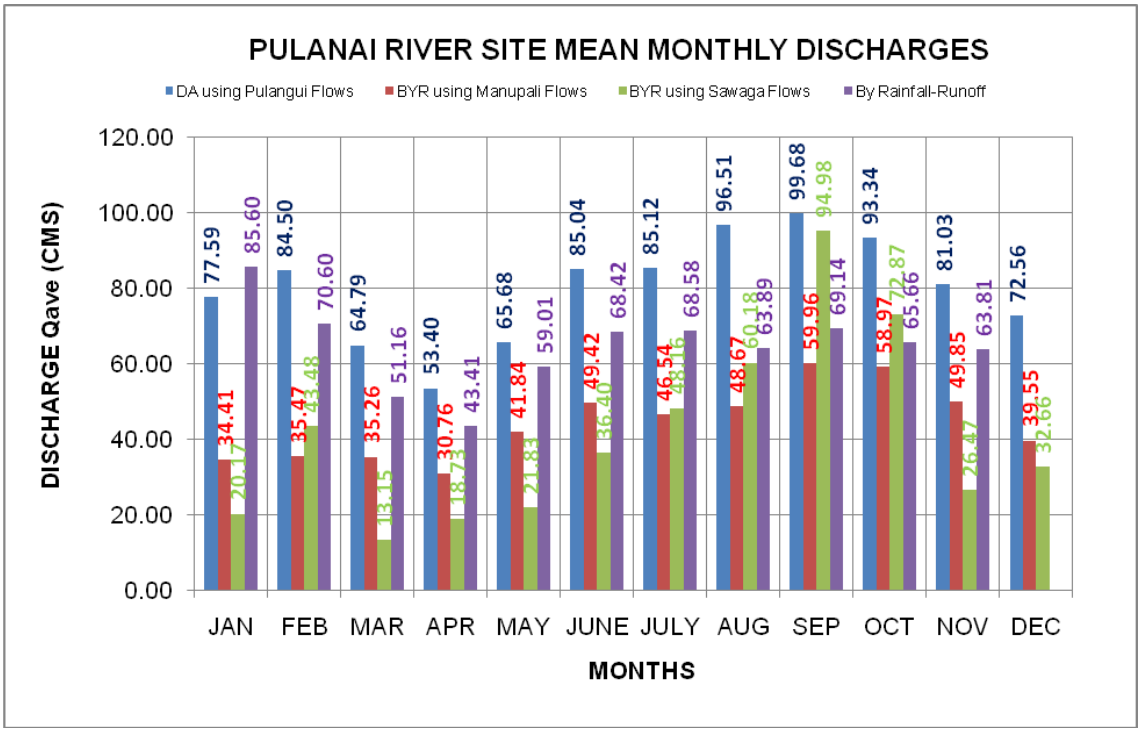
66.4%	60.69	36.98	18.27	56.48
58.1%	69.12	41.65	23.37	60.80
49.8%	76.75	46.10	29.02	64.21
41.5%	83.64	49.43	35.10	68.88
33.2%	90.93	52.49	40.78	74.27
24.9%	101.91	56.46	52.95	81.05
16.6%	113.44	66.18	68.42	89.72
8.3%	138.22	73.88	114.66	100.11

Note: Comparison of results of the discharge at Pulanai River using various methods.

- Flow – Duration Curves

Flow duration curve of Pulanai River at 1,319.85 km^2 using various methods





- Flood discharge of Pulanai River using various method

RETURN PERIOD	$Q_{P\ A=1,319.85}$, (CMS)				Mean Flood Envelope Curves
	Ref: Pulangui River		Ref: Sawaga River		
	Drainage Area Proportion				
	Gumbel	LP-3	Gumbel	LP-3	
25	974.67	905.94	2,172.36	2,562.97	$Q_{P\ MEAN}$ = 3,018.21 s = 4,029
50	1,090.79	943.39	2,523.34	3,218.83	
100	1,206.92	970.48	2,874.32	3,942.15	
	Creager's Formula				
25	1,386.59	1,302.71	-	-	
50	1,568.78	1,356.71	-	-	
100	1,735.79	1,395.58	-	-	

- Options considered and projected operational characteristics

Planning option

10,600 KW Capacity with a designed flow of 75.11 cms

- Plant Factor

Site	Annual Energy from 10.6 MW Rated Capacity GW-HRS.	Potential Generation based on flow availability GW-HRS.	Plant Factor %
Pulanai River Watershed = 1,318.37 km.sq.	65.48	92.86	70.5%,

Annual Operational Characteristics

10,600 KW CAPACITY PULANAI RIVER MHP

INSTALLED CAPACITY: P=141.12 Q, Gross head Hg = 20.0 m., Net head Hn= 18.00 m., Q= 75.11 cms @ about 26% of time & rated capacity; 3x3,533 = 10,600KW						
% of Time	Discharge Q (m^3/s) from flow curve	Power from Flow Curve KW	Turbine Designed 'Q' in cms vis-a- vis Excess Flows & 10% Environ-mental Release	Design Capacity and Units in Operation	Days in operation & indicative month based on average monthly flow	Energy Col (5) x Col (6) x 24 hrs/day GW-Hrs.
8.3%	100.11	14,127	75.11 for turbine with excess of 25.00, ok > >10%	10,600 KW @3x3,533 (full)	31, Jan.	7.89
16.6%	89.72	12,661	75.11 for turbine with excess of 14.61, ok > >10%	10,600 KW @3x3,533 (full)	31, Dec.	7.89
24.9%	81.05	11,437	72.94 for turbine with excess of 8.11, ok, = 10%	10,293KW @3x3,533 (97%)	31, Jul.	7.66

33.2%	**74.27**	**10,480**	**66.84 for turbine with excess of 7.43, ok = 10%**	**9,432KW @3x3,533 (89%)**	**30, Sept.**	**6.79**
41.5%	**68.88**	**9,720**	**61.99 for turbine with excess of 6.89, ok=10%**	**8,748KW @3x3,533 (83%)**	**30, June**	**6.30**
49.8%	**64.21**	**9,061**	**57.79 for turbine with excess of 6.42 ok=10%**	**8,155KW @3x3,533 (77%)**	**31, Oct.**	**6.07**
58.1%	**60.80**	**8,580**	**54.72 for turbine with excess of 6.08, ok=10%**	**7,722KW @3x3,533 (73%)**	**31, Aug.**	**5.75**
66.4%	**56.48**	**7,970**	**50.83 for turbine with excess of 5.65, ok = 10%**	**7,173KW @3x3,533 (68%)**	**28, Feb.**	**4.82**
74.7%	**50.59**	**7,139**	**45.53 for turbine with excess of 5.06, ok=10%**	**6,425 KW @2x3,533 (91%)**	**30,Nov.**	**4.63**
83%	**45.05**	**6,357**	**40.54 for turbine with excess of 4.51, ok =10%**	**5,721 KW @2x3,533 (81%)**	**31, May**	**4.26**

91.3%	**36.23**	**5,112**	**32.61 for turbine with excess of 3.62, ok=10%**	**4,601 KW @2x3,533 (65%)**	**31,Mar.**	**3.42**
99.6%	**2.18**	**307**	**1.96 for turbine with excess of 0.23, ok=10%**	**276 KW @1x3,533 (08%) No Operation due to low low flow**	**30, Apr.**	**-**
				Total:	‘say’ 365	65.48 Gw-hrs

1.1 Salient Financial Features of the Project

- Project Costs

SUMMARY

10.6 MW PULANAI MINI-HYDRO POWER PLANT PROJECT

Barangay Lumbayao, City of Valencia, Bukidnon

I	**CONSTRUCTION COST**	
I - A	**CIVIL WORKS**	**1,071,383,715.10**
I - A.1	*GENERAL REQUIREMENTS (Mob./Demob., Temfacil., Equipment & Service vehicles, Submittals/Documentations, Const. Survey, Punchlisting/Testing)*	39,300,000.00
I - A.2	*DAM/WEIR (INTAKE STRUCTURE) (Weir Height = 25 mtrs., Weir Length = 90 mtrs.)*	506,372,484.67
I - A.3	*SURGE TANK (Steel Surge Tank D = 11.944 mtr.; H = 17.676 mtrs.)*	39,749,864.00
I - A.4	*PENSTOCK (Steel main pipe D = 2500 mm, 8 mm thick, L = 82 mtrs. with Trifurcation; Branch pipe D = 1440 mm, Supplemental Pipe D=860 mm, 6.35 mm thick)*	225,073,364.34
I - A.5	*POWERHOUSE (Powerhose dimension 58.5 m x 21.5 m; lot dimension 85 m x 70 m)*	193,076,044.18
I - A.6	*TAILRACE CHANNEL (Trapezoidal concrete structure)*	27,141,228.27
I - A.7	*ACCESS ROAD TO PLANT SITE*	40,670,729.64
I - B	**ELECTRO-MECHANICAL WORKS**	**406,979,949.10**
I - B.1	*Turbines, Generator control panels, Governors, Power Transformers, & Related Generating sets*	322,458,700.00
I - B.2	*Electrical Service (Powerhouse & Outdoor Sub-station)*	28,021,249.10
I - B.3	*35 Tons Overhead Crane*	8,500,000.00
I - B.4	*69 KV Tie Line*	48,000,000.00
I - C	**DETAILED ENGINEERING DESIGN & SUPERVISION DURING CONSTRUCTION**	**12,000,000.00**
I - C.1	*Detailed Engineering Design*	4,000,000.00
I - C.2	*Supervision During Construction*	8,000,000.00
I - D	**CONTINGENCY (5% OF CIVIL WORKS)**	**53,569,185.76**
	SUB TOTAL 'CONSTRUCTION COST'	**1,543,932,849.96**
II	**OTHER COST**	

II - A	PRE-OPERATING EXPENSES	9,263,597.10
II-B	INTEREST DURING CONSTRUCTION (9% OF 70% OF CONSTRUCTION COST)	97,267,769.55
	TOTAL INDIRECT COST	106,531,366.65
	TOTAL CONSTRUCTION COST	1,650,464,216.61
	COST PER MW	155,704,171.38

- Operation and Maintenance Costs

10.6 MW PULANAI RIVER MHP

Cost Items	Amount
I Compensation, Allowances & Related Expenditures:	
I-A Salaries	
I-A.1 2 - Equipment Operators (Turbine & Genset) @ Php 20,000 / mo. x 13 months	0.520
I-A.2 2 – Control Panel Operators @ Php 20,000 / mo. x 13 months	0.520
I-A.3 2 – Weir Gate Tender @ Php 15,000 / mo. x 13 months	0.390
I-A.4 6 – Security Guards, @ Php 18,000 / mo. x 13 months	1.404
I-A.5 1 – Plant Manager @ Php 50,000 / mo. x 13 months	0.650
I-A.6 1 – Bookeeper/Secretary @ Php 18,000 / mo. x 13 months	0.234
I-A.7 4 – Maintenance Personnel/Helper @ Php 12,000 / mo. x 13 months	0.624
I-A.8 1 – Forester @ Php 30,000 / mo. x 13 months	0.390
Sub-Total `1' Salaries	**4.732**
I–B Employees' Benefits & Other Gov't. Dues (SSS, Medicare, PAG-IBIG, PhilHealth, Bonus)	**0.946**
II Water Rights Fee	**0.440**
III Real Property Tax	**2.896**
IV Benefits to Host Community	**0.929**
V Plant Insurance	**36.959**
VI Civil Works & Electro-Mechanical Maintenance Cost	**16.818**
VII Watershed Maintenance & Protection	**1.080**

TOTAL ANNUAL O & M COST	**64.801**
% OF TOTAL PROJECT COST	**3.93%**

- Financial Viability Indicators and Sensitivity Results

Base Case

Below is the result of the financial analysis for the various options considered in this study corresponds to a project cost of Php 1,650,464,216.61 and annual O&M cost of Php 64.8 Million.

- The internal rate of return (IRR or FIRR) on investment for a hydro tariff using the **Feed-In-Tariff (FIT) Rate of Php. 5.90 is calculated at 22.51% and for a payback on equity of three (3) years.**

- The internal rate of return (IRR or FIRR) on investment for a hydro tariff using the **Coop Rate of Php. 5.80 is calculated at 22.74% and for a payback on equity of three (3) years.**

The weighted average cost of capital, WACC without CDM resulted to, viz:

- **WACC (using the FIT rate of Php 5.90 /kw-hrs) =** 70% debt x 9% loan interest rate + 30% equity x 22.51% of return = 13.05**%, which is greater than lending rate of 9%, thus ok.**

- **WACC (using the Coop Rate of Php 5.80 /kw-hrs) =** 70% debt x 9% loan interest rate + 30% equity x 22.74% of return = 13.12**%, which is greater than lending rate of 9%, thus ok.**

The rest of the back-up figures are:

- **Feed-In-Tariff (FIT) rate of Php. 5.90 per kw-hr**
- **Coop Rate of Php. 5.80 per kw-hr**
- **70-30 debt –equity ratio**
- **15 years loan term with 3 years grace period and amortization of 12 years**
- **Interest rate of 9%**
- **2.5% inflation applied yearly on O & M**
- **Annual Energy Generation: 65.48 Gw-Hr.**

Base Case Analysis Results

Case	FIRR	Payback Period	WACC	Unit Generation Cost
Scenario 1 EC EC as buyer with starting selling rate @ Php. 5.80 / KW-hr.	22.74%	3 years	13.12%	1st year – 2.64 10th year – 3.76 15th year – 1.46
Additional sensitivity analysis for scenario 1				
Increase in interest rate by 1 percentile point from 9% to 10%	21.44%	3 years	12.73%	1st year – 2.81 10th year – 3.89 15th year – 1.46
	18.51%	4 years	11.85%	1st year – 2.92
Under generation of 10% from 65.48 Gw-Hr. To 58.93 Gw-Hr.				10th year – 4.17 15th year – 1.62
Increase in project cost by 10% from Php. 1.615 B to Php. 1.816 B	18.96%	4 years	11.99%	1st year – 2.88 10th year – 4.12 15th year – 1.58
Scenario 2 FIT Feed–In-Tariff with starting selling rate @ Php. 5.90 / KW-hr.	22.51%	3 years	13.05%	1st year – 2.64 10th year – 3.76 15th year – 1.46
Additional sensitivity analysis for scenario 2 FIT				
Increase in interest rate by 1 percentile point from 9% to 10%	21.23%	3 years	12.67%	1st year – 2.81 10th year – 3.88 15th year – 1.46
Under generation of 10% from 65.48 Gw-Hr. To 58.93 Gw-Hr.	18.07%	4 years	11.72%	1st year – 2.92 10th year – 4.17 15th year – 1.61
Increase in project cost by 10% from Php. 1.615 B to Php. 1.816 B	18.57%	4 years	11.87%	1st year – 2.88 10th year – 4.11 15th year – 1.58

Summary of the Feasibility Study for the Piapi MHP

The technical report presented below was prepared by Vergel3 Consult in 2015 and submitted to the DOE in order to obtain the respective COCOC for the plant. The project has commenced construction February 2023 and is estimated to commence operation Q4 of 2025.

Hydropower Development Studies Highlights and Findings

The results of the feasibility level surveys, hydrological analysis and planning and design comprising the activities as described in the detailed study & engineering, resulted in the run-off river hydro power system's features as indicated in detail in the subsequent chapters.

The Piapi River Mini-Hydro Power Plant Project has 3.3 MW capacity. Tabulated below is the summary of cost estimates and financial viability evaluation of this study:

CAPACITY (MW)	ANNUAL ENERGY (GW-HR)	PLANT FACTOR (%)	PROJECT COST (PHP)	COST PER MW (PHP MILLION)	HYDRO TARIFF RATE (PHP)	FIRR (%)	PAYBACK PERIOD (YEARS)
3.3	18.43 and 19.17 with +10% OL during 3 wet season months	64 with 66 maximum +10% OL during 3 wet months	584,093,489.47	177.00	HYDRO TARIFF RATE @ 5.90	Without 10% overload 17.71	4
						With 10% overload 19.20	4

A summary or highlights of the rest of the project features is offered below for ready reference, viz:

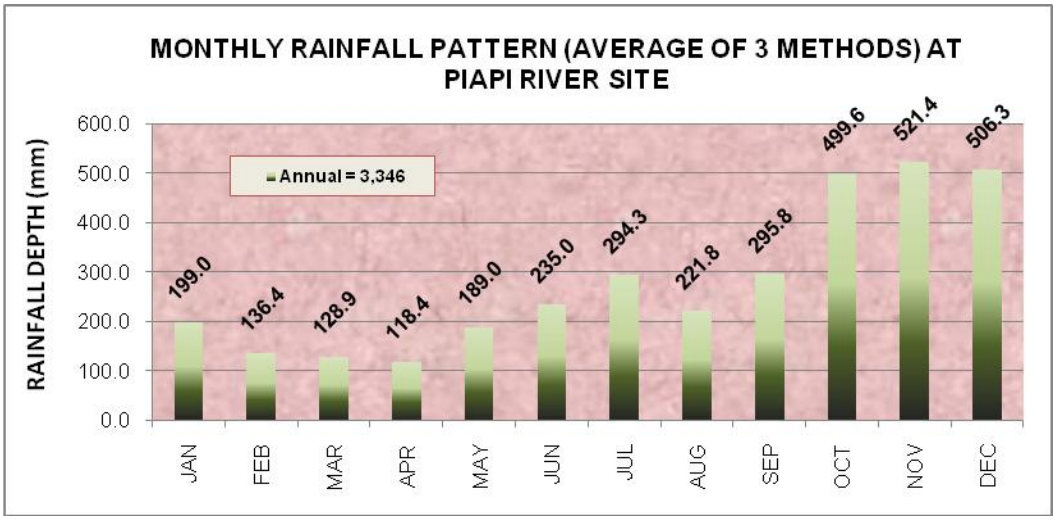
1.1 Salient Technical Features of the Project

- 3,300 KW rated capacity consisting of 2 units of 1,650 KW Impulse Type turbines with total design flow of 2.63 cms.
- Annual energy production of 18,430,000 KW-HRS. (18.43 Gw-hrs.) at a plant factor of 64%, without 10% equipment overload.
- Annual energy production of 19,170,000 KW-HRS. (19.17 Gw-hrs.) at a plant factor of 66%, with 10% equipment overload.
- Weir height of 2.5 m. with crest elevation of 201.50 masl.;
- Steel Headrace Line, 1.50 m. inside diameter, Thickness=6.35 mm., L=2,396 mtrs.
- Steel Surge tank, D=9.00 mtrs., H=15.00 mtrs.
- Steel Penstock, 1.00 m. inside diameter of main line, 415.00 m. long with wall thickness of 12 mm., with two branch penstock line, D=0.70 m. inside diameter, wall thickness of 8 mm.
- Powerhouse with 2 units of 1,650 KW each Francis type turbines with tailrace level of 32.00 masl;
- Access Road, all weather access road, L=1,500 L.M., carriageway W=6.0 mtrs.,

1.2 Salient Hydrologic and projected operation features of the project

- Watershed area: 23.81 sq. km.

- Monthly rainfall patterns: Monthly rainfall pattern at Piapi River Weir site (average of three (3) methods)



- Dependable flows derivation using various hydrologic methods

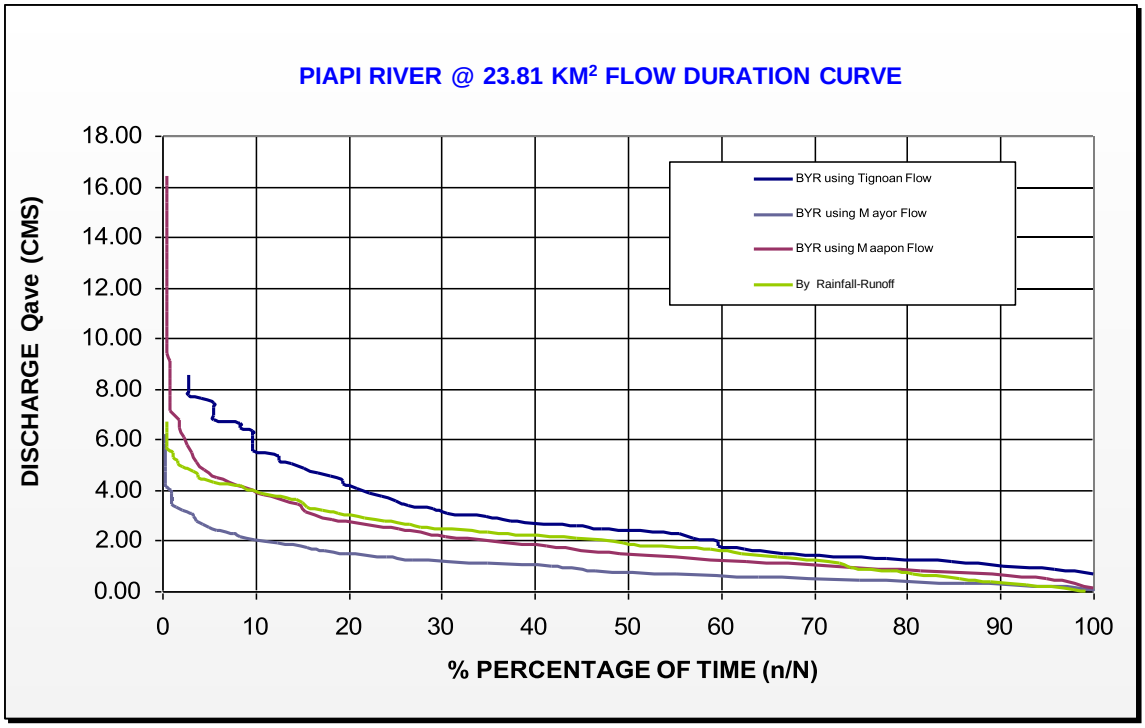
SUMMARY OF RESULTS OF PIAPI RIVER AT BRGY. CAGSIAY III, MUNICIPALITY OF MAUBAN, QUEZON

% OF TIME	DISCHARGE (Q_P)			
	METHOD 01: BASIN-YIELD RATIO			METHOD 02: RAINFALL-RUNOFF ANALYSIS
	Ref: Tignoan River	Ref: Mayor River	Ref: Maapon River	
99.6%	**0.68**	**0.06**	**0.18**	0.01
91.3%	**0.96**	**0.23**	**0.57**	0.29
83.0%	**1.19**	**0.34**	**0.78**	0.59
74.7%	**1.36**	**0.44**	**0.93**	1.03
66.4%	**1.48**	**0.54**	**1.08**	1.18
58.1%	**2.05**	**0.65**	**1.26**	1.66
49.8%	**2.39**	**0.78**	**1.46**	1.91
41.5%	**2.67**	**0.97**	**1.80**	2.14
33.2%	**2.98**	**1.12**	**2.06**	2.38
24.9%	**3.58**	**1.32**	**2.50**	2.72
16.6%	**4.70**	**1.67**	**2.99**	3.25
8.3%	**6.63**	**2.15**	**4.17**	4.18

Note: Comparison of results of the discharge at Piapi River using various methods.

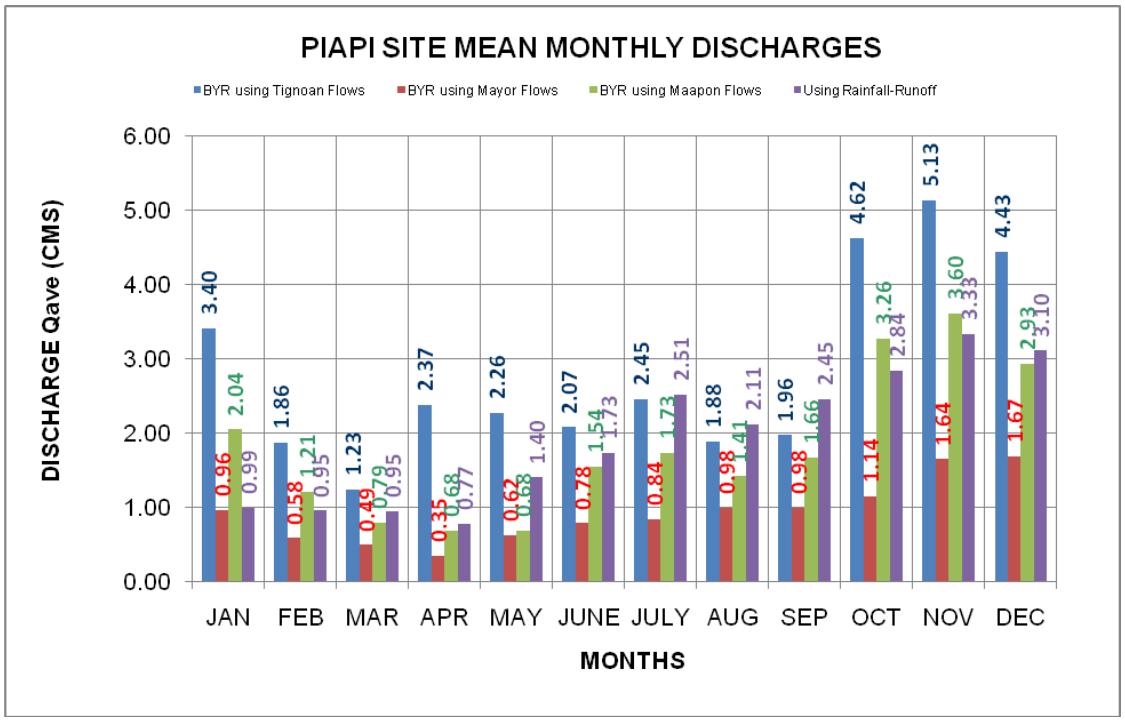
- Flow – Duration Curves

Flow duration curve of Piapi River at 23.81 km^2 using various methods



- Monthly flow graph using various methods of flow derivation

Derived mean monthly discharges of Piapi River at 23.81 Km^2 using various methods



- Flood discharge of Piapi River using various method

RETURN PERIOD	$Q_{P\ A=23.81}$, (CMS)				Mean Flood Envelope Curves
	Ref: Tignoan River		Ref: Maapon River		
	Drainage Area Proportion				
	Gumbel	LP-3	Gumbel	LP-3	
25	237.29	270.66	79.30	91.93	$Q_{P\ MEAN}$ = 299.21 s = 399
50	275.36	299.33	92.27	115.33	
100	313.42	321.45	105.25	141.03	
	Creager's Formula				
25	441.82	511.51	150.19	176.67	
50	520.27	565.53	177.40	221.63	
100	592.18	607.12	202.34	271.13	

- Options considered and projected operational characteristics

Planning option
3,300 KW Capacity with a designed flow of 2.60 cms

- Plant Factor

  - *Normal Operation Without 10% Equipment Overload*

Scheme	Annual Energy from 3.30 MW Rated Capacity GW-HRS.	Potential Generation based on flow availability GW-HRS.	Plant Factor %
Piapi River 3,300 KW Drainage Area = 23.81 Sq.km.	18.43	28.91	64%,

  - *Plant Operation Considering +10% Equipment Overload*

% of Time	River Discharge (cms)	Turbine Rated Discharge (cms)	Excess Flow (cms)	10% of Turbine Rated Discharge (cms)	Additional Power Generation (Kw)	Additional Energy (Gw-hr)
8.3%	5.41	2.63	2.78	0.263<2.78, ok	330	0.24
16.6%	3.98	2.63	1.35	0.263<1.35, ok	330	0.25
24.9%	3.15	2.63	0.52	0.263<0.52, ok	330	0.25

Annual Energy with 10% 3-month overload = 18.43 + 0.74 = 19.17 Gw-hr Plant Factor with 10% 3-month overload = 66%

Annual Operational Characteristics

3,300 KW CAPACITY PIAPI RIVER MHP

INSTALLED CAPACITY: P=1,254.40Q, Gross head Hg=169.50m., Net head Hn= 160m., Q= 2.63 cms @ about 34% of time & rated capacity; 2 x 1,650 = 3,300 KW						
% of Time	**Discharge Q (m^3/s) from flow curve**	**Power from Flow Curve KW**	**Turbine Designed 'Q' in cms vis-a-vis Excess Flows & 10% Environ-mental Release**	**Design Capacity and Units in Operation**	**Days in operation & indicative month based on average monthly flow**	**Energy Col (5) x Col (6) x 24 hrs/day GW-Hrs.**
8.3%	5.41	6,780	2.63 for turbine with excess of 2.78, ok >>10%	3,300 KW @ 2 x 1,650 (full)	30, Nov.	2.38
16.6%	3.98	4,986	2.63 for turbine with excess of 1.35, ok >10%	3,300 KW @ 2 x 1,650 (full)	31, Dec.	2.46
24.9%	3.15	3,951	2.63 for turbine with excess of 0.52, ok > 10%	3,300 KW @ 2 x 1,650 (full)	31, Oct.	2.46
33.2%	2.68	3,361	2.41 for turbine with excess of 0.27, ok = 10%	3,023 KW @ 2 x 1,650 (92%)	31, Jul.	2.25
41.5%	**2.41**	**3,016**	2.17 for turbine with excess of 0.24, ok = 10%	**2,715 KW @ 2 x 1,650 (83%)**	**30,Sept.**	**1.95**
49.8%	**2.15**	**2,696**	1.93 for turbine with excess of 0.22 ok =10%	**2,420 KW @ 2 x 1,650 (73%)**	**31, Aug.**	**1.80**
58.1%	**1.86**	**2,326**	1.67 for turbine with excess of 0.19, ok =10%	**2,088 KW @ 2 x 1,650 (63%)**	**30,Jun.**	**1.50**
66.4%	**1.33**	**1,668**	1.20 for turbine with excess of 0.13, ok = 10%	**1,505 KW @ 1 x 1,650 (91%)**	**31,May**	**1.12**

74.7%	**1.20**	**1,499**	1.08 for turbine with excess of 0.12, ok =10%	**1,348 KW** @ **1 x 1,650 (82%)**	**31, Jan.**	**1.00**
83%	**0.89**	**1,116**	0.80 for turbine with excess of 0.09, ok =10%	**1,003 KW** @ **1 x 1,650 (61%)**	**31, Mar.**	**0.75**
91.3%	**0.63**	**784**	0.57 for turbine with excess of 0.06, ok =10%	**708 KW** @ **1 x 1,650 (43%)**	**28, Feb.**	**0.48**
99.6%	**0.35**	**432**	0.32 for turbine with excess of 0.03, ok =10%	**395 KW** @ **1 x 1,650 (24%)**	**30, Apr.**	**0.28**
				Total:	'say' 365	18.43 Gw-hrs

Note: Energy production is 19.17 Gwhrs considering +10% OL during 3 wettest months of November, December and October

1.1 Salient Financial Features of the Project

- Project Costs

SUMMARY

3.3 MW PIAPI RIVER MINI-HYDRO POWER PLANT PROJECT
Brgy. Cagsiay III, Municipality of Mauban, Quezon

I	**CONSTRUCTION COST**	
I - A	**CIVIL WORKS**	**381,165,424.26**
I - A.1	*GENERAL REQUIREMENTS (Mob./Demob., Temfacil., Equipment & Service vehicles, Submittals/Documentations, Const. Survey, Punchlisting/Testing)*	11,300,000.00
I - A.2	*DAM/WEIR (INTAKE STRUCTURE) (Weir Height = 2.5 mtrs., Weir Length = 25 mtrs.)*	27,445,491.20
I - A.3	*HEADRACE (Steel Pipe 1500 mm Φ, L = 2396 mtrs., T = 6.35 mm)*	155,780,808.24
I - A.4	*SURGE TANK (Steel Surge Tank D = 9.0 mtr.; H = 15 mtrs.)*	12,015,198.05
I - A.5	*PENSTOCK (Steel main pipe D = 1000 mm, 12 mm thick, L = 415 mtrs. with trifurcation; Branch pipe D = 700 mm, 8 mm thick)*	29,187,517.19
I - A.6	*POWERHOUSE (Powerhose dimension 40 m x 20.5 m; lot dimension 100 m x 50 m)*	89,048,221.14
I - A.7	*TAILRACE CHANNEL (Trapezoidal concrete structure)*	3,812,768.88
I - A.8	*ACCESS ROAD TO PLANT SITE*	52,575,419.56
I - B	**ELECTRO-MECHANICAL WORKS**	**163,434,504.00**
I - B.1	*Turbines, Generator control panels, Governors, Power Transformers, & Related Generating sets*	88,545,000.00
I - B.2	*Electrical Service (Powerhouse & Outdoor Sub-station)*	9,489,504.00
I - B.3	*15 Tons Overhead Crane*	2,400,000.00
I - B.4	*69 KV Tie Line*	63,000,000.00
I - C	**DETAILED ENGINEERING DESIGN & SUPERVISION DURING CONSTRUCTION**	**12,000,000.00**
I - C.1	*Detailed Engineering Design*	4,000,000.00
I - C.2	*Supervision During Construction*	8,000,000.00
I - D	**CONTINGENCY (5% OF CIVIL WORKS)**	**19,058,271.21**
I - E	**PRE-OPERATING EXPENSES**	**8,435,290.00**
TOTAL 'CONSTRUCTION COST'		**584,093,489.47**
COST PER MW		**176,998,027.11**

- Operation and Maintenance Costs

3.3 MW PIAPI RIVER MHP

Cost Items	Amount
I Compensation, Allowances & Related Expenditures: **I-A Salaries**	
I-A.1 2 - Equipment Operators (Turbine & Genset) @ Php 20,000 / mo. x 13 months	0.520
I-A.2 2 – Control Panel Operators @ Php 20,000 / mo. x 13 months	0.520
I-A.3 2 – Weir Gate Tender @ Php 15,000 / mo. x 13 months	0.390
I-A.4 2 – Security Guards, @ Php 18,000 / mo. x 13 months	0.468
I-A.5 1 – Plant Manager @ Php 50,000 / mo. x 13 months	0.650
I-A.6 1 – Bookkeeper/Secretary @ Php 18,000 / mo. x 13 months	0.234
I-A.7 2 – Maintenance Personnel/Helper @ Php 12,000 / mo. x 13 months	0.312
I-A.8 1 – Forester @ Php 30,000 / mo. x 13 months	0.390
Sub-Total `1' Salaries	**3.484**
I–B Employees' Benefits & Other Gov't. Dues (SSS, Medicare, PAG-IBIG, PhilHealth, Bonus)	**0.697**
II Water Rights Fee	**0.110**
III Real Property Tax	**1.069**
IV Benefits to Host Community	**0.289**
V Plant Insurance	**10.333**
VI Civil Works & Electro-Mechanical Maintenance Cost	**1.416**
VII Watershed Maintenance & Protection	**0.360**
TOTAL ANNUAL O & M COST	**17.758**
% OF TOTAL PROJECT COST	**3.04%**

- Financial Viability Indicators and Sensitivity Results

Base Case

Below is the result of the financial analysis for the various options considered in this study based on a project cost of Php 584,093,489.47 and annual O&M cost of Php 17.70 Million.

- The internal rate of return (IRR or FIRR) on investment for a hydro tariff using the **Hydro Tariff Rate of Php. 5.90 is calculated at 19.20% and for a payback on equity of four (4) years.**

The weighted average cost of capital, WACC without CDM resulted to, viz:

- **WACC (using the hydro tariff rate of Php 5.90 /kw-hrs) =** 70% debt x 7% loan interest rate + 30% equity x 19.20% of return = 10.66**%, which is greater than lending rate of 7%, thus ok.**

The rest of the back-up figures are:

- **Hydro tariff rate of Php. 5.90 per kw-hr**
- **70-30 debt –equity ratio**
- **15 years loan term with 3 years grace period and amortization of 12 years**
- **Interest rate of 7%**
- **2.5% inflation applied yearly on O & M**
- **Annual Energy Generation: 19.17 Gw-Hr.**

Base Case Analysis Results

Case	FIRR	Payback Period	WACC	Unit Generation Cost
Base Case 1: without 10% equipment overload HydroTariff with starting selling rate @ Php. 5.90 / KW-hr.	17.71%	4 years	10.21%	1st year – 2.58 10th year – 4.06 15th year – 1.42
Base Case 2: with 10% equipment overload HydroTariff with starting selling rate @ Php. 5.90 / KW-hr.	19.20%	4 years	10.66%	1st year – 2.48 10th year – 3.90 15th year – 1.37
Additional sensitivity analysis for Base Case 2:				

Increase in interest rate from 7% to 8%	17.98%	4 years	10.99%	1st year – 2.69 10th year – 4.05 15th year – 1.37
Under generation by 10% from 19.17 Gw-Hr. to 17.25 Gw-Hr.	15.34%	6 years	9.50%	1st year – 2.75 10th year – 4.33 15th year – 1.51
Increase in project cost by 10% from Php. 584.09 M to Php. 642.50 M	15.88%	5 years	9.66%	1st year – 2.69 10th year – 4.25
				15th year – 1.46

Summary of the Feasibility Study for the Tignoan MHP

The technical report presented below was prepared by Vergel3 Consult in 2015 and submitted to the DOE in order to obtain the respective COCOC for the plant. The project is expected to ground break in 2024 and is estimated to commence operation 2026.

Hydropower Development Studies Highlights and Findings

The results of the feasibility level surveys, hydrological analysis and planning and design comprising the activities as described in the detailed study & engineering, resulted in the run-off river hydro power system's features as indicated in detail in the subsequent chapters.

The Tignoan River Mini-Hydro Power Plant Project has 1.5 MW capacity. Tabulated below is the summary of cost estimates and financial viability evaluation of this study:

CAPACITY (MW)	ANNUAL ENERGY (GW-HR)	PLANT FACTOR (%)	PROJECT COST (PHP)	COST PER MW (PHP MILLION)	HYDRO TARIFF RATE (PHP)	FIRR (%)	PAYBACK PERIOD (YEARS)
1.5	8.15 and 8.48 with +10% OL during 3 wet season months	60 with 64.5 maximum +10% OL during 3 wet months	278,796,153.86	185.86	HYDRO TARIFF RATE @ 5.90	17	5

A summary or highlights of the rest of the project features is offered below for ready reference, viz:

1.1 Salient Technical Features of the Project

- 1,500 KW rated capacity consisting of 2 units of 750 KW Reaction Type turbines with a design flow of 3.83 cms;

- Annual energy production of 8,482,000 KW-HRS. (8.482 Gw-hrs.) at a plant factor of 64.5% considering
  +10% OL for 3 wettest months

- Weir height of 10 m. with crest elevation of 129.30 masl.;

- Steel Headrace Line, 1.85 m. inside diameter, Thickness=6.35 mm., L=1,885 mtrs.

- Steel Surge tank, D=9.00 mtrs., H=14.50 mtrs.

- Steel Penstock, 1.85 m. inside diameter of main line, 124.00 m. long with wall thickness of 8 mm., with two branch penstock line, D=0.85 m. inside diameter, wall thickness of 6.35 mm.

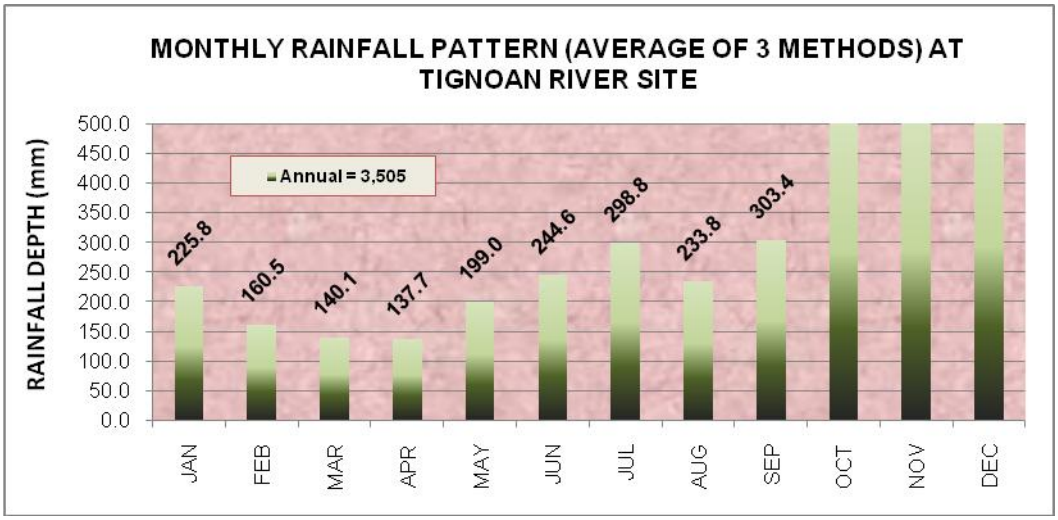
- Powerhouse with 2 units of 750 KW each Francis type turbines with tailrace level of 74.30 masl;

- Access Road, all weather access road, L=3,460 L.M., carriageway W=6.0 mtrs.

1.2 Salient Hydrologic and projected operation features of the project

- Watershed area: 28.32 sq. km.

- Monthly rainfall patterns: Monthly rainfall pattern at Tignoan River Weir site (average of three (3) methods)



- Dependable flows derivation using various hydrologic methods

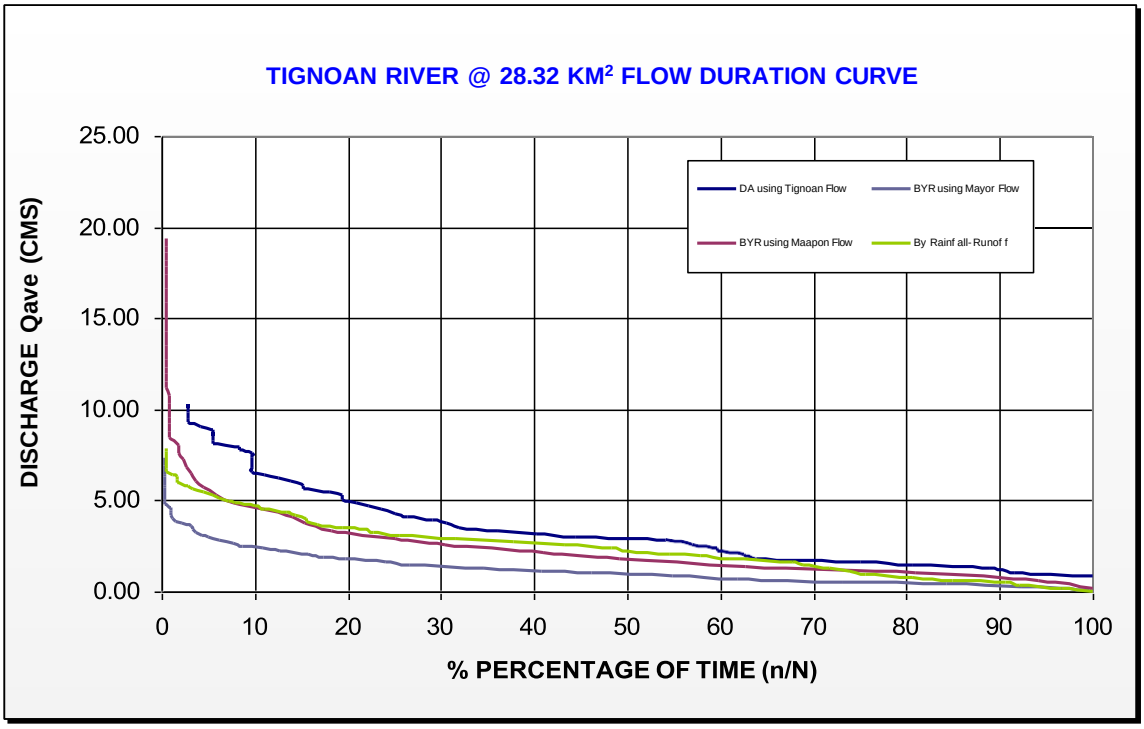
SUMMARY OF RESULTS OF TIGNOAN RIVER AT BRGY. TANAUAN, MUNICIPALITY OF REAL QUEZON

% OF TIME	DISCHARGE (Q_P)			
	METHOD 01: WATERSHED DIRECT CORRELATION	METHOD 02: BASIN-YIELD RATIO		METHOD 03: RAINFALL-RUNOFF ANALYSIS
	Ref: Tignoan River	Ref: Mayor River	Ref: Maapon River	
99.6%	0.87	0.09	0.23	0.01
91.3%	1.08	0.26	0.67	0.40
83.0%	1.38	0.41	0.94	0.71
74.7%	1.63	0.52	1.12	1.04
66.4%	1.78	0.63	1.29	1.64
58.1%	2.51	0.78	1.51	1.91
49.8%	2.86	0.93	1.74	2.27
41.5%	3.10	1.13	2.13	2.62
33.2%	3.48	1.33	2.44	2.85
24.9%	4.32	1.56	2.94	3.09
16.6%	5.55	1.98	3.56	3.71
8.3%	7.94	2.57	4.82	4.79

Note: Comparison of results of the discharge at Tignoan River using various methods.

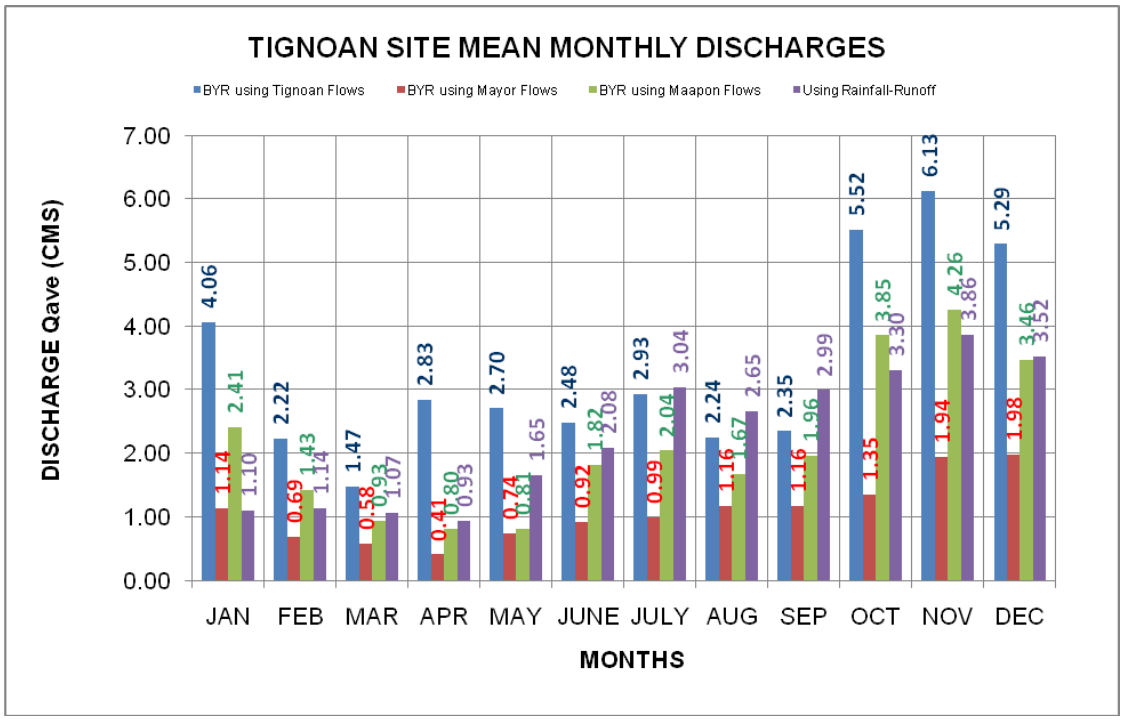
- Flow – Duration Curves

Flow duration curve of Tignoan River at 28.32 km^2 using various methods



- Monthly flow graph using various methods of flow derivation

Derived mean monthly discharges of Tignoan River at 28.32 Km^2 using various methods



- Flood discharge of Tignoan River using various method

RETURN PERIOD	$Q_{T\ A=28.32}$, (CMS)				Mean Flood Envelope Curves
	Ref: Tignoan River		Ref: Maapon River		
	Drainage Area Proportion				
	Gumbel	LP-3	Gumbel	LP-3	
25	282.25	321.92	94.32	109.35	$Q_{P\ MEAN}$ = 338.51 s = 452
50	327.52	356.03	109.75	137.17	
100	372.79	382.33	125.19	167.74	
	Creager's Formula				
25	481.85	557.86	163.79	192.68	
50	567.41	616.77	193.47	241.72	
100	645.84	662.13	220.68	295.70	

- Options considered and projected operational characteristics

Planning option
1,500 KW Capacity with a designed flow of 3.83 cms

- Plant Factor

Scheme	Annual Energy from 1.50 MW Rated Capacity GW-HRS.	Potential Generation based on flow availability GW-HRS.	Plant Factor %
Tignoan River 1,500 KW Drainage Area = 28.32 Sq.km.	8.15	13.14	60%,

Annual Operational Characteristics

1,500 KW CAPACITY TIGNOAN RIVER MHP

INSTALLED CAPACITY: P=392.00 Q, Gross head Hg = 55 m., Net head Hn= 50 m., Q= 3.83 cms @ about 28% of time & rated capacity; 2 x 750 = 1,500 KW

% of Time	Discharge Q (m^3/s) from flow curve	Power from Flow Curve KW	Turbine Designed 'Q' in cms vis-a-vis Excess Flows & 10% Environ-mental Release	Design Capacity and Units in Operation	Days in operation & indicative month based on average monthly flow	Energy Col (5) x Col (6) x 24 rs/day GW-Hrs.
8.3%	7.94	3,112	3.83	1,500 KW @ 2x750 (full)	30, Nov.	1.08
			for turbine with excess of 4.11, ok >>10%			
16.6%	5.55	2,175	3.83 for turbine with excess of 1.72, ok >10%	1,500 KW @ 2x750 (full)	31, Dec.	1.12
24.9%	4.32	1,693	3.83 for turbine with excess of 0.49, ok = 10%	1,500 KW @ 2x750 (full)	31, Oct.	1.12
33.2%	3.48	1,364	3.13 for turbine with excess of 0.35, ok = 10%	1,226 KW @ 2x750 (82%)	31, Jul.	0.91
41.5%	3.10	1,215	2.79 for turbine with excess of 0.31, ok = 10%	1,093 KW @ 2x750 (73%)	30,Sept.	0.79
49.8%	2.86	1,121	2.57 for turbine with excess of 0.29 ok =10%	1,007 KW @ 2x750 (67%)	31, Aug.	0.75
58.1%	2.51	983	2.26 for turbine with excess of 0.25, ok =10%	885 KW @ 2x750 (59%)	30,Jun.	0.64
66.4%	1.78	697	1.60 for turbine with excess of 0.18, ok = 10%	627 KW @ 1x750 (84%)	31,May	0.47
74.7%	1.63	638	1.47 for turbine with excess of 0.16, ok =10%	576 KW @ 1x750 (77%)	31, Jan.	0.43

83%	1.38	540	1.24 for turbine with excess of 0.14, ok =10%	486 KW @ 1x750 (65%)	31, Mar.	0.36
91.3%	1.08	4.23	0.97 for turbine with excess of 0.11, ok =10%	380 KW @ 1x750 (51%)	28, Feb.	0.26
99.6%	0.87	341	0.78 for turbine with excess of 0.09, ok =10%	305 KW @ 1x750 (41%)	30, Apr.	0.22
				Total:	'say' 365	8.15 Gw-hrs

Note: Energy production is 8.48 Gwhrs considering +10% OL during 3 wettest months of November, December and October

Status of Mini-hydropower Electric Projects

PPDC obtained its HSCs from the DOE for each of its three (3) MHPs on February 14, 2017, as it previously did not have a DOE HSC reference number since it had been operating since 1928. All three (3) plants have applied for Certificate of Compliance under the Feed in Tariff ("**COC-FIT**") and were granted Provisional Authorities to Operate under the Feed in Tariff ("**PAO-FIT**"), and a renewal application for each PAO-FIT was filed prior to their respective expiry. While the company is waiting for the issuance of the COC-FIT, the Company is currently being paid the corresponding FIT rate of Php 5.87/kwh for the Palakpakin, Calibato and Balugbog plants.

The power from the three (3) PPDC MHPs are transmitted to Meralco through a double-circuit 34.5 kV transmission line. Balugbog transmits through a 600-meter transmission line, Palakpakin transmits through a 1600-meter transmission line, while Calibato transmits through a 300-meter transmission line, all three (3) of which connect to the WESM.

MHCI obtained its HSC from the DOE on April 11, 2014, and commenced commercial operations in March 2019. MHCI's Majayjay MHP was issued its Certificate of Compliance under the Feed in Tariff ("**COC-FIT**") last July 7, 2021. The 2.19MW power generated from the Majayjay MHP are transmitted to WESM through a double-circuit 34.5 kV transmission line, and MHCI is currently getting paid the corresponding FIT rate of P5.88/kwh

Labayat 1 obtained its HSC from the DOE on February 24, 2014. Despite the COVID pandemic, after 5 years under construction, it started its commercial operations in September 2021. Labayat 1's Upper Labayat MHP has applied for its Certificate of Compliance under the Feed in Tariff ("**COC-FIT**") and has received its PAO -FIT. The 3.456 MW power generated from the Upper Labayat MHP is transmitted to WESM through a double-circuit 69 kV transmission line. The Upper Labayat MHP is currently

getting paid WESM rates but will get FIT retroactively, upon issuance of the ERC of the FIT rate for the year 2021.

BHC obtained its HSC from the DOE on December 3, 2021. After six months of plant upgrading, started testing and commissioning in February 2022 and started commercial operations in April 2022. BHC's Inarihan MHP has applied for its Certificate of Compliance under the Feed in Tariff ("**COC-FIT**") and is awaiting the issuance of its PAO -FIT. The 1.6 MW power generated from the Inarihan MHP is transmitted to Casureco II through a double-circuit 13.2 kV transmission line. The BHC Inarihan MHP is currently getting paid WESM rates and once the Company receives the issuance of PAO- FIT, the BHC Inarihan MHP will be paid the corresponding FIT rate retroactively to the start of commercial operations

Aside from the above, as of the date of this Prospectus, there are five other HSCs or hydropower plants: four (4) are located in Quezon and one (1) in Bukidnon. These HSCs are classified as run of river that requires civil works construction and electro-mechanical equipment supplied with the latest European technology and supervised by Triple-A rated civil works contractor, the electro-mechanical supplier and the owner's engineering team.

The Company aims to develop over 1,000 MW of hydropower plants in the next five (5) years. At present, PPDC is operating three (3) MHPs: MHCI is operating one (1);, BHC is operating one (1), and Labayat 1 is operating another one (1). Two (2) other projects are under construction, both of which are located in the Quezon area namely: Blue Energy's

1.4MW Lower Labayat MHP and THC's 5MW Tibag MHP. One (1) project is awaiting financial close, namely the 4.5MW Piapi project in Quezon, and will commence construction Q1 2023. The 15.0MW Pulanai project in Bukidnon under Cabanglasan Hydropower Corporation has obtained financial close and will commence construction Q1 2023

These HSCs are subject to the expected FIT of P5.87 per kWh, not including the digressed rate as determined by the ERC. The total cost of the remaining hydropower plants is around P5.8 billion, representing P3.84 billion for the project in Bukidnon, and P1.96 billion for the projects in Quezon.

The tables below summarizes these HSCs in terms of its project name, locations, capacities, rated annual generation, annual revenues, and the equity share of REDC in each project.

Key Operational Parameters				
Project Name	Location	Age (Years)	Condition	Other Remarks
Philippine Power and Development Company (99.39% owned by REDC)				
Balugbog MHP	Nagcarlan, Laguna	5	Operational	Commissioned in 1928 Recommissioned by REDC in 2018
Calibato MHP	San Pablo City, Laguna	3	Operational	Commissioned in 1940 Recommissioned by REDC in 2020
				Commissioned in 1937

Palakpakin MHP	Calauan, Laguna	5	Operational	Recommissioned by REDC in 2018
Majayjay Hydropower Company Inc. (99.08% owned by REDC)				
Majayjay MHP	Majayjay, Laguna	4	Operational	
Labayat 1 Hydropower Corporation (71% owned by REDC)				
Upper Labayat MHP	Real, Quezon	2	Operational	
Bicol Hydropower Corporation (100% owned by REDC)				
Inarihan MHP	Naga City, Camarines Sur	1	Operational	Commissioned in 1998 Recommissioned by REDC in 2022
Tibag Hydropower Corporation (100% owned by REDC)				
Tibag MHP	Mauban, Quezon	-	Operational	Target COD in the first half of 2023
Blue Energy Holdings and Management Corporation (30% owned by REDC)				
Lower Labayat MHP	Real, Quezon	-	Operational	Target COD in the first half of 2023
Cabanglasan Hydropower Corporation (100% owned by REDC)				
Pulanai (Pulangi) MHP	Valencia City, Bukidnon	-	Financial Close done; Renegotiation with EPC	Target start of construction by Q1 of 2023
Piapi Hydropower Corporation (60% owned by REDC)				
Piapi MHP	Mauban, Quezon	-	Incorporation of SPC to undertake the project	Construction of access road ongoing

Project Name	Generation Profile (Est. Annual kWh)	Average Parasitic Load Per Day (kWh)	Off Takers	Current Energy / Capacity Payments
Philippine Power and Development Company (99.39% owned by REDC)				
Balugbog MHP	7,900,000	80	FIT	Php 5.87/kWh
Calibato MHP	1,700,000	50	FIT	Php 7.00/kWh (WESM / IEMOP rate since the ERC is yet to issue the FIT rate for year 2020)
Palakpakin MHP	7,450,000	120	FIT	Php 5.87/kWh
Majayjay Hydropower Company Inc. (99.08% Owned By Redc)				
Majayjay MHP	16,500,000	139	FIT	Php 5.87/kWh
Labayat 1 Hydropower Corporation (71% owned by REDC)				
Upper Labayat MHP	25,700,000	160	WESM / IEMOP (PAO-FIT application filed November 2021)	Php 7.84/kWh

Bicol Hydropower Corporation (100% owned by REDC)				
Inarihan MHP	10,500,000	190	WESM / IEMOP (PAO-FIT application filed April 2022)	Php 7.82/kWh
Tibag Hydropower Corporation (100% owned by REDC)				
Tibag MHP	37,230,000	N/A	N/A	N/A
Blue Energy Holdings And Management Corporation (30% owned by REDC)				
Lower Labayat MHP	8,000,000	N/A	N/A	N/A
Cabanglasan Hydropower Corporation (100% owned by REDC)				
Pulanai (Pulangi) MHP	92,000,000	N/A	N/A	N/A
Repower Development Corporation				
Piapi MHP	25,600,000	N/A	N/A	N/A

Project Company	Start Of Operations	Total Energy Delivered (Mwh)		
		2020	2021	2022
Philippine Power And Development Company				
Balugbog MHP	2018	9,571.0	8,172.4	7,628.5
Calibato MHP	January 2020	570.1	1,362.6	2,020.1
Palakpakin MHP	2018	7,146.1	7,938.8	6,965.9
Majayjay Hydropower Company Inc.				
Majayjay MHP	August 2019	9,659.6	17,220.4	15,891.8
Labayat 1 Hydropower Corporation				
Upper Labayat MHP	August 2021	-	4,530.3	18,625.2
Bicol Hydropower Corporation				
Inarihan MHP	July 2022	-	-	3,381.7

Project Company	Sales Meralco (Php millions)			Ave. Selling Price (Php /kW)		
	2020	2021	2022	2020	2021	2022
Philippine Power And Development Company						
Balugbog HEPP	8.73	-	-	3.96	-	-
Calibato HEPP	0.30	-	-	3.96	-	-
Palakpakin HEPP	5.72	-	-	3.96	-	-

Project Company	Sales WESM(Php millions)			Ave. Selling Price (Php / Kw)		
	2020	2021	2022	2020	2021	2022
Labayat 1 Hydropower Corporation						
Upper Labayat HEPP	-	26.90	156.34	-	5.94	8.39
Bicol Hydropower Corporation						
Inarihan HEPP	-	-	28.40	-	-	8.38

Project Company	Sales Transco (Php millions)		
	2020	2021	2022
Philippine Power And Development Company			
Balugbog HEPP	44.2	48.9	45.39

Calibato HEPP	0.9	8.3	15.50
Palakpakin HEPP	33.61	47.0	41.55
Majayjay Hydropower Company Inc			
Majayjay HEPP	57.4	102.2	94.9

Project Company	2022	2021	2020	Breakdown		
				2022	2021	2020
Labayat 1 Hydropower Corporation	156,336,606.00	26,901,234.00	-	41%	12%	0%
Philippine Power and Development Co.	102,447,533.00	104,173,234.00	78,652,001.00	27%	45%	58%
Majayjay Hydropower Company Inc.	94,904,416.00	102,207,122.00	57,425,701.00	25%	44%	42%
Bicol Hydropower Corporation	28,353,487.00	-	-	7%	0%	0%
Revenues	382,042,042.00	233,281,590.00	136,077,702.00	100%	100%	100%

Project Company	2022	2021	2020	% Breakdown		
				2022	2021	2020
Labayat 1 Hydropower Corporation	67,911,025.00	(1,879,425.00)	(1,670,911.00)	35%	-2%	-3%
Philippine Power and Development Co.	57,554,358.00	53,039,370.00	35,454,588.00	30%	47%	64%
Majayjay Hydropower Company Inc.	56,287,540.00	64,410,368.00	21,321,092.00	29%	57%	39%
Bicol Hydropower Corporation	11,458,158.00	(1,952,669.00)	-	6%	-2%	0%
Net income	193,211,081.00	113,617,644.00	55,104,769.00	100%	100%	100%

THE SELLING SHAREHOLDER

PEHC was established to gain a foothold in the booming energy and utility sectors in the country. It is an investment holding company whose purpose is to strategically acquire assets, develop natural resources that are sustainable, and be a basic service provider for the needs of the community.

PEHC through its hydropower arm subsidiary, REDC, harnesses and develops indigenous natural resources in niche areas and converts it to renewable energy that is clean, sustainable, environment-friendly, and comes at a low cost. REDC uses the clustered approach on its hydropower projects to achieve economies of scale in the infrastructure, thus maximizing economic potential. As of the date of this Prospectus, REDC has two remaining HSCs under its name. REDC's subsidiaries PPDC, MHCI, Labayat 1, BHC have a total of six (6) operating hydropower plants that have their respective COC-FIT or have Certificates of Endorsements for FIT and in the process of obtaining the ERC issued COC-FIT. REDC also has two (2) hydropower projects, the Tibag and Lower Labayat MHPs, under construction and is targeted to COD in Q2 2023. These plants are eligible for the FIT rate as well.

Through PEHC's solar arm subsidiary, Just Solar Corporation, it has a majority share in SPARC. SPARC has three (3) operating solar farms located in Zambales, Bataan, and in Bulacan. SPARC's Zambales solar farm was awarded the solar FIT rate, while its Bataan and Bulacan solar farms' power are sold to WESM.

Through PURE's geothermal arm subsidiary, Pure Geothermal Inc., the company plans to develop and commercially operate its brownfield geothermal concession. It is presently in its pre-development phase

The Company plans to capitalize on the growing need for power in the Philippines. The country's comparatively low per capita electricity consumption at present leaves significant room for demand growth. According to the Asian Development Outlook Supplement released by the ADB in December 2021, growth forecasts are substantially raised to 5.1% in 2021 and 6.0% in 2022, the Philippines' peak demand is expected to increase. According to the 2014-2015 Transmission Development Plan (TDP) Consultation Draft Volume 1: Major Network Development, the NGCP forecasts that power demand in the country is expected to grow at an average compounded annual growth rate ("**CAGR**") of 4.35% for the period 2016-2020 and 4.10% for 2021-2025. It projects that Mindanao will have the highest average CAGR compared with the other grids. Mindanao is forecasted to reach an average CAGR of 5.89% for 2016-2026 while Luzon and Visayas grids at 3.99% and 3.68%, respectively. Thus, aggregate demands are expected to reach 13,161 MW, 2,320 MW, and 2,659 MW in Luzon, Visayas, and Mindanao, respectively, by 2025. These factors, and the scarcity of new capacity committed to come online over the next five (5) years, should provide dispatch opportunities for REDC. REDC expects to benefit further from the Renewable Energy Act, which took effect on January 30, 2009. The two (2) main features of the Renewable Energy Act are: (a) fiscal incentives that are made available to providers of renewable energy; and (b) non-fiscal incentives or market mechanisms geared towards promoting and encouraging the commercialization of renewable energy resources.

As mentioned in the earlier pages, PEHC is also in the business of bulk water supply and water distribution with operations throughout the country through its subsidiaries, Pure Water Corp and Tubig Pilipinas. This diversifies PEHC's business, with a steady stream of cash flows coming in from this business that covers Luzon, Visayas, and Mindanao, and with concessions of 25 years per project. Tubig Pilipinas, together with its subsidiary and associates, is continuously expanding its concession footprint in the different regions and provinces in the country.

The map on the this page shows the locations of PEHC's projects throughout the Philippines.

HEALTH, SAFETY AND ENVIRONMENT

The Company and its subsidiaries adhere to the Department of Labor - Occupational Health and Safety Standards and particularly to the Department of Energy – Renewable Energy Safety, Health and Environment Rules and Regulation.

REDC commits to comply with all mandated rules and regulations related to health and safety of employees under the Company and its subsidiaries. REDC has an appointed Safety Officer per group, continuously and actively adhering to the rules and regulations related to health and safety.

REDC likewise provides relevant training and certification for the authorized representative of each member-company to maintain, improve, and implement health and safety practices including safety reports. The Company requires the annual renewal of certifications and provides refresher courses if necessary.

There have been no injury/loss of lives to workers at the Group's facilities whether directly or indirectly employed by the Group or a third-party. REDC and its subsidiaries maintain

its zero injury/loss record through safety and injury/loss prevention practices and with the assistance of safety representatives and group safety committee/s.

There are no impending changes in worker health/safety policies. REDC tries to ensure the health/safety of its workforce and provides necessary resources to maintain its zero injury/loss record.

EMPLOYEES

As of December 31, 2024, the Company has 89 employees across its various offices in the Philippines. The table below sets forth the breakdown of our manpower complement as of December 31, 2024:

Position	No. of Employees
Officer	3
Managers	9
Supervisors	9
Rank and file	68
TOTAL	**89**

The Company expects to hire an additional 12 employees more or less in the next 12 months to support our expansion plans.

There is no Collective Bargaining Agreement between the Company or its subsidiaries and their employees.

Significant Employees

While the Company values the contribution of each of its employees, it believes that there is no employee as of the date of this Prospectus that, the resignation or loss of whom, would have a material adverse impact on its business. On the operations side, the Company has developed easy to understand and accomplish Standard Operating Procedures and Preventive Maintenance Programs, which can be learned in a very short period of time. The bulk of our management personnel and employees are technical in nature whereby they are graduates of engineering and other related science courses. The Company can easily hire and train new engineers and deploy them in the field. As for management positions, the Company is continuously recruiting management engineers to hold senior posts in the company as the Company expands its operations further. To be able to maintain our key personnel, the Company has yearly incentive bonuses based on the individual performance.

RESEARCH AND DEVELOPMENT

The Company undertakes research and development to further enhance its artificial intelligence technology. For year 2020, 2021, and 2022, the Company spent NIL, Php 165,065 and, Php 994,959, this constitutes 0%, 0.07% and 0.26% of the company's revenues respectively, for its research and development activities.

INSURANCE

We obtain and maintain adequate and comprehensive insurance coverage on our properties, assets and liability exposures pertaining to our business operations from reputable insurance companies. Our insurance coverage includes, but not limited to the following:

- Fire and Lightning;
- Earthquake;
- Typhoon;
- Flood;
- Volcanic Eruption;
- Landslides;
- Acts of terrorism;
- Sabotage;
- Riots, Strikes and/or Civil Commotion;
- Malicious Damage;
- Insurrection, Revolution or Rebellion;
- Mutiny and/or Coup d'Etat;
- War and/or Civil War.

The Group's existing insurance arrangements are as follows:

For Tibag Hydropower Corporation, the Tibag River Mini Hydropower Project is still under construction and is covered by a Contractor's All Risk Insurance (CARI) policy. An Industrial All Risk Insurance will be used to insure the power plant to cover losses from typhoons, earthquakes, landslides and other natural calamities.

For the other operating companies such as PPDC, MHCI and Labayat 1, each plant is covered by Industrial All Risk Insurance. This is to cover losses from typhoons, flood, earthquake, landslide and other natural calamities. For vulnerable areas such as L1HC and MHCI, the respective subs have taken out insurance for political violence, terrorism and the likes.

Another insurance being considered is business and economic loss insurance to cover business losses due to damages caused by natural calamities.

We believe that our insurance coverage is in accordance with its business exposure and in line with prevailing industry requirements.

ENVIRONMENTAL LAWS AND COMPLIANCE

The Company through its subsidiaries undertakes efforts to comply with the Philippine's environmental laws and compliances. For year 2020, 2021, and 2022, the Company spent Php 36,215.90, Php 40,481.25 and Php 159,977.75 respectively.

CORPORATE SOCIAL RESPONSIBILITY

REDC, has taken up its corporate social responsibility a notch higher by embarking on ESG activites. Going RE is working within the Environmental Social Governance (ESG) framework by and in itself. Through the implementation of these ROR projects, adverse impact on air and water pollution is down to a minimum or nil, there is no carbon emission,

reforestation is a must to protect the watershed, and other benefits to the environment are pursued.

Among concrete actions set in place towards this CSR, or better yet, within the ESG framework, are adherence to conditions prescribed in the memorandum of agreement with the NCIP, including but not limited to granting scholarships, and/or employment to qualified members of the IP community forms part of its social responsibility; tree-planting to preserve the watershed and to address deforestation, is among the Group's contributions to environmental protection; the IPO or "public offering" of its shares to broaden the public ownership is also part of its responsibility to the public; in the course of the IPO, the adoption of a code of corporate governance will put in place internal controls for better leadership and sustainable business operation.

The hydropower system just diverts around 80% of the river water to its pipeline, and releases back the same water to the same river, after going through the turbines such that any adverse effect on the surrounding community may be minimal or nil. On the contrary, it benefits the community by providing employment during the construction and later at operations stage.

To empower host communities of power plants, host communities are entitled to P0.01 (one centavo) per kilowatt hour produced by these power plants as promulgated in Energy Regulation 1 Series of 1994 (ER 1-94). The funds are used by the host communities for their electrification fund; livelihood fund; and watershed and health fund.

Moreover, 1% of gross sales or receipts of the preceding calendar year is being remitted to the LGU (Provincial, City or Municipality and Barangay) as host communities per DOE rules and audit.

Item 2. Properties

REDC has certain leases for its head office space and staff houses with lease terms of 12 months or less. The Group applied the "short-term lease" recognition exemption for these leases. These contracts are normally renewed every year. The minimum lease payments due within one year under the non-cancellable operating lease agreement amounted to P3,741,084, 3,522,006 and P2,998,134 as at December 31, 2022, 2021 and 2020, respectively.

The Company will acquire (by purchase) Electromechanical Equipment consisting of turbines for the Cabanglasan and Piapi MHPs being developed by and through the Cabanglasan Hydropower Corporation and the Piapi Hydropower Corporation, respectively. Both CHC and PHC are subsidiaries of the Company. The costs are reflected in the respective contracts (EPC) entered into with the engaged contractors.

Some of the real properties, buildings and machinery owned by the subsidiaries are mortgaged to lending banks, but this is in connection with and pursuant to loan agreements entered into to finance the respective projects being owned, developed and to be managed and operated by these subsidiaries. Parcels of land, hydropower plants and construction in progress with a carrying value aggregating P2,588,865,448 and P2,443,339,892 as at December 31, 2022 and 2021, respectively, were mortgaged as collateral for the loans in favor of creditor banks. Carrying value of properties mortgaged is 85% and 92% of the total property, plant, and equipment of the Group as at December 31, 2022, and 2021, respectively. Transportation equipment with carrying amount of 536,409 and 708,321 as at December 31, 2022 and 2021, respectively, was mortgaged in favor of a creditor bank as collateral to finance its acquisition.

Below is a summary of the properties of the Company and its subsidiaries

TCT/OCT/TAX DEC. NO	DESCRIPTION	LOCATION	ENCUMBRANCES, IF ANY/OTHER REMARKS
CHC			
TCT NO. 133-2023000928	Land	Brgy. Lumbayao, Valencia City, Bukidnon	Undergoing real estate mortgage ("**REM**") Annotation with LBP for Php 9,053,000.00. With perpetual and uninterrupted right of way granted in favor of PMHC Pulanai, Inc., its successors and permitted assigns.
TCT NO. 133-2023000929	Land		Undergoing REM Annotation with LBP for Php 9,053,000.00. With perpetual and uninterrupted right of way granted in favor of PMHC Pulanai, Inc., its successors and permitted assigns.
TCT NO. 133-2023000930	Land		Undergoing REM Annotation with LBP for Php 9,053,000.00. With perpetual and uninterrupted right of way granted in favor of PMHC Pulanai, Inc., its successors and permitted assigns.
TCT NO. 133-2023000931	Land		Undergoing REM Annotation with LBP for Php 9,053,000.00
TCT NO. 133-2023000932	Land		Undergoing REM Annotation with LBP for Php 9,053,000.00
TCT NO. 133-2023000933	Land		Undergoing REM Annotation with LBP for Php 9,053,000.00
TCT NO. 133-2023000935	Land		Undergoing REM Annotation with LBP for Php 9,053,000.00
TCT NO. 133-2023000934	Land		Undergoing REM Annotation with LBP for Php 9,053,000.00
PPDC			
OCT NO. (2022000131) 075-2022000188103	Land	Brgy. Palina. Nagcarlan, Laguna	Mortgaged in favor of lending bank, Land Bank of the Philippines, as per real estate mortgage (REM), dated 14 July 2017 with undertaking by the Free Patent title holder, Mr Eric Peter Y. Roxas, to revert legal title to beneficial owner, PPDC.
Katibayan ng Orihinal na Titulo Blg. CARP2019000053	Land		Mortgaged in favor of lending bank, Land Bank of the Philippines, as per real estate mortgage (REM), dated 14 July 2017 with undertaking by the Free Patent title holder, Mr Eric Peter Y. Roxas, to revert legal title to beneficial owner, PPDC.
OCT NO. 075-RO2020000029(23210)	Land		Mortgaged in favor of lending bank, Land Bank of the Philippines, as per real estate mortgage (REM), dated 14 July 2017 with undertaking by the Free Patent title holder, Mr Eric Peter Y. Roxas, to revert legal title to beneficial owner, PPDC.
TCT NO. 075-RT2020003001(	Land		Mortgaged in favor of lending bank, Land Bank of the Philippines, as per real estate mortgage

			(REM),
9503)			dated 14 July 2017 with undertaking by the Free
			Patent title holder, Mr Eric Peter Y Roxas, to revert
			legal title to beneficial owner, PPDC.
TCT NO. 075-	Land		Mortgaged in favor of lending bank, Land Bank of
RT2020003088(			the Philippines, as per real estate mortgage (REM),
9501)			dated 14 July 2017.
TCT NO. T-	Land		Mortgaged in favor of LBP.
83033			
T-245510	Land		
TD NO. 02-	Building/		Mortgaged in favor of LBP.
0034-02910	Powerhouse		
TD NO. 02-	Machinery		Mortgaged in favor of LBP.
0034-02908			
TD NO. 02-	Building/		Mortgaged in favor of LBP.
0034-04555	Powerhouse		
TD NO. 02-	Machinery		Mortgaged in favor of LBP.
0034-04554	(Transformer,		
	Turbine & Generator		
TD NO. 06-	Building/		Mortgaged in favor of LBP.
0015-01015	Powerhouse		
TD NO. 06-	Building/		Mortgaged in favor of LBP.
0015-01016	Powerhouse		
TD NO. 06-	Building/		Mortgaged in favor of LBP.
0015-01017	Office		
TD NO. 06-	Machinery		Mortgaged in favor of LBP.
0015-01018	(Transformer,		
	Turbine &		
	Generator		
TD NO. 06-	Machinery		Mortgaged in favor of LBP.
0015-00751			
TD NO. 17-	Machinery		Mortgaged in favor of LBP.
0036-00003			
TD NO. 17-	Building/Powerhouse		Mortgaged in favor of LBP.
0036-00002			
TD NO. 17-	Building		Mortgaged in favor of LBP.
0036-01781			
TD NO. 17-	Machinery		Mortgaged in favor of LBP.
0036-01782			

Labayat 1			
TD NO. 30-009-0358	Machinery (Turbines & Generator	Brgy. Maragondon, Real, Quezon	Mortgaged in favor of LBP.
TD NO. 30-009-0357	Building/Powerhouse		Mortgaged in favor of LBP.
TD NO. 30-009-0356	Building/Powerhouse		Mortgaged in favor of LBP.
MHCI			
TCT NO. 058-2017005067	Land	Ibabang Banga, Majayjay Laguna	Mortgaged in favor of LBP.
TD NO. 16-0010-00602	Building		
TD NO. 16-0010-00603	Machinery (Turbine, Generator & Transformer)		
BHC			
TCT No. 57277	Land	Brgy. Panicuason, Naga city,	
TD NO. 0802001800765	Machinery (Turbine/GOV)		Mortgaged in favor of LBP.
TD No. 0802001800759	Building		

Item 3. Legal Proceedings

The Company and its Subsidiaries are involved in the following legal proceedings:

Case Name	Court/Agency	Summary and Latest Status
Repower Energy Development Corporation		
NWRB Case No. 2020-136/ Water Use Conflict No. 2020-136: In the Matter of the Petition for Transfer of Water Permit No. 024660 from Repower Energy Development Corporation to Tibag Hydropower Corporation (THC) Date filed: July 18, 2020 Parties: REDC for Tibag Hydropower Corporation (THC) The petition was filed to seek transfer of the water permit for the Tibag Hydroelectric power project from REDC to its 100%- owned subsidiary, THC. NOTE: The Hydropower Service Contract for the Tibag HEPP has been transferred from REDC to THC, as approved by the DOE.	National Water Resources Board ("**NWRB**")	This is a Petition for the transfer of REDC's water permit to THC, the Company's SPC for the Tibag HEPP. The LGU of Real, Quezon, filed an opposition to the transfer of the water permit on the ground that the endorsement of the LGU-Real must be obtained, before the transfer of the project from REDC to Tibag is effected. REDC argued that there is no physical transfer of the water source from one locality to another, no change in the diversion point nor in the amount of appropriation, but is a mere transfer from the developer REDC to its special purpose corporation. The LGU was not able to present any witnesses in support of their Opposition. This is pending resolution by the Board. However, the case is scheduled anew for Preliminary Conference on April 19, 2023, due to a change in the hearing officer, and the handling stenographer's failure to submit the transcript of stenographic notes for the last hearing in 2021, when the LGU manifested that it will not present any witnesses. This stenographer has retired from the service in the interim. In the course of the preliminary conference held last April 25, 2023, the parties were required to file their respective position papers on May 10, 2023. After the parties had filed their respective positionpapers, the case is now submitted for resolution.
R-MKT-22-02511-SP For: Petition to Vacate Final Arbitral Award of the Philippine Dispute Resolution Center, Inc. ("**PDRCI**") dated 31 May 2022, in Amando T. Diaz, Riese L. Diaz and Abigail E.J. Diaz vs. Repower Energy Development Corporation, docketed as Case No. 113-2020. Date filed: July 4, 2022 Parties: REDC vs. Amando T. Diaz, Riese L. Diaz and Abigail E.J. Diaz The petition was filed seeking to vacate the final arbitral award rendered by the Philippine Dispute Resolution Center, Inc.	RTC-Makati Br. 137	The Petition is anchored on the argument that the PDRCI exceeded its powers, such that a complete, final and definite award on the subject matter submitted to it was not made. This is pending resolution to date. In the PDRCI case, REDC was ordered to pay the Amando T. Diaz, Riese L. Diaz and Abigail E.J. Diaz (the "**Claimants**") the following amounts: (i) PhP24,712,348.40 (which is Claimants' 84.86104% share in the PhP29,120,958.69 balance of the purchase price for the purchase of MHCI), (ii) the release of PhPl8,960,513.85 (which is Claimants' 84.86104% share in the retention money of PhP22,343,013.77 for the titling of real properties in the name of MHCI); and (iii) the release of PhP15,484,969.78 (which is Claimants' 84.86104% share in the retention amount of PhPl8,454,041.31 for the civil works punchlist less PhPl75,321.60, the value of the repair work that was not completed on the desilter). The petitioner, REDC, filed its Reply to the Respondents'

		Opposition to the Petition last March 3, 2023. The court may hold hearings or
NPS. XV-05-INV-21E-0971 For: Other Deceits, Art. 318 of the Revised Penal Code, Repower Energy Development Corporation v. Oscar R. Reyes and Ireneo B. Acuña Date filed: June 2021 Parties: REDC vs. Oscar R. Reyes and Ireneo B. Acuña The criminal complaint was filed to make the respondents criminally as well as civilly liable for the damages and costs incurred by REDC.	Department of Justice (DOJ), National Prosecution Service (NPS), Office of the City Prosecutor (OCP)Makati	Petition for Review from the dismissal by the OCP- Makati is pending resolution with the DOJ-NPS.
Philippine Power And Development Company		
Civil Case No. 454 For: *Accion Reinvindicatoria* and Damages with Prayer of Preliminary Mandatory Injunction, Philippine Power and Development Company v. Catalina Briz Millares and Jerry Z. Briz Date filed: October 28, 2021 Parties: Philippine Power and Development Company versus Catalina Briz Millares and Jerry Z. Briz The complaint for *accion reinvindicatoria* or possession based on ownership was filed to recover PPDC's property fenced off and usurped by the defendants Catalina Briz Millares and Jerry Z. Briz.	Fourth Judicial Region, Municipal Trial Court, Calauan, Laguna	This stemmed from the usurpation by the defendants of a portion of PPDC's property covered by TCT No. 83033 which includes the site of its powerhouse and penstock. As of February 16, 2023, as per the Court's Order of even date, the case has been submitted to decision and resolution. The Court, in its decision dated May 5, 2023, ruled in favor of the Plaintiff, PPDC, ordering the defendants to surrender possession, vacate the subject property, pay rentals, among others. As of June 20, 2023, PPDC's counsel has received a copy of the Motion for Reconsideration filed by the defendants, the seasonable filing of which is being verified by the same.

Criminal Case No. 19-30806 For: Grave Threats, People of the Philippines v. Catalina Briz Millares and Jerry Z. Briz Date filed: August 2019 Parties: People of the Philippines (PPDC as private complainant) vs. Catalina Briz Millares and Jerry Z. Briz The criminal case was filed to make the accused criminally liable for grave threats, and civilly liable for damages.	Metropolitan Trial Court, National capital Judicial Region Branch 116, Taguig City	This stemmed from the acts of coercion committed against PPDC's personnel and its contractors and suppliers, and barring them access to PPDC's powerhouse, substation and penstock. A full-blown trial is in progress. The defense presented its last witness on March 15, 2023. The prosecution will conduct its cross-examination at the next hearing. The next hearing will be in May 2023 for presentation of the last witness for the defense.
ERC Case No. 2014-075 RC: In the Matter of Application for Approval of the Power Supply Agreement (PSA) between Manila Electric Company (MERALCO) and Philippine Power and Development Company (PPDC), with prayer for Provisional Authority Date filed: 2014 Parties: MERALCO, PPDC and ERC The Application was jointly filed by the Distribution Utility and PPDC to seek approval by the ERC of the Power Supply Agreement between them.	Energy Regulation Commission (ERC)	This has been overtaken by the expiry of the PSAin 2020, although there has yet to be issued a formal notice or Order declaring the case terminated or closed. PPDC, a registered member of WESM, is now injecting power to the Grid through the distribution facility of Meralco for which it pays the corresponding distribution wheeling services charges.
Labayat 1 Hydropower Corporation		
Criminal Case No. R-MKT-21-02830-CR For: Estafa under Art. 315 (1)(b) of the Revised Penal Code, People of the Philippines v. Arnel H. Dungo Date filed: 2020 Parties: People of the Philippines (L1HC as private complainant) vs. Arnel Dungo The case was filed to make the accused criminally, as well as civilly, liable for acts of misappropriation committed against L1HC in respect of materials paid for but not delivered at the project site.	Regional Trial Court National Capital Region Branch 236, Makati City	This case was filed against the transmission line contractor of L1HC, for acts of misappropriation in respect of materials paid for by L1HC but have not been delivered to the project site; the civil works contract with the contractor has been terminated on the ground of non-performance and breach of its provisions. The prosecution (*i.e.,* L1HC as private complainant) has terminated the presentation of its evidence and is required to file its formal offer of evidencewithin 10 days from the last hearing on March 22, 2023. The defense was given a similar period to comment. A status conference is set on May 29, 2023. Meanwhile, several hearings have been pre- scheduled on July, August, September and October, 2023.

R-MKT-22-01237-CR For: Estafa, People of the Philippines v. Arnel H. Dungo Date filed: 2020 Parties: People of the Philippines (L1HC as private complainant) vs. Arnel Dungo The case was filed to make the accused criminally, as well as civilly, liable for acts of alteration committed by using sub-standard materials, specifically, those without the prior approval of the NGCP.	National Capital Region Regional Trial Court Branch 142, Makati City	This case was filed against the transmission line contractor of L1HC, for acts of alteration in respect of the materials used for the project, more specifically, for not being compliant with specifications prescribed by concerned regulatory entities; the civil works contract with the contractor has been terminated on the ground of non- performance and breach of its provisions; the case is being heard by the Philippine Mediation Center for possible amicable settlement. The prosecution (*i.e.,* L1HC as private complainant) will present its last witness from the NGCP, and for this purpose, will file the necessary motion for issuance of a subpoena. The next hearing is scheduled on April 26, 2023. The accused was given until May 29, 2023 to file its opposition to the prosecution's formal offer of evidence.
ERC Case No. 2020-014 MC: In the Matter of the Application for the Authority to Develop, own and/or operate Dedicated Point-to-Point Limited Facilities to connect the Upper Labayat Hydroelectric power plant project to the Luzon Grid, through the Kalayaan EHV (Lumban)-Famy- Infanta 69KV Sub- transmission Line of the National Grid Corporation of the Philippines	ERC	To date, the application is still under review/evaluation by the Team Leader of the Regulatory Operations Services- Standards Division (ROS-SD) of the ERC. The case is now lined up for deliberation. As of June 13, 2023, the recommendation of the Regulatory Operations Service-Standards Division (ROS-SD) of the ERC on the application is under evaluation by the Legal Services, for submission to the Commission.
CIAC Case No. 48-2022 for Sum of Money and Damages filed by L1HC against Pacific Summit Renewable Construction Corp. Date filed: July 28, 2022 Parties: L1HC vs. Pacific Summit Renewable Construction Corp. (PSRCC)	CIAC	The claim was sought to order respondent Pacific Summit Renewable Construction Corp. to pay claimant L1HC the amount of PhP19,349,773.36 representing advances made by L1HC, interest, moral and exemplary damages, and attorney's fees, for the abandonment of Pacific Summit Renewable Construction Corp. of its obligations in their contract for civil works construction.
The case was filed to recover from the contractor, PSRCC a sum of money comprising advances, other costs and damages.		The parties have filed a Motion to Rule on the Compromise Agreement executed by the parties. The case was amicably settled. On 24 January 2023, the CIAC rendered the corresponding decision based on the compromise agreement forged by the parties.

		In the Award Upon Settlement dated January 23, 2023 and the Notice of Final Award Promulgated on January 24, 2023, the CIAC adopted the terms of the Joint Motion for Approval of the Settlement Agreement and Issuance of Judgment Based on the Settlement Agreement dated January 16, 2023. Among others, the CIAC approved the Settlement Agreement dated January 9, 2023, considered as withdrawn all pending matters before the CIAC, and rendered judgment dismissing the CIAC case with prejudice to refiling. The parties agreed to mutually desist from enforcing claims as against each other after cash settlement.
CIAC Case No. 58-2022 for Sum of Money and Damages by L1HC versus Arvyn Construction Inc. Date filed: September 2022 Parties:L1HC vs. Arvyn Construction Inc. (ACI) The case was filed to recover from the contractor, ACI a sum of money comprising advances, other costs and damages.	CIAC	The claim was sought to order respondent Arvyn Construction Inc. to pay claimant L1HC the amount of PhP83,361,162.81 representing advances made by L1HC, PhP5,212,224.31, representing recoupment of the unearned portion of the downpayment made to Arvyn Construction Inc., interest, moral, liquidated and exemplary damages, and attorney's fees, for the abandonment of Arvyn Construction Inc. of its obligations in their contract for civil works construction. After the respondent failed to present any evidence, the Tribunal required the parties to file their final paper on July 14, 2023, after which the case shall be submitted for decision.
Tibag Hydropower Corporation		
ERC Case No. 2021-025 MC: In the Matter of the Application for the Authority to Develop, own and/or operate Dedicated Point- to-Point Limited Facilities to connect the Upper Labayat Hydroelectric power plant project to the Luzon Grid, through the existing NGCP 69KV (Lumban)- Famy-Infanta Sub-transmission Line (Biga Switchyard), via the Lower Labayat and Upper Labayat Transmission Facilities. Date filed: September 6, 2021 Parties: Tibag Hydropower Corporation and ERC The Application was filed to seek authority from the ERC to own, establish and/or operate a dedicated, limited point-to-point transmission facility (through the NGCP) for the injection of power to the Grid.	ERC	After hearings conducted by the ERC where the Applicant, THC, presented its documentary submittals, and filed its formal offer of evidence, the Application is undergoing evaluation by the Regulatory Operations Service- Standards Division (ROS-SD) of the ERC. As of June 13, 2023, the recommendation of the Regulatory Operations Service-Standards Division (ROS- SD) of the ERC on the application is under evaluation by the Legal Services, for submission to the ERC.
Majayjay Hydropower Company, Inc.		

Special Civil Action Case No. SC-105 (22) Department of Energy v. Heirs of Juana Leobrera Monteagudo, For: Expropriation of 6,431 square meter lot belonging to the heirs of Leobrera Monteagudo Date filed: May 13, 2022 Parties: Republic of the Philippines, represented by the Department of Energy, (with MHCI as necessary party) vs. Heirs of Leobrera Monteagudo. The case was filed to expropriate a property belonging to the defendants, for the public purpose of operating, specifically, the penstock and switchyard components of, the MHCI hydroelectric power plant.	Regional Trial Court Fourth Judicial Region Branch 27, Sta. Cruz, Laguna	The expropriation, after failed reasonable negotiations for a negotiated sale, of Lot No. 3874 is necessary for the unimpeded implementation and operation of the Majayjay mini-HEPP. The property provides the location for MHCI's two major plant components, namely, the penstock pipes and switchyard. The Majayjay HEPP is considered a significant infrastructure project of the National Government, and its continuous implementation and operation is necessary as it will further lessen the country's dependence on oil as a primary energy source. As the Majayjay HEPP has generated clean electricity, it will also address the ever-pressing need for the government to take a more active role in protecting and preserving the environment. There being no responsive pleading filed by the defendants, the Government moved for the issuance of an Order of Expropriation and appointment of Commissioners. The plant has been in operation since 2019. The Republic of the Philippines has been granted a Writ of Possession over the lot subject of the expropriation proceedings. The case is pending final determination by the court for the amount of just compensation. The Court has issued an Order of Expropriation, dated March 14, 2023, thereby appointing commissioners for the determination of just compensation. The tentative date for the oath-taking of the Commisioners is on July 5, 2023.
Special Civil Action Case No. SC- 088 (17) Department of Energy v. Sps. Tuburcio, et al., For: Expropriation of real property belonging to the Heirs of Sps. Tiburcio and Marciana Argañosa Date filed: 2017 Parties: Republic of the Philippines, represented by the Department of Energy vs. Heirs of Sps. Tiburcio and Marciana Argañosa	Regional Trial Court Fourth Judicial Region Branch 28, Sta. Cruz, Laguna	A Writ of Possession had been issued as per Court Order dated July 3, 2018. MHCI is awaiting the Commissioners' Report on the result of the site inspection, conducted last 24 March 2022, to determine the valuation of the lot sought to be expropriated which is also the site of the plant's headrace component. The case is pending final determination by the court for the amount of just compensation. The just compensation for the expropriated property has been determined and MHCI is willing to settle the same, after due coordination with the implementing agency, the DOE.

Special Civil Action Case No. SC- 089 (17) Department of Energy v. Sps. Marcelino Clado, et al., For: Expropriation of 4,950 square meter lot belonging to the heirs of Sps. Marcelino and Florentina Clado, Date filed: 2017 Parties: Republic of the Philippines, represented by the Department of Energy vs. Heirs of Sps. Marcelino and Florentina Clado	Regional Trial Court Fourth Judicial Region Branch 91, Sta. Cruz, Laguna	The lot sought to be expropriated is being used for the headrace of the Majayjay mini-HEPP; the development of the RE resource under this project, is of national importance as it aims to achieve the country's self-reliance in its energy requirements through the integrated and intensive developmentof its indigenous energy resources and through the judicious conservation, renewal and efficient utilization of energy to keep pace with the country's growing demand. After the pre-trial conference on February 15, 2023, MHCI nominated Engr. Abet Arellano as its Commissioner (for the determination of fair value). He is the incumbent Provincial Assessor. MHCI is awaiting issuance of the Court Order approvingsaid nomination. The plant has been in operation since 2019.
Special Civil Action Case No. SC- 076 (16) Department of Energy v. Heirs of Ursula Ceria, For: Expropriation of 7,634 square meters of lot belonging to the Heirs of Ursula Ceria, et. al., Date filed: 2016 Parties: Republic of the Philippines, represented by the Department of Energy vs. Heirs of Ursula Ceria	Regional Trial Court Fourth Judicial Region Branch 91, Sta. Cruz, Laguna	The lot for expropriation is being used for the powerhouse and substation switchyard, two major components, of the Majayjay mini-HEPP; the development of the RE resource under this project, is of national importance as it aims to achieve the country's self-reliance in its energy requirements through the integrated and intensive development of its indigenous energy resources and through the judicious conservation, renewal and efficient utilization of energy to keep pace with the country's growing demand. The counsel for the defendants filed a motion for reconsideration from the Commissioners' Report re valuation of the property. This is still pending before the court. The plant has been in operation since 2019.

Cabanglasan Hydropower Corporation		
Conversion of Lot Sites (Bukidnon) from agricultural to Industrial, to house CHC's component sites including the powerhouse Date filed: March 8, 2022 Parties: Repower Energy Development Corporation (for Cabanglasan Hydropower Corporation) and the Department of Agrarian Reform The case was filed to seek Department of Agrarian Reform ("**DAR**") Conversion Order from agricultural to industrial based on intended use over the lots owned by REDC.	Pending before the Central Office of the DAR.	The DAR conducted site inspection on December 27, 2022; to date, the inspection team has yet to come up with an inspection report. Meanwhile, all documentary requirements on the ground have been complied with. The application for conversion is still pending before the DAR-BALA. Meanwhile, the subject lots were transferred from REDC to CHC.

Item 4. Submission of Matters to a Vote of Security Holders

Regarding matters taken up during the Annual Meeting of Stockholders, there were no matters submitted to a vote of security holders during the period covered by this report.

PART II – SECURITIES OF THE REGISTRANT

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(1) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters
The Company's common equity was first listed and traded on the Philippines Stock Exchange on July 24, 2023.

The trading prices of the Corporation's shares at the PSE for the last trading day of each quarter for year 2024 are as follows:

Quarter	High	Low	Close
3Q 2024	0	0	0
4Q 2024	5.1	5.01	5.1

(2) Holders of Common Equity

Stockholder name	No. shares held	Ownership percentage(%)
PURE ENERGY HOLDINGS CORPORATION	374,899,995	57.68%
PCD NOMINEE - FILIPINO	80,126,500	12.33%
PCD NOMINEE – NON FILIPINO	130,322,499	20.05%

CLIIMATE ENEGY ADVISORS SERIES THREE LTD.	64,650,000	9.95%
RENATO Z. LOCSIN	1	0%
ERIC PETER Y. ROXAS	1	0%
RYOTARO SUMI	1	0%
RYAN WESLEY T. YAPKIANWEE	1	0%
CHARLIE T. SY	1	0%
ANTONIO FELIC C. CARAG	1	0%
EDMOND P. MACEDA	1	0%
NICOLAS ANTHONY N. TE	1	0%
SUZANNE S. CAÑETE	1	0%

The Company only has one class of share, common shares, and all such common shares have equal voting rights.

DIVIDENDS AND DIVIDEND POLICY LIMITATIONS AND REQUIREMENTS

Under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings that represent the undistributed earnings of the corporation which have not been allocated for any managerial, contractual or legal purpose and which are free for distribution to the shareholders as dividends. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC.

The approval of the board of directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds of the outstanding capital stock at a regular or special meeting duly called for the purpose.

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

RECORD DATE AND PAYMENT DATE

Pursuant to existing SEC rules, any declaration of cash dividends must have a record date not less than ten (10) nor more than thirty (30) calendar days from the date of declaration. Under such rules, if no record date is specified, the record date will be deemed fixed at fifteen (15) calendar days from such declaration. For stock dividends, the record date should not be less than ten (10) nor more than thirty (30) days from the date of the shareholders' approval. If no record date is set, under SEC rules, the record date will be deemed fixed at fifteen (15) calendar days from the date of the stock dividend declaration. In either case, the set record date is not to be less than ten (10) trading days from receipt by the PSE of the notice of declaration of dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the BSP.

Pursuant to the "Amended Rules Governing Pre-emptive and other Subscription Rights and Declaration of Stock and Cash Dividends" of the SEC, all cash dividends and stock dividends declared by a company shall be remitted to PDTC for immediate distribution to participants not later than eighteen (18) trading days after the record date (the "Payment Date"); provided that in the case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends' listing date. If the stock dividend shall come from an increase in capital stock, all stock dividends shall be credited to PDTC for immediate distribution to its participants not later than twenty (20) trading days from the record date set by the SEC, which in no case shall be later than the stock dividends' listing date.

DIVIDEND POLICY

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law.

Pursuant to a board approval on February 3, 2023, the Board adopted a dividend policy to maintain an annual dividend payment ratio for its outstanding subscribed Common Shares of ten percent 10% to thirty percent 30% of the Company's net income after taxes of the immediately preceding fiscal year. However, the Board of Directors, in its discretion, may decide to declare dividends to be payable in property or shares. The declaration of dividends shall also be subject to the requirements of applicable tax laws, rules and regulations, the availability of cash and unrestricted retained earnings and other circumstances which may restrict the payment of dividends, including but not limited to negative covenants in loan documents with banks and other financial institutions. Our Board, may, at any time, modify such dividend payout ratio depending upon the results of operations and future projects and plans and other considerations.

Dividends shall be declared and paid out of our unrestricted retained earnings and shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them. Unless otherwise required by law, our Board, at its sole discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the level of our earnings, cash flow, return on equity and retained earnings;
- our results for and financial condition at the end of the year in respect of which the dividend is to be paid and expected financial performance;
- the projected levels of capital expenditures and other investment programs;
- restrictions on payments of dividends that may be imposed on us by any of our financing arrangements and current or prospective debt service requirements; and
- such other factors as the Board deems appropriate.

Since REDC is a holding company, failure for its subsidiaries to declare and pay dividends will result in the inability for the company to declare and pay dividends. The Company's subsidiaries are in the process of establishing formal dividend policies to improve cash flow visibility at the Company level. Further discussion on the loan covenants in relation to the dividend restrictions are set forth below.

The By-Laws of certain subsidiaries and loan agreements to which certain subsidiaries are parties provide for certain conditions in relation to any dividend declaration, such as those set out below.

Tibag Hydropower Corporation

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law. DBP, as the security grantee under a pledge required to be executed, has the right to collect dividends declared by THC in favor of REDC, in case THC defaults in its loan obligations to DBP. See Section 2.7 and 4.1 (c) of the template Share Control and Charge Agreement. However, as of the date of this Prospectus, this Share Control and Charge Agreement has yet to be executed.

No cash or property dividends can be declared without the prior written consent of the lending bank provided certain conditions are met such as compliance with certain financial ratios.

Cabanglasan Hydropower Corporation

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law.

No cash or property dividends can be declared without the prior written consent of the lending bank.

Labayat 1 Hydropower Corporation

The Board of Directors shall regularly declare unrestricted retained earnings of the Company available for distribution as dividends to all stockholders of record. The stockholders shall take all necessary steps to procure that the corporation declares and distributes such dividends, subject to the maintenance of sufficient reserves to meet the corporation's obligations and in accordance with such conditions and/or restrictions prescribed by existing agreements with banks and/or creditors, as well as applicable laws.

No cash or property dividends can be declared without the prior written consent of the lending bank.

Bicol Hydrowpower Corporation

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law.

No cash or property dividends can be declared without the prior written consent of the lending bank.

Majayjay Hydropower Company Inc.

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law.

No cash or property dividends can be declared without the prior written consent of the lending bank.

Philippine Power and Development Company

Unpaid claims of the company of any nature, held against any stockholder, together with interest at 6% thereon shall be deducted from any dividends declared on the stock held by such delinquent stockholder.

No cash or property dividends can be declared without the prior written consent of the lending bank subject further to the condition that relevant financial ratios under the loan agreements with LBP shall be complied with.

HISTORY OF DIVIDEND PAYMENT

Neither the Company nor any of its subsidiaries has declared dividends, save for PPDC which has approved declaration of cash dividends in the amount of Php 99,390,000 but such declaration is subject to lenders' approval. The Company has concentrated on funding pre-operating expenses for its projects and ensuring compliance with subsisting loan agreements.

PART III – FINANCIAL INFORMATION

Item 6. Management's Discussion and Analysis and Results of Operation

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE PERIODS ENDED DECEMBER 31, 2024 AND 2023

1. **Financial Condition**

As at December 31, 2024 Compared to as at December 31, 2023

The total assets of Repower Energy Development Corporation and Subsidiaries (the Group) reduced by ₱184.2 million (-19%) from December 31, 2023 due mainly to the application of proceeds from the initial public offering (IPO) on July 24, 2023.

Material changes in asset accounts are analyzed as follows:

a. The net increase in cash of ₱44.5 million (99%) is due to:
   i. Net increase in operational cash flows as a result of net income generated from the operating segments and continuing operations;

ii. Additions to property and equipment aggregating ₱1.1 billion.

b. The net increase in due from related parties of ₱26.9 million (+20%) is due to working capital funds advanced to entities under common control to sustain operations. These advances are due and demandable and unimpaired.

c. Other current assets net decreased by ₱13.5 million (+10%) mainly due to reclassifications of advances made to contractors and suppliers consistent with the Group's plan to expand its hydropower operations together with net increase in its restricted cash for regulatory requirements. The net increase in other noncurrent assets of ₱9.13 million (+204%) is a result of the contract assets in relation to its revenues.

d. Net increase in property, plant and equipment by ₱306 million (30%) represent the additions mainly to hydropower plants and its project construction

The total liabilities of the Group increased by ₱981.1 million (+30%) due primarily to availments of loans and advances from related parties. Material changes in liability accounts are analyzed as follows:

a. Net decrease in trade and other payables amounting to ₱191.3 million (-4%) resulted from reduction of progress billings from various contractors and suppliers and payment of retention payables

b. Net increase in loans payable by ₱857.5 million (+51%) and due to related parties by ₱41 million (+5%) resulted from availments for various purposes but mainly as part of the Group's operational expansion. The increase was also partly due to the advances made by related parties under common control and of the stockholders which may be recognized as deposits for future stock subscription upon application for increase in capital stock, if any.

c. Noncurrent portion of retention payable also increased by ₱69.7 million (+87%) due to additional contractor billings related to ongoing construction projects.

The Group's total equity increased by ₱103.7 million (+5%) as a direct result of changes within the entity's capital structure. The net proceeds from the IPO amounted to ₱186.4 million which was accounted for under capital stock and additional paid-in capital accounts were used to restructure the existing deficit balance of Retained earnings from the parent's separate records. Retained earnings of the Group and the non-controlling interest accounts increased as a result of the net income earned during the period.

Relevant financial ratios related to the Group's financial position are liquidity ratio, solvency ratio, debt-to-equity ratio and asset-to-equity ratio.

The Group's liquidity ratios (current and acid test ratios) has reduced from 0.65:1 and 0.56:1 as at December 31, 2023 to 0.50:1 and 0.43:1 as at December 31, 2024 due mainly from the increase of liabilities and application of proceeds from escrow fund.

The solvency ratio is 0.06:1 and 0.08:1 as at December 31, 2024 and December 31, 2023, respectively.

The debt-to-equity ratio of 1.92:1 as at December 31, 2024 compared to the 1.55:1 as at December 31, 2023 shows the impact of the increases of the liability balances of the Group.

The asset-to-equity ratio of the Group increased from 2.56:1 as at December 31, 2023 to 2.92:1 as at December 31, 2024 which was partially impacted by increase on its fixed assets.

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2. Results of Operations

In comparison of results of December 31, 2024 with December 31, 2023

The Group generated a total of ₱533.4 million revenues from its operations for the twelve-month period ended December 31, 2024 which is ₱76.70 million (+17%) higher than the revenue

generated for the same period in the prior year. Consequently, gross income is higher by ₱5 million (+2%). The total comprehensive income of the Group for the twelve-month period ended December 31, 2023 registered at ₱119.3 million which is ₱50 million (-30%) lower than that of the previous year for the same period.

Key factors to the changes of the items above are as follows:

a. Revenue increased mainly as a result of higher electric generation of the Group. The increase in is also brought about by the increased capacity from the L1HC and BHC operations and the full operations of THC. The revenue reported is understated by (reasonable estimate)₱70 million due to force majeure. As a result of increased revenue, the cost also increased during the period.

b. Operating expenses decreased by ₱9.5 million (-10%) and This decrease can be attributed to the Group's thrust to progress the status of its operations through savings. During the period, the Group increased its spending on salaries and wages, outside services, and professional fees. There were also significant increases in insurance, taxes and licenses, rental, depreciation and amortization, transportation and meals, and communication and utilities resulting to an increase of Cost of Sales by ₱70.8 million (+54%)..

c. Interest expense increased by ₱61.8 million (+87%) as a result of incurring more costs of borrowing related to the ongoing construction projects. The Group entered into various loan contracts with local creditor banks to finance the construction and rehabilitation of various projects, with interest rates ranging from 5.5% to 11% per annum, and with terms ranging from 3 to 15 years.

The resulting basic and diluted earnings per share of the Group decreased from 0.32 per share to 0.17 per share. This is due to the decrease in the income non-controlling.

Relevant profitability ratios related to the Group's financial performance are return on equity, return on total assets and net income margin.

The return on equity of the Group has reduced from 0.08:1 to 0.05:1 across the periods since the net income has reduced in contrast to the restructuring and reduction of its additional paid-in capital. Consequently, the return on assets decreased from 0.03:1 to 0.02:1 across the periods.

Net income margin increased to 0.70:1 from 0.69:1 across the periods due to the improvement in the results of operations.

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3. Other disclosures

There were no material events subsequent to the end of the interim period that have not been reflected in the unaudited interim financial statements.

There were material changes in the composition of the Group during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

The Group has no contingent liabilities or contingent assets as at December 31, 2024.

There are no material contingencies and any other events or transactions that are material to the understanding of the current interim period.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures which are out of the scope of the use of proceeds from the IPO.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net revenues or income from continuing operations.

All significant elements of income or loss were generated from the Group's registered and continuing business operations.

Aside from the resulting effects of the IPO of the Group, there are no other nonrecurring or seasonal aspects that had a material effect on the financial condition or results of operations.

Item 7. Financial Statements

The 2024 consolidated financial statements of the Company are incorporated in the accompanying Index to Exhibits.

Item 8. Information on Independent Accountant and Other Related Matters

The audited financial statements of the Company as of December 31, 2024, 2023, and 2022, were audited by Reyes Tacandong & Co., independent auditors, as stated in their report attached to this Prospectus.

Reyes Tacandong & Co. has acted as the Company's external auditor for the years ended December 31, 2018 to 2024. Mr. Arthur Vinson U. Ong is the current audit partner for the Company and has served as such since the December 31, 2022 audit. The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods or any subsequent interim period.

Reyes Tacandong & Co., has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company. Reyes Tacandong & Co. will not receive any direct or indirect interest in the Company or its securities (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees paid to Reyes Tacandong & Co. for professional services rendered in respect of the audit of the Company's historical financial statements, excluding out-of-pocket expenses incidental to such services and excluding fees directly related to the Offer:

	2022	2023	2024
Audit and Audit Related Fees	**₱1,975,000**	**₱1,540,000**	**₱1,730,000**

The Company also expects to adopt an Audit Committee Charter that provides that the Audit Committee shall, among other activities: (1) review and evaluate the professional qualifications, performance and independence of the external auditor and the lead partner, (2) review and approve, with the external auditor, the nature and scope of the audit plans,

(3) review and approve the fees, remuneration and terms of engagement of the external auditor for audit and non-audit services, (4) evaluate and approve the non-audit work conducted by the external auditor, (5) review reports or communications of the external auditor, and (6) ensure that the external auditor complies with auditing standards.

In addition, the Company's Manual of Corporate Governance sets out the duties and functions of the Audit Committee, among others. Audit-related corporate actions are endorsed by the Audit Committee (on recommendation by the Chief Audit Executive) to the Board, which then determines the matter.

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

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

Item 9. Directors and Executive Officers of the Registrant

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Our overall management and supervision are undertaken by the Board. Our executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning our business operations, financial condition and results of operations for its review. As soon as the increase in the number of directors and the corresponding amendment in the Articles of Incorporation shall have been approved by the SEC, the Board shall consist of eight members, of which three (3) are independent directors. All the directors named below were elected at either an annual, or special stockholders' meeting held for the purpose. All directors will hold office until their successors have been duly elected and qualified.

The following table sets forth the Board of Directors of the Company:

Name	Age	Position	Citizenship	Period of Service	Number of Years in Service
Renato Zamora Locsin	63	Chairman	Filipino	2019 - present	5 years
Eric Peter Y. Roxas	61	Director	Filipino	2015 - present	9 years
Suzanne S. Cañete	52	Director	Filipino	2019 - present	5 years
Ryan Wesley T. Yapkianwee	41	Director	Filipino	2022 - present	2 years
Charlie T. Sy	67	Director	Filipino	2022 - present	2 years
Antonio Felix C. Carag	63	Independent Director	Filipino	2023 - present	1 year
Edmond P. Maceda	57	Independent Director	Filipino	2023 - present	1 year

The following table sets forth our key executive and corporate officers **("Senior Management")**

Name	Age	Position	Citizenship
Eric Peter Y. Roxas	61	President	Filipino

Rolando P. Domingo	77	Chief Financial Officer	Filipino
Suzanne S. Cañete	52	Treasurer	Filipino
Ann Margaret K. Lorenzo	36	Corporate Secretary	Filipino
Susan Bertulfo-Carisma	64	Compliance Officer/ VP for Legal and Corporate Affairs	Filipino
Charlie T. Sy	66	Investor Relations Officer	Filipino

Renato Zamora Locsin
Chairman

Mr. Locsin is the Concurrent Chairman of Repower Energy Development Corporation. He was previously employed as a banker for over 20 years as AVP / Risk Administration Officer of the Risk Management Dept of ING Bank, Manila from 1996 to 2013 and Supervisor / Work Flow Coordinator of the Citibank N.A. Distributions Unit (Tax Shelter Center, Fulfillment, Pre- Processing, Processing & Maturities Units) at the main office of the Citibank Tax Shelter Center (CTSC) in New York City, USA from 1984 to 1991. As a Citibank N.A. prerequisite, he was also assigned to the Citicorp Brokerage Unit (1990) for almost a year. He holds a BS in Business Administration Degree from De La Salle University.

Eric Peter Y. Roxas
Director and President

Mr. Roxas is one of the co-founders of Pure Energy and the President of Repower Energy Development Corporation. He is a director of Coal Asia Holdings Inc. and Titan Mining & Energy Corporation. He is also the President of Husky Trading Corporation, Philippine Welding Technology Skills & Services Center, Inc., and Husky Calibration Specialists, Inc. He is also a Director and Treasurer of Eagle Equities Inc. Formerly a VP of REDECO and JINICO. REDECO drilled 56 wells and JINICO headed the consortium for SC 1 which is now GSEC 101. He holds a Bachelor of Science degree in Industrial Engineering from the De La Salle University.

Ryan Wesley T. Yapkianwee
Director

Mr. Yapkianwee is the President and CEO of Tubig Pilipinas Group, Inc. He is a Licensed Civil Engineer that placed in the upper 1% of all the examinees during the 2005 Civil Engineering Board exams. He graduated from De La Salle University with a degree in Civil Engineering and a sub specialization in Structural Engineering. Having also gone through work experience in the field of construction and project management, Mr. Yapkianwee decided to concentrate in the field of design. He worked with the Top Local Structural Firm in the Philippines (Sy2 + Associates) for 10 years and eventually led the design team of the company. He has also given numerous lectures and talks on engineering for prestigious schools and organizations such as De La Salle University, Junior Philippine Institute of Civil Engineers, Local Government of Makati and the Civil Engineering Society among others. He also serves as a director for Quadcore Construction and Development Corp, Green Apple Technologies & Systems Inc, Treehouse Properties Corp and RYC Dining. He brings a broad range of experience from different industries ranging from utilities, construction, consultancy, IT, property development, F&B and lastly, public service.

Suzanne S. Cañete
Director and Treasurer

Ms. Cañete is the Treasurer of Repower Energy Development Corporation and graduated Business Management from De La Salle University. She is also currently both the Corporate Secretary and Treasurer for Gashouse Merchandising Corporation and Midpoint Gas Center Corporation and director of Majayjay Hydropower Company Inc one of the subsidiaries of the Company.

Charlie T. Sy
Director / Investor Relations Officer

Mr. Sy is the Investor Relations Officer and Director of Repower Energy Development Corporation and graduated Management from Ateneo de Manila University. He is the President and Director of Diversys Spectrum Products Inc., President of Philippine Parkerizing Inc., Director and Treasurer of Bacolod Bulk Water Inc. and Director of Highmarks Industrial Corporation.

Antonio Felix C. Carag
Independent Director

Anton is one of the independent directors of Repower Energy Development Corporation. He graduated Animal Husbandry from the University of the Philippines and is currently a consultant and partner of KKP/WWF Special projects. He is also president of Andventures and Expeditions Philippines Inc. and Valley Vision Inc. and a joint venture partner of Plantation Villas Subdivision.

Edmond P. Maceda
Independent Director

Mr. Maceda is one of the Independent Directors of Repower Energy Development Corporation and graduated Environmental Engineering from Standford University. He served as a sustainability consultant for Megaworld Corporation for 8 years and sustainability director of Enderun Colleges Inc. for 3 years. He also served as sustainability technical expert of the Climate Change Commission and sustainability consultant to DLSU Animo Labs Technologu Business Incubator.

Rolando P. Domingo
Chief Financial Officer

Mr. Domingo is the Chief Financial Officer of Repower Energy Development Corporation. He was a banker for 20 years, holding VP Controller and other key positions at BPI Family Bank, Asian Bank, and BSA. He has over 25 years experience in real estate as SVP-Controller for the St. Francis Square Group, and is well versed in SEC and BIR regulatory, financial and tax matters. He is both a licensed Certified Public Accountant and an Attorney at Law. He obtained his BSC – Major in Accounting in 1969, and his LLB – Bachelor of Laws in 1992, from Far Eastern University.

Ann Margaret K. Lorenzo
Corporate Secretary

Ann Margaret K. Lorenzo is the Corporate Secretary of the Company. She concurrently serves as Assistant Corporate Secretary of listed firms Asia United Bank Corporation, Crown Asia Chemicals Corporation, Discovery World Corporation and Pacific Online Systems Corporation. She is likewise the Assistant Corporate Secretary of the following reporting companies, Tagaytay Highlands Golf Club, Inc., Tagaytay Midlands Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., and The Spa and Lodge at Tagaytay Highlands, Inc. She is also the Corporate Secretary/Assistant Corporate Secretary of various private companies. Ms. Lorenzo is currently a Senior Associate at Tan Venturanza Valdez. She holds a Juris Doctor and a Bachelor of Arts Degree in English

Studies, cum laude, both from the University of the Philippines, obtained in 2010 and 2014, respectively. She was admitted to the Philippine Bar in April 2015.

Susan Bertulfo-Carisma
Compliance Head/Vice President for legal and corporate affairs

Relatively new in the RE industry having joined Repower Energy Development Corporation in October 2015, she brings with her 37 solid years of corporate practice, having served as Vice President-Legal and Corporate Affairs, in-house counsel and corporate secretary in Universal Motors Corporation's group of companies (1995-2015). Starting her career as an Associate at the Senator Ambrosio Padilla Law Office (1986), she later joined the government sector, having worked as Confidential Attorney for then Chief Justices Marcelo B. Fernan and Jose L. Yap, Supreme Court of the Philippines (1986- 1989). She then moved over to the Public Attorneys' Office-Department of Justice (1989-1994), serving indigent clients as Public Attorney III and Executive Assistant to the Chief Public Attorney. She is also director of Bicol Hydropower Corporation and director and Corporate Secretary of Majayjay Hydropower Company Inc. both of which are subsidiaries of REDC.

Ryotaro Sumi
Director

Mr. Sumi is a graduate of Waseda University in Japan. He has many years of experience in the infrastructure business at Sogo Shosha, a Japanese conglomerate, where he invested in power generation, gas distribution and water supply projects in Southeast Asia, the Middle East, Europe and the Americas.

He also has experience arranging financing for national oil and gas companies in various countries. In the renewable energy business, he has experience in developing and investing in Wind Firm in Australia from scratch. TOKAI, which he currently belongs to, promotes cross-border M&A mainly in Southeast Asia, and tries to contribute to Asian countries by investing in and cooperating with promising Asian companies. He is the Senior Operation Officer for the International Business Division of Tokai Corporation, and is concurrently a director of Tokai Myanmar Company Ltd. He previously served as an executive officer for Tokai Holdings Corporation, Mitsui & Co., Ltd., Mitsui & Co. (Asia Pacific), Mitsui & Co. Pte. Ltd. (Thailand), Mitsui & Co. Pte. Ltd. (Singapore), Mitsui & Co., Ltd. (Tokyo)

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS OF DIRECTORS AND SENIOR MANAGEMENT

To the best of our knowledge, none of the above-named directors or executive officers has been subject to the following:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

- any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

- any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities, commodities, or banking activities; or

- found by a domestic or foreign court of competent jurisdiction (in a civil action), the

SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

INTERLOCKING DIRECTORS

PHILIPPINE POWER AND DEVELOPMENT COMPANY

NAME	POSITION
Eric Peter Y. Roxas	Director and Corporate Secretary
Susan Bertulfo-Carisma	Assistant Corporate Secretary
Rolando P. Domingo	Chief Financial Officer

MAJAYJAY HYDROPOWER COMPANY, INC.

NAME	POSITION
Eric Peter Y. Roxas	Chairman and Director
Suzanne S. Canete	Director
Susan Bertulfo-Carisma	Director and Corporate Secretary
Rolando P. Domingo	Chief Financial Officer

LABAYAT 1 HYDROPOWER CORPORATION

NAME	POSITION
Eric Peter Y. Roxas	Director and Corporate Secretary
Renato Z. Locsin	Director and Treasurer
Rolando P. Domingo	Chief Financial Officer
Susan Bertulfo-Carisma	In House Counsel

BICOL HYDROPOWER CORPORATION

NAME	POSITION
Eric Peter Y. Roxas	Director and Corporate Secretary
Susan Bertulfo-Carisma	Director and Assistant Corporate Secretary
Rolando P. Domingo	Chief Financial Officer

TIBAG HYDROPOWER CORPORATION

NAME	POSITION
Eric Peter Y. Roxas	Director and Corporate Secretary
Rolando P. Domingo	Chief Financial Officer
Susan Bertulfo-Carisma	In House Counsel

CABANGLASAN HYDROPOWER CORPORATION

NAME	POSITION
Eric Peter Y. Roxas	Director and Corporate Secretary
Rolando P. Domingo	Chief Financial Officer

Susan Bertulfo-Carisma	In House Counsel

BLUE ENERGY HOLDINGS AND MANAGEMENT CORPORATION

NAME	**POSITION**
Ryan Wesley T. Yapkianwee	Director and Corporate Secretary
Eric Peter Y. Roxas	Director

FAMILY RELATIONSHIPS

There are no family relationships within the fourth degree of consanguinity or affinity between the Directors and Officers of the Company.

SIGNIFICANT EMPLOYEES

The Company has an apprenticeship program among its technical professionals where junior engineers and technical staff are mentored by the more experienced senior technical personnel of the Company to train the latter in the crucial aspects of the operations of the hydropower plants. The Company has also established and adheres to its standard operating procedures and preventive maintenance programs. In the event the more senior technical personnel of the Company leave for other employment opportunities, the said junior engineers and technical personnel should still be able to carry on with the proper operations of the Company's hydropower plants. Under extreme situations where the Company might find it difficult to hire skilled professionals in the Philippines, the Company will procure the talent needed from overseas.

BOARD COMMITTEES

Pursuant to the Company's By-Laws and the Company's Manual, the Board created each of the following committees and appointed Board members thereto. The term of each member of the respective committees named below shall commence upon approval by the Philippine SEC of the amendments to the By-Laws of the Issuer, creating the following Board committees.

Executive Committee

The Executive Committee has the duty and responsibility to assist the Board of Directors by exercising any of the powers and attributes, to the extent allowed by law, of the Board during the intervening period between meetings of the Board, and shall report on all resolutions adopted by it to the Board at the meeting of the Board immediately succeeding the meeting/s of the Executive Committee during which such resolutions were approved. It should be composed of at least three (3) members.

Nominations Committee

The Nomination Committee shall review and evaluate the qualifications of all persons nominated to the Board, including Independent Directors, and as well as those nominated to other positions requiring appointment by the Board. The Nominations Committee is composed of at least three (3) members..

Audit Committee

The Audit Committee shall enhance the Board's oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with

applicable laws and regulations. It shall be responsible for the setting up of the Internal Audit Department and for the appointment of the Internal Auditor as well as the independent external auditor who shall both report directly to the Audit Committee. It shall monitor and evaluate the adequacy and effectiveness of the internal control system. Further, the Audit Committee shall have explicit authority to investigate any matter within its terms of reference, full access to and cooperation by management and full discretion to invite any director or executive officer to attend meetings, and adequate resources to enable it to effectively discharge its functions.

The Company also expects to adopt an Audit Committee Charter that provides that the Audit Committee shall, among other activities: (1) review and evaluate the professional qualifications, performance and independence of the external auditor and the lead partner, (2) review and approve, with the external auditor, the nature and scope of the audit plans, (3) review and approve the fees, remuneration and terms of engagement of the external auditor for audit and non-audit services, (4) evaluate and approve the non-audit work conducted by the external auditor, (5) review reports or communications of the external auditor, and (6) ensure that the external auditor complies with auditing standards.

In addition, the Company expects to assess the effectiveness of the Audit Committee on an annual basis to ensure that its performance meets and complies with best practices. The assessment of the performance of the Audit Committee shall be conducted by the Issuer within one year from the date of listing of the Offer Shares on the PSE.

The committee shall consist of at least three (3) appropriately qualified non-executive directors, at least two (2) of whom shall be independent directors, including the committee's chairperson. Preferably, all of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, or related financial management expertise or experience. The chairman of the Audit Committee should not be the chairman of the Board or of any other committees.

The committee is chaired by Antonio Felix C. Carag and has Edmond P. Maceda and Eric Peter Y. Roxas as members.

Corporate Governance Committee

The Corporate Governance Committee has the duty and responsibility to assist the Board of Directors in the performance of its corporate governance responsibilities, including the functions of a nomination and remuneration committee.

It should be composed of at least three (3) members, at least two (2) of whom shall be independent directors including the chairman of the committee.

The committee is chaired by Edmond P. Maceda and has Antonio Felix C. Carag as member. The Company intends to appoint another independent director who will act as the third member of the Corporate Governance Committee on or prior to the Listing Date.

Risk Oversight Committee

The Risk Oversight Committee shall be responsible for the oversight of the Corporation's Enterprise Risk Management system to ensure its functionality, effectiveness, continued relevance, and comprehensiveness. The Risk Oversight Committee must be composed of at least three directors.

Related Party Transactions Committee

The Issuer's Related Party Transactions Committee is responsible for reviewing the integrity and transparency of related party transactions based on the Company's related party transaction policy. The Related Party Transactions Committee must be composed of at least three directors. The Related Party Transactions Committee is composed of at least three members.

Item 10. EXECUTIVE COMPENSATION

The compensation for our executive officers for the years ended December 31, 2022, 2023, and 2024 are shown below:

The following table sets out the Company's President and the four most highly compensated executive officers of the Company for the years ended December 31, 2022, 2023, and 2024:

Name	Position
Eric Peter Y. Roxas	President
Rolando P. Domingo	Chief Financial Officer
Roberto Uy	Vice President and Compliance Officer
Susan B. Carisma	Corporate Secretary and Vice President for legal and corporate affairs

The following table identifies and summarizes the aggregate compensation of the Company's President and the four most highly compensated executive officers, as well as the aggregate compensation paid to all other directors and all other officers as a group, for the years ended December 31, 2022, 2023, and estimated 2024:

	Year	Salary (in ₱)	Bonus (in ₱)	TOTAL (in ₱)
President and the four most highly compensated executive officers named above	2022	3,872,500.00	N/A	3,872,500.00
	2023	N/A	N/A	N/A
	2024	N/A	N/A	N/A
Aggregate compensation paid to all other directors and all other officers as a group	2022	N/A	N/A	N/A
	2023	N/A	N/A	N/A
	2024	N/A	N/A	N/A

No other annual compensations are given for any of the senior management officers

STANDARD AND OTHER ARRANGEMENTS

No director's fees nor per diems are awarded to non-executive directors for every meeting. There are no arrangements including consulting contracts pursuant to which directors of the registrant are compensated, or are to be compensated, directly or indirectly, for any services provided as a director, including any additional amounts payable for committee participation or special assignments, for the last completed fiscal year and the ensuing year. No director's fees nor per diems are awarded to non-executive directors for every meeting. There are no standard arrangements pursuant to which the Board of Directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

EMPLOYMENT CONTRACT BETWEEN THE COMPANY AND SENIOR MANAGEMENT OFFICERS

There are no special employment contracts between the Company and Senior Management.

WARRANTS AND OPTIONS HELD BY THE SENIOR MANAGEMENT OFFICERS AND DIRECTORS

There are no outstanding warrants or options held by Senior Management, and all officers and directors as a group.

Item 11. Security Ownership of Certain Beneficial Owners and Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of 31 December 2024.

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP		CITIZENSHIP	PERCENT OF CLASS
Common	Renato Zamora Locsin	1	Direct	Filipino	0.00
Common	Eric Peter Y. Roxas	1	Direct	Filipino	0.00
Common	Suzanne S. Canete	1	Direct	Filipino	0.00
Common	Ryan Wesley T. Yapkianwee	1	Direct	Filipino	0.00
Common	Charlie T. Sy	1	Direct	Filipino	0.00
Common	Antonio Felix C. Carag	1	Direct	Filipino	0.00
Common	Edmond P. Maceda	1	Direct	Filipino	0.00
Common	Nicholas Anthony N. Te	1	Direct	Filipino	0.00
All directors and executive officers as a group		***8***			0.00

Except as disclosed above, none of the Company's other executive officers own shares directly or indirectly in the Company. Ownership in the Company is limited to that indicated in the foregoing.

VOTING TRUST HOLDERS OF 5% OR MORE

The Company is not aware of any person holding more than 5% of shares under a voting trust or similar agreement.

CHANGE IN CONTROL

As of the date of this Prospectus, the Company is not aware of any arrangements that may result in a change in Control of the Company.

Item 12. Certain Relationships and Related Transactions

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred herein as affiliates). Related parties may be individuals or corporate entities. A related party covers the Company's subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates, and special purpose entities), that the Company exerts direct or indirect control over or that exerts direct or indirect control over the Company; the company's directors, officers, shareholders and related interests, and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other persons or juridical entities whose interest may pose a potential conflict with the interest of the company.

In the ordinary course of business, the Company enters into various transactions with related parties and affiliates, principally consisting of short-term loans. Our policy is that related party transactions in the form of short-term loans shall be availed only in urgent situations so that the

recipient project can be finished on the projected completion date. No interest will be charged and the loan shall not be secured by any collateral/property of the recipient project.

Transactions entered with related parties are made at terms equivalent to those that prevail in arm's length transactions on terms comparable to those available from or to unrelated third parties, as the case may be. Outstanding balances owed to related parties at a certain reporting date are non-interest bearing, unsecured and payable/collectible in cash on demand.

For more information on volume and amounts outstanding, see Note 20 to our audited financial statements as of and for the years ended December 31, 2024, and 2023

The Group has transactions with its related parties in the ordinary course of business as follows:

20. Related Party Transactions

The Group has transactions with its related parties in the ordinary course of business as follows:

	Amount of Transactions		Balance at End of Year	
	2024	2023	**2024**	2023
Due from Related Parties				
Entities Under Common Control:				
PMHC	**₱–**	₱5,322	**₱45,853,356**	₱45,853,105
PMHC Pulanai Inc. (PPI)	**–**	20,000,000	**–**	20,000,000
Titan Mining and Energy Corporation (TMEC)	**6,211,150**	4,000,000	**15,295,608**	9,577,680
Colossal Petroleum Corporation	**5,106,897**	8,211,964	**13,318,861**	8,211,964
Pure Water Corporation	**10,754,444**	–	**10,920,745**	166,301
Others	**32,193,207**	48,987,694	**74,405,778**	49,023,465
Associates:				
BEHMC		–	**17,263**	17,263
Stockholders:				
Ultimate Parent Company	**19,195**	–	**–**	–
			₱159,811,611	₱132,849,778
Due to Related Parties				
Stockholders:				
Parent Company	**₱106,086,330**	₱–	**₱296,351,320**	₱222,933,416
Other stockholders	**373,966,105**	115,556,241	**256,773,273**	288,700,778
Entities Under Common Control:				
Solar Powered Agri-rural Communities Corporation (SPARC)	**34,618,594**	57,309,258	**156,150,742**	102,581,636
NexGen Energy Corporation (XG)	**37,435,908**	–	**26,229,121**	35,283,052
Pure Geothermal Inc.	**51,902**	–	**132,474**	164,376
Others	**–**	95,449,989	**6,747,027**	47,202,773
Others:				
PMHC	**–**	79,547,937	**79,547,937**	79,547,937
VOLGA	**–**	–	**9,000,000**	9,000,000
			₱830,931,894	₱785,413,968

Due from Related Parties

These are noninterest-bearing working capital advances, unsecured and are due and demandable. No impairment loss was recognized in 2024, 2023 and 2022.

Due to Related Parties

These are noninterest-bearing working capital advances, unsecured and are payable in cash and upon demand.

Compensation of Key Management Personnel

Compensation of key management personnel of the Group consists of short-term benefits amounting ₱6,727,123, ₱4,522,500 and ₱3,872,500 in 2024, 2023 and 2022, respectively.

Related Party Transactions Eliminated During Consolidation

Related party transactions eliminated in the consolidation pertain to due to and from related parties for working capital purposes. Total due from and to related parties which are eliminated amounted to ₱568,590,570 and ₱444,595,011, as at December 31, 2024 and 2023, respectively. The total amounts of transactions were ₱605,621,654 and ₱580,252,094 in 2024 and 2023, respectively.

All related party transactions comply with the related party transactions policy of the Group including the adherence to the required approval process. This encompasses a thorough review by the related party committee and the approval of BOD for all transactions.

Item 13. Compliance with Leading Practice on Corporate Governance

On February 10, 2023, the Board adopted the Manual on Corporate Governance ("Manual") to to ensure its compliance with the leading practices on good corporate governance and related Philippine SEC rules and regulations and to institutionalize the principles of good corporate governance in the entire organization. The Company believes that it is a necessary component of sound strategic business management, hence, the Company undertakes efforts to create awareness within the organization.

The Manual provides that it is the Board that has the primary responsibility for the governance of the Company. In addition to setting the policies for the accomplishment of corporate objectives, it has the duty to provide an independent check on the Management. The Board is mandated to attend its regular and special meetings in person or through teleconferencing.

In adopting the Manual, the Company understands the responsibilities of the Board and its members, in governing the conduct of the business of the Company, the Board Committees, in focusing on specific board functions to aid in the optimal performance of its roles and responsibilities, and the officers, in ensuring adherence to corporate principles and best practices. The Company is in the process of establishing an evaluation system for determining the extent of compliance of the Board and senior management of the Company with the Manual.

The Company welcomes proposals, especially from institutions and entities such as the Philippine SEC, PSE to improve its corporate governance. Further, the Manual shall be subject to regular review taking into account the subsequent issuances of relevant government agencies on best corporate governance practices and the Company's changing needs, actual conditions prevailing in the environment and regulatory requirements.

The Company believes there has been, and currently is, no material deviation from the Manual.

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tem 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits - See accompanying Index to Exhibits

The following exhibit is incorporated by reference in this report:
2024 Consolidated Audited Financial Statements.

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

(b) Reports on SEC Form 17-C
The following current reports have been reported by Repower Energy Development Corporation during the year 2024

Unstructured Disclosure
-Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion) - Oct 17, 2024

(c) Reports under SEC Form 17-C filed
None.

(d) Material events subsequent to the end of the reporting period that have not been reflected in the financial statements of the reporting period

-Any events after the reporting period that provides additional information about the Group’s consolidated financial position at the end of the reporting period (adjusting event) are reflected in the consolidated financial statements. Non-adjusting events after the reporting period are disclosed in the notes to consolidated financial statements, if material

Section 1.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024, 2023, AND 2022

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2024**	2023
ASSETS			
Current Assets			
Cash	6	**₱89,416,469**	₱44,888,443
Funds held in escrow	7	**281,014,489**	526,537,923
Trade and other receivables	8	**143,721,410**	140,365,678
Due from related parties	20	**159,811,611**	132,849,778
Other current assets	9	**118,624,895**	132,190,391
Total Current Assets		**792,588,874**	976,832,213
Noncurrent Assets			
Property, plant and equipment	11	**5,170,958,671**	3,976,619,647
Advances to contractors and suppliers - net of current portion	12	**315,943,590**	267,167,509
Goodwill	4	**135,950,686**	135,950,686
Investments in an associate	10	**41,629,138**	40,365,139
Other noncurrent assets	9	**52,760,478**	17,330,755
Total Noncurrent Assets		**5,717,242,563**	4,437,433,736
		₱6,509,831,437	₱5,414,265,949
LIABILITIES AND EQUITY			
Current Liabilities			
Due to related parties	20	**₱830,931,894**	₱785,413,968
Trade and other payables	13	**583,241,445**	613,814,326
Current portion of loans payable	14	**169,234,317**	114,880,390
Total Current Liabilities		**1,583,407,656**	1,514,108,684
Noncurrent Liabilities			
Loans payable - net of current portion	14	**2,526,233,763**	1,668,725,400
Retention payable - net of current portion	13	**150,200,226**	80,466,710
Contract liability	24	**8,445,913**	26,113,488
Retirement liability	15	**6,444,761**	5,088,972
Net deferred tax liabilities	22	**3,123,657**	2,200,040
Total Noncurrent Liabilities		**2,694,448,320**	1,782,594,610
Total Liabilities		**4,277,855,976**	3,296,703,294
Equity			
Capital stock	16	**650,000,002**	650,000,002
Additional paid-in capital	16	**909,472,734**	1,095,920,304
Retained earnings		**568,647,241**	278,571,843
Other equity reserves		**(39,060,328)**	(39,222,991)
		2,089,059,649	1,985,269,158
Non-controlling interests	5	**142,915,812**	132,293,497
Total Equity		**2,231,975,461**	2,117,562,655
		₱6,509,831,437	₱5,414,265,949

See accompanying Notes to Consolidated Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		For the Years Ended December 31		
	Note	**2024**	2023	2022
REVENUE	24			
Sale of electricity		**₱475,519,753**	₱467,810,661	₱382,042,042
Feed-in-tariff (FIT) rate differential		**57,917,202**	(11,171,852)	–
		533,436,955	456,638,809	382,042,042
COST OF SALE OF ELECTRICITY	17	**202,632,019**	131,829,830	104,870,426
GROSS INCOME		**330,804,936**	324,808,979	277,171,616
OPERATING EXPENSES	18	**(83,512,616)**	(93,094,648)	(53,426,762)
INTEREST EXPENSE	14	**(132,490,456)**	(70,683,528)	(64,810,725)
EQUITY SHARE IN NET INCOME (LOSS) OF ASSOCIATES	10	**1,263,999**	(3,612,394)	(1,851,794)
OTHER INCOME - Net	19	**3,931,193**	12,849,902	2,728,941
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS		**119,997,056**	170,268,311	159,811,276
INCOME TAX EXPENSE (BENEFIT)	22			
Current		**–**	–	3,246,880
Deferred		**759,172**	(1,917,018)	504,650
		759,172	(1,917,018)	3,751,530
NET INCOME FROM CONTINUING OPERATIONS		**119,237,884**	172,185,329	156,059,746
NET INCOME FROM DISCONTINUED OPERATIONS	21	**–**	–	11,939,731
NET INCOME		**119,237,884**	172,185,329	167,999,477
OTHER COMPREHENSIVE INCOME				
Not to be reclassified to profit or loss in subsequent periods				
Remeasurement gain on retirement liability	15	**159,922**	600,997	–
TOTAL COMPREHENSIVE INCOME		**₱119,397,806**	₱172,786,326	₱167,999,477

		For the Years Ended December 31		
	Note	**2024**	2023	2022
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**₱108,002,828**	₱165,119,223	₱151,140,344
Non-controlling interests	5	**11,235,056**	7,066,106	16,859,133
		₱119,237,884	₱172,185,329	₱167,999,477
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**₱108,165,491**	₱165,698,648	₱151,140,344
Non-controlling interests	5	**11,232,315**	7,087,678	16,859,133
		₱119,397,806	₱172,786,326	₱167,999,477
BASIC/DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	26	**₱0.17**	₱0.32	₱0.30
BASIC/DILUTED EARNINGS PER SHARE	26	**₱0.17**	₱0.32	₱0.36

See accompanying Notes to Consolidated Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		For the Years Ended December 31		
	Note	**2024**	2023	2022
CAPITAL STOCK - ₱1 par value	16			
Balance at beginning of year		**₱650,000,002**	₱450,000,000	₱150,000,000
Issuances of shares		**–**	200,000,002	300,000,000
Balance at end year		**650,000,002**	650,000,002	450,000,000
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		**1,095,920,304**	324,901,466	200,000,000
Equity restructuring	16	**(186,447,570)**	–	–
Additions	16	**–**	800,000,000	124,901,466
Stock issuance costs	16	**–**	(28,981,162)	–
Balance at end of year		**909,472,734**	1,095,920,304	324,901,466
RETAINED EARNINGS				
Balance at beginning of year		**278,571,843**	114,727,620	(36,412,724)
Equity restructuring	16	**186,447,570**	–	–
Net income		**108,002,828**	165,119,223	151,140,344
Stock issuance costs of Subsidiaries		**(4,375,000)**	(1,275,000)	–
Balance at end of year		**568,647,241**	278,571,843	114,727,620
DEPOSIT FOR FUTURE STOCK SUBSCRIPTION	16			
Balance at beginning of year		**–**	–	424,901,466
Application of deposit		**–**	–	(424,901,466)
Balance at end of year		**–**	–	–
OTHER EQUITY RESERVES				
Balance at beginning of year		**(39,222,991)**	(39,802,416)	(8,820,817)
Remeasurement gain on retirement liability	15	**162,663**	579,425	–
Change in ownership interest of non-controlling interests	4	**–**	–	(30,981,599)
Balance at end of year		**(39,060,328)**	(39,222,991)	(39,802,416)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**2,089,059,649**	1,985,269,158	849,826,670
NON-CONTROLLING INTERESTS	5			
Balance at beginning of year		**132,293,497**	111,733,941	196,406,485
Net income		**11,235,056**	7,066,106	16,859,133
Share in dividends declared by a subsidiary		**(610,000)**	(9,000,000)	–
Share in other comprehensive income		**(2,741)**	21,572	–
Additions		**–**	22,471,878	–
Deconsolidation of Pure Meridian Holdings Corporations (PMHC) and its subsidiaries		**–**	–	(101,434,274)
Acquisition of remaining NCI of a subsidiary		**–**	–	(97,403)
Balance at end of year		**142,915,812**	132,293,497	111,733,941
		₱2,231,975,461	₱2,117,562,655	₱961,560,611

See accompanying Notes to Consolidated Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	For the Years Ended December 31 **2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax from continuing operations		**₱119,997,056**	₱170,268,311	₱159,811,276
Net income from discontinued operations	21	**–**	–	11,939,731
Income before income tax		**119,997,056**	170,268,311	171,751,007
Adjustments for:				
Depreciation and amortization	11	**142,182,308**	82,440,907	73,428,549
Interest expense	14	**132,490,456**	70,683,528	86,689,447
Retirement benefits	15	**1,515,711**	5,689,969	–
Interest income	6	**(1,354,388)**	(178,093)	(37,522)
Equity share in net loss (income) of associates	10	**(1,263,999)**	3,612,394	1,851,794
Gain on insurance claim	11	**–**	(4,739,996)	–
Write-off of input VAT	9		1,709,636	1,518,416
Provision for impairment of input value-added tax (VAT)	9	**–**	1,241,757	–
Gain from deconsolidation of PMHC and Subsidiaries	21	**–**	–	(34,276,628)
Gain on disposal of an associate	10	**–**	–	(4,218,750)
Unrealized foreign exchange loss	19	**–**	–	1,580
Operating income before working capital changes		**393,567,144**	330,728,413	296,707,893
Decrease (increase) in:				
Funds held in escrow		**245,523,434**	(526,537,923)	–
Trade and other receivables		**(3,355,732)**	(3,134,370)	34,393,659
Other current assets		**(11,250,287)**	1,470,233	(19,570,496)
Increase (decrease) in trade and other payables		**(132,520,796)**	188,368,105	84,028,477
Net cash generated from (used for) operations		**491,963,763**	(9,105,542)	395,559,533
Interest received		**563,153**	178,093	37,522
Net cash provided by (used in) operating activities		**492,526,916**	(8,927,449)	395,597,055
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property, plant and equipment - net of retention	11	**(1,117,353,085)**	(910,331,191)	(714,701,470)
Non-controlling interest	4	**–**	–	(18,134,558)
Investment in an associate	10	**–**	–	(16,791,200)
Collection of due from related parties		**73,845,726**	40,283,246	4,690,136
Advances made to related parties		**(54,284,893)**	(81,204,980)	(2,862,064)
Decrease (increase) in other noncurrent assets		**(35,429,723)**	(8,009,087)	243,037
Advances to contractors	12	**(22,142,246)**	(313,634,956)	(8,000,000)
Proceeds from:				
Insurance claim	11	**–**	4,739,996	–
Disposal of subsidiaries, net of cash of disposed subsidiary	21	**–**	–	37,701,059
Disposal of property, plant and equipment	11	**–**	–	448,986
Net cash used in investing activities		**(1,155,364,221)**	(1,268,156,972)	(717,406,074)

(Forward)

	Note	For the Years Ended December 31 2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Availment of loans payable - net of debt issue cost incurred	14	**₱1,029,671,250**	₱460,274,465	₱350,524,656
Issuances of capital stock	16	**–**	971,018,840	–
Advances received from related parties	14,20	**552,158,838**	347,863,425	201,869,783
Payments of:				
Due to related parties	14	**(506,640,912)**	(328,508,841)	(24,757,014)
Interest payable	14	**(240,091,701)**	(88,382,447)	(102,336,482)
Loans payable	14	**(127,732,144)**	(122,956,290)	(55,814,440)
Net cash provided by financing activities		**707,365,331**	1,239,309,152	369,486,503
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES IN CASH		**–**	–	(1,580)
NET INCREASE (DECREASE) IN CASH		**44,528,026**	(37,775,269)	47,675,904
CASH AT BEGINNING OF YEAR		**44,888,443**	82,663,712	34,987,808
CASH AT END OF YEAR		**₱89,416,469**	₱44,888,443	₱82,663,712
COMPONENTS OF CASH				
Cash on hand		**₱211,269**	₱6,678,900	₱333,857
Cash in banks		**89,205,200**	38,209,543	82,329,855
		₱89,416,469	₱44,888,443	₱82,663,712
NONCASH FINANCIAL INFORMATION				
Equity restructuring	16	**₱186,447,570**	₱–	₱–
Application of advances to contractors to property, plant and equipment	12	**138,681,948**	58,406,489	94,601,209
Issuances of shares through application of deposit for future stock subscription (DFSS)	20	**–**	–	424,901,466
Assignment of loan to a related party	14	**–**	–	100,000,000
Assignment of investment in associate to a related party	10	**–**	–	4,218,750

See accompanying Notes to Consolidated Financial Statements.

1. General Information

Repower Energy Development Corporation (REDC or the Parent Company)
REDC was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 29, 2013 and was listed at the Philippine Stock Exchange (PSE) on July 24, 2023. REDC was organized primarily to develop and generate renewable energy resources. REDC was also authorized to secure and guarantee the obligations of its subsidiaries and other owned entities.

REDC is a subsidiary of Pure Energy Holdings Corporation (PEHC). PEHC is an investment holding company which engages primarily in renewable energy generation and water system management and distribution. PEHC is a 76%-owned subsidiary of DYT Equities Corporation (the Ultimate Parent Company). All the foregoing entities are incorporated in the Philippines.

Subsidiaries
The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries (collectively referred to as "the Group") which are all engaged in the renewable energy generation and distribution:

	Effective Percentage of Ownership					
	2024		2023		2022	
Name of Subsidiaries	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
Philippine Power and Development Company (PPDC)	99%	–	99%	–	99%	–
Majayjay Hydropower Company, Inc. (MHCI)	99%	–	99%	–	99%	–
Labayat 1 Hydropower Corporation (L1HC)	82%	–	82%	–	60%	–
Tibag Hydropower Corporation (THC)	100%	–	100%	–	100%	–
Cabanglasan Hydropower Corporation (CHC)	100%	–	100%	–	100%	–
Bicol Hydropower Corporation (BHC)	100%	–	100%	–	100%	–
Piapi Hydropower Corporation (PHC)	60%	–	60%	–	60%	–
Baguio Asin Hydropower Corporation (BAHC)	100%	–	100%	–	–	–

On November 4, 2022, the Parent Company assigned its investment in Pure Meridian Hydropower Corporation (PMHC) to a related party for ₱40,750,000 (see Note 21). PMHC's operations were considered a separate major line of business or geographical area of operations. Accordingly, the disposal of PMHC was presented as a discontinued operations.

As at December 31, 2024, the operating subsidiaries of the Parent Company are PPDC, MHCI, L1HC, THC and BHC. As at December 31, 2024 CHC, PHC and BAHC are at its pre-operating stages.

Registered Address
The Parent Company and its Subsidiaries' principal office address is located at 3rd Floor JTKC Center, 2155 Chino Roces Ave., Makati City.

Associates

Details of the Group's associates and its percentages of ownership in 2024, 2023 and 2022 are as follows:

Name of Associates	Nature of Business	Principal Place of Business	Effective Percentage of Ownership
Blue Energy Holdings and Management Corporation (BEHMC)	Holding and Investments	Unit 308 Greenhills Mansion 37 Annapolis St., Greenhills San Juan City	30%
BEHMC Lower Labayat Hydropower Corp. (BLLHC)*	Power Generation Through Renewable Energy	Unit 308 Greenhills Mansion 37 Annapolis St., Greenhills San Juan City	30%
BEHMC Upper Tignoan Hydropower Corp. (BUTHC)*	Power Generation Through Renewable Energy	Unit 308 Greenhills Mansion 37 Annapolis St., Greenhills San Juan City	30%

**100%-owned by BEHMC*

In 2022, the Group assigned its 30% ownership interest in Tubig Nabua Inc. (TNI) to a related party and recognized a gain on disposal of investment in associate amounting to ₱4,218,750 (see Note 10).

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 were approved and authorized for issue by the BOD on _____, 2025, as reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

The material accounting policies adopted were consistently applied in the preparation of the consolidated financial statements for the periods presented.

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Reclassification adjustments were made in the 2023 consolidated financial statements to conform with the current year's presentation (see Note 23).

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, the Group's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared on a historical cost basis except for retirement liability which is recorded at the aggregate present value of the retirement liability. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

Further information about the assumptions made in measuring fair values is included in Note 26.

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instruments: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

The adoption of the amendments to PFRS did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

Amendments to PFRS Accounting Standards Issued But Not Yet Effective or Adopted

Relevant amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

    - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.

    - Amendments to PFRS 9, *Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9*,* the lessee must apply the

derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to *'transaction price as defined by PFRS 15, Revenue from Contracts with Customers'* to *'the amount determined by applying PFRS 15'* to remove potential confusion. Earlier application is permitted.

- Amendments to PFRS 10, *Consolidated Financial Statements - Determination of a 'de facto agent'* – The amendments remove inconsistencies by clarifying that an entity must use judgment to determine whether other parties are acting as de facto agents. Earlier application is permitted.

- Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027:

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures* – This standard specifies reduced disclosure requirements that eligible subsidiaries are permitted to apply, instead of the disclosure requirements in other PFRS. An entity is eligible to apply PFRS 19 when it does not have public accountability and its parent prepares consolidated financial statements available for public use that complies with PFRS disclosure requirements. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investment in Associates - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS is not expected to have any material effect on the financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries. The Parent Company has control when it is exposed, or has a right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

Subsidiaries are entities controlled by the Parent Company. Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continue to be consolidated until the date such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the controlling equity ownership (i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary) that do not result in a loss of control are accounted for as equity transactions.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; or
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. They are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of comprehensive income.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

If the Parent Company loses control over a subsidiary, it:

- Derecognizes the assets and liabilities of the former subsidiary from the consolidated statements of financial position;
- Recognizes any investment retained in the former subsidiary when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant PFRS Accounting Standards. That retained interest is remeasured, and the remeasured value is regarded as the fair value on initial recognition of a financial asset in accordance with PFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture; and
- Recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

Goodwill. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

If the initial accounting for business combination can be determined only provisionally by the end of the period by which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group accounts the combination using provisional values. Adjustments to these provisional values as a result of completing the initial accounting shall be made within 12 months from the acquisition date. The carrying amount of an identifiable asset, liability or contingent liability that is recognized as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date and goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Classification of Assets and Liabilities between Current and Noncurrent

The Group presents current and noncurrent assets, and current and noncurrent liabilities, as separate disclosure in the consolidated notes to financial statements.

Current Assets. The Group classifies an asset as current when:

a. it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
b. it holds the asset primarily for the purpose of trading;
c. it expects to realize the asset within twelve months after the reporting period, or
d. the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Otherwise, the Group will classify all other assets as noncurrent.

Current Liabilities. The Group classifies a liability as current when:

a. it expects to settle the liability in its normal operating cycle;
b. it holds the liability primarily for the purpose of trading;
c. the liability is due to be settled within twelve months after the reporting period, or
d. it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise, the Group will classify all other liabilities as noncurrent.

Financial Assets and Liabilities

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using trade date accounting.

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transactions price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and, (c) financial assets at fair value through other comprehensive income (FVOCI).

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model.

As at December 31, 2024 and 2023, the Group has no financial assets and liabilities at FVPL and financial assets at FVOCI.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL), if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate.

Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if

realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Included in this category are cash, funds held in escrow, trade receivables, contract assets, due from related parties, and refundable deposit, restricted cash and receivables from contractors (presented under "Other assets" account).

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

This category includes due to related parties, trade and other payables (excluding statutory payables), retention payable and loans payable.

Reclassification
The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

Impairment of Financial Assets at Amortized Cost
The Group records an allowance for ECL on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables and contract assets, the Group applies the simplified approach to calculate ECL based on the lifetime ECL. A provision matrix is used, incorporating the Group's historical credit loss experience and forward-looking factors specific to the debtors and the economic environment.

For other financial assets at amortized cost, ECL is assessed based on liquidity of counterparties, utilizing available financial information. The Group applies a 12-month ECL approach, unless there has been a significant increase in credit risk since initial recognition, in which case, the allowance will be based on lifetime ECL.

When credit risk improves and ECL decreases, the allowance is adjusted, and the reversals are recognized in profit or loss. However, the asset's value cannot exceed its amortized cost at the reversal date.

Financial assets are written off when there is no reasonable expectation of recovering it, typically when the counterparty lacks sufficient assets or income to repay the amount owed.

Financial assets are derecognized when the right to receive cash flows from the asset has expired or the Group has transferred its right to receive cash flows from the financial asset.

Derecognition of Financial Assets and Liabilities

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

- the right to receive cash flows from the asset has expired;

- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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

Offsetting Financial Assets and Liabilities
Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;

- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Advances to Contractors
Advances to contractors pertain to the advance payments for the rehabilitation and development of the Group's hydropower plants. These are applied on every payment of progress billing depending on the percentage of completion.

Input VAT
Input VAT represents the value-added tax incurred on the purchase of goods and services. Revenues, expenses and assets are recognized net of VAT, except where VAT cannot be recovered from the tax authority. Recoverable VAT is presented as part of "Other current assets" in the consolidated statements of financial position.

Creditable Withholding Taxes (CWT)
CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source.

Investments in Associates
The Group's investments in associates, where there is significant influence, are accounted for under the equity method. These also include investments where the Group holds 20% or more of the voting stocks but does not have control over the associate or where, even though the Group holds 20% or less, the Group has significant influence over operating and financial policies of the associate. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

Under the equity method, investments in associates are carried in the consolidated statements of financial position at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statements of comprehensive income reflect the share of the results of operations of the associates. Where there has been a change recognized directly in the equity of the associates, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The share in net income or loss of the associates is shown as "Equity share in net income (loss) of associates" account in the consolidated statements of comprehensive income.

The financial statements of the associates are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over an associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Property, Plant and Equipment

Property, plant and equipment, except land and construction in progress, are carried at cost less accumulated depreciation and amortization and any impairment losses. Land and construction in progress are carried at cost less any impairment losses.

The initial cost of property, plant and equipment consists of its purchase price, including import duties, and other costs directly attributable to bring the asset to its working condition and location for its intended use. Cost also includes the cost of replacing parts when the asset recognition criteria are met and the present value of the estimated cost of dismantling and removing the asset and restoring the site where the asset is located. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to current operations. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment.

The cost of replacing a component of an item of property, plant and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation and amortization are calculated on the straight-line basis over the estimated useful lives of the property, plant and equipment follows:

	Number of Years
Hydropower plants	25
Buildings	15 to 25
Furniture, fixtures and office equipment	3 to 5
Transportation equipment	5 to 15

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized to profit or loss.

Construction in progress represents properties under construction and is stated at cost, including cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for operational use.

Impairment of Nonfinancial Assets

The carrying amounts of the Group's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash generating unit (CGU) is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Group. Impairment losses are recognized in profit or loss in the period incurred.

The recoverable amount of a nonfinancial asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while the fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized.

Capital Stock and Additional Paid-In Capital

Capital stock is measured at par value for all shares issued. Excess of proceeds and/or fair value of considerations received over the par value of shares issued, if any, is recognized as additional paid-in capital. Incremental costs incurred directly attributable to the issuance of new shares are recognized in equity as deduction from proceeds, net of tax. Unpaid subscriptions are recognized as subscription receivable, a reduction of subscribed capital stock.

Retained Earnings (Deficit)

Retained earnings (deficit) represents the cumulative results of operations, net of prior period adjustments, if any.

Other Equity Reserves

Other equity reserves represent net excess of the consideration given up over the carrying amount of the non-controlling interest acquired.

Other Comprehensive Income

Other comprehensive income pertains to income that is not to be recognized in profit or loss for the year, which mainly represent cumulative remeasurement gains on retirement liability.

Earnings Per Share

The Group presents basic and diluted earnings per share data for its common shares.

Basic earnings per share is calculated by dividing the net income attributable to common shareholders of the Parent Company by the weighted average number of common shares issued and outstanding during the year.

Diluted earnings per share amounts are computed in the same manner, adjusted for the dilutive effect of any potential common shares. There were no dilutive common shares as at December 31, 2024, 2023 and 2022.

Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group perform its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

Variable Consideration. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur and when the associated uncertainty with the variable consideration is subsequently resolved. Revenue from FIT rate differential is recognized based on the difference between the market rate and the estimated FIT rate applicable to the plant.

Significant Financing Component. The Group typically receives payments for the FIT rate differential within five (5) years after the actual delivery of electricity. Considering the length of time between the customer's payment and the fulfilment of the performance obligation, the Group assessed that these transactions include a significant financing component. Consequently, the transaction price is discounted using a rate that would be applicable in a separate financing transaction between the Group and the customer at contract inception.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of Electricity. Revenue from sale of electricity is recognized based on the actual delivery of electricity, net of any adjustments.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset, net of final tax.

Other Income. Income from other sources is recognized when earned during the period.

Contract Balances

Contract Assets. Contract assets are recognized when the Group has already rendered the services to the customer but where the Group is yet to bill them. Contract assets are subject to impairment assessment in accordance with impairment of financial assets at amortized cost.

Contract Liabilities. Contract liabilities are recognized if a payment is due to a customer resulting in excess collections over the approved feed-in-tariff (FIT) rate.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Sale of Electricity. Cost of sale of electricity are recognized as expense when the related services are rendered.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the Group has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and

- The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as Lessee

Short-term Leases and Leases of Low-value Assets. The Group applies the short-term lease recognition exemption to its short-term leases of head office space and staff houses (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term lease are recognized as expense on a straight-line basis over the lease term.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Group has an unfunded, noncontributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs, and interest expense in profit or loss. Interest is calculated by applying the discount rate to the retirement liability.

Remeasurement gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurement gains and losses are not reclassified to profit or loss in subsequent periods.

The retirement liability is the aggregate of the present value of the retirement liability to each qualified employee. The present value of the retirement liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Borrowing Costs

Borrowing costs is recognized in profit or loss using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of such asset. The capitalization of interest expense commences when expenditures for the asset and interest are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when all such activities are substantially complete.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from unused net operating loss carryover (NOLCO) available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

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

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

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

Related Parties and Related Party Transactions

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or

are controlled, or under common control with the Group; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual; and (d) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directly to the substance of the relationship and not merely on the legal form.

Segment Reporting

The Group's operating segments are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services to different markets. Financial information on operating segments is presented in Note 25 to the consolidated financial statements. The Chief Executive Officer (CEO), the chief operating decision maker, reviews management reports on a regular basis. The measurement policies the Group used for segment reporting under PFRS 8 are the same as those used in the consolidated financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods.

For purposes of management reporting, the Group's operating segment is related to its renewable energy generation operations.

Discontinued Operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the consolidated statements of comprehensive income.

Provisions

Provisions are recognized when the Group has a present, legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

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

Events After the Reporting Period

Any post-year-end event that provides additional information about the Group's consolidated financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, accounting estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, accounting estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgments, accounting estimates and assumptions made by the Group:

Assessing Legal Contingencies. The Group is currently involved in certain legal proceedings and claims. The Group determines the probable costs for these legal proceedings and claims based on an analysis of potential results. Management believes that these legal proceedings and claims will not have a material adverse effect on the Group's consolidated financial statements and results of operations.

Determining Lease Commitments - Group as a Lessee. The Group has entered into various lease agreements for head office space and staff houses. The Group has elected not to recognize ROU assets on the lease qualifying under the short-term recognition exemption. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Rent expense on the lease qualifying under the short-term recognition exemption are disclosed in Note 18.

Defining Default and Credit-Impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit- impaired, when it meets one or more of the following criteria:

a. Quantitative Criteria - the borrower is more than 30 days past due on its contractual payments, which is consistent with the Group's definition of default.
b. Qualitative Criteria - The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
    - The borrower is experiencing financial difficulty or is insolvent;
    - The borrower is in breach of financial covenants;
    - It is probable that the borrower will enter bankruptcy or other financial reorganization.

The definitions above have been applied to all financial instruments held by the Group consistently for internal credit risk management purposes. The default definition has been applied consistently, as well, to the determination of ECL.

Estimating the ECL on Trade Receivables and Contract Assets. The Group's trade receivables and contract assets are subject to the ECL model.

The Group applies the simplified approach in measuring ECL for trade receivables and contract assets since its customers can be graded as low risk. At the end of the reporting year, a loss allowance is recognized at an amount equal to lifetime since there has not been a significant increase in credit risk since initial recognition.

There is no allowance for ECL as at December 31, 2024 and 2023. The carrying amounts of trade receivables and contract assets are disclosed in Note 8.

Determining Subsidiaries with Material Non-controlling Interests and Material Associates. The Group is required to disclose certain financial information on its subsidiaries with material NCI and material associates.

Management determines subsidiaries with material NCI as those with assets greater than 5% of consolidated assets, or revenues and net income. Material associates are those where the carrying amount of investment or equity in net earnings is greater than 5% of the consolidated assets or net income at year end.

The Group has determined L1HC as a subsidiary with material NCI and BEHMC group as its material associate as at December 31, 2024 and 2023.

Assessing the Impairment of Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime expected credit loss.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group's financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12 months expected credit losses. The Group has assessed that the ECL for financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2024, 2023 and 2022.

The carrying amounts of other financial assets at amortized cost are disclosed in Notes 7, 9 and 20.

Estimating the Useful Lives of Property, Plant and Equipment. The Group reviews annually the estimated useful lives of property, plant and equipment based on expected asset's utilization, market demands and future technological development consistent with the Group's pursuit of constant modernization of the equipment to ensure the availability, reliability and cost efficiency of the equipment. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation and amortization of property, plant and equipment.

There was no change in the estimated useful lives of property, plant and equipment in 2024, 2023 and 2022. The carrying amount of property, plant and equipment are disclosed in Note 11.

Assessing the Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considered important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for cash-generating unit to which the asset belongs. No impairment indicators were identified and thus, no impairment was recognized in 2024, 2023 and 2022.

Allowance for impairment losses and the carrying amounts of the significant nonfinancial assets of the Group are disclosed in Notes 9, 10, 11 and 12.

Assessing the Impairment of Goodwill. The Group tests annually whether any impairment in goodwill should be recognized, in accordance with the related accounting policy. The recoverable amount of CGU has been determined based on value in use calculations which require the use of estimates.

Based on the impairment assessment, the recoverable amount of the CGU as at December 31, 2024 and 2023, calculated based on value in use is greater than the corresponding carrying values (including goodwill) of the CGU. Accordingly, no impairment loss was recognized in 2024, 2023 and 2022. The carrying amount of goodwill is disclosed in Note 4.

Estimating Retirement Liability. The determination of the obligation and cost for provision for retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions, which include among others, discount rates and expected rates of salary increase, are indicated in Note 15 to the consolidated financial statements. Actual results that differ from the assumptions are accumulated and are recognized in other comprehensive income.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement benefit liability.

The carrying amount of retirement liability is disclosed in Note 15.

Recognizing Deferred Tax Assets. The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Group's unrecognized and recognized deferred tax assets are disclosed in Note 22.

4. Acquisitions of Subsidiaries

Objective of Acquisitions

The acquisitions of MHCI, BHC and PPDC were executed to expand its hydroelectric power plant operations. The goodwill recognized for the acquisitions are attributable to the expected synergies from combining the operations of the subsidiaries and the technical expertise of the Parent Company.

Goodwill

Goodwill from the acquisition of the subsidiaries are as follows:

	2024	2023
MHCI	**₱86,599,545**	₱86,599,545
BHC	**35,298,843**	35,298,843
PPDC	**14,052,298**	14,052,298
	₱135,950,686	₱135,950,686

For purposes of impairment assessment, the Group determined the recoverable amount of goodwill based on value in use. Value in use is based on discounted cash flow model using the subsidiaries' financial forecasts for the next five years.

Key assumptions used to which the recoverable amounts are most sensitive are revenue growth rates, estimated operational costs, weighted average long-term growth rates and discount rates. Revenue growth rates are based on expected operating results with reference to projected cash flows from stress testing. Operational costs are determined based on average fixed and variable costs adjusted for inflationary increases but not reflecting any future restructurings or cost saving measures.

The Group has assessed that there is no goodwill impairment based on a discounted cash flow model using projected budget for the next five years. The pre-tax weighted average cost of capital of the entities ranges from 9.72% to 10.70%.

The Parent Company assessed that goodwill from business combinations are not deductible for tax purposes.

Other Equity Reserves

Other equity reserves resulting from the Parent Company's increased ownership interest in subsidiaries include:

	2024	2023	2022
BHC	**₱30,981,599**	₱30,981,599	₱30,981,599
PPDC	**8,820,817**	8,820,817	8,820,817
	₱39,802,416	₱39,802,416	₱39,802,416

In 2022, the Parent Company increased its ownership interest in BHC to 100% by acquiring the remaining common shares held by non-controlling shareholders for ₱18,134,558 and converting its DFSS amounting to ₱12,944,444. The excess of the consideration over the carrying amount of the non-controlling interest amounting to ₱30,981,599 was recorded under "Other equity reserve" account in the consolidated statements of financial position.

5. Material Non-controlling Interests

As at December 31, 2024 and 2023, L1HC's non-controlling interests hold 18% ownership interest.

The summarized financial information of L1HC, material partly-owned subsidiary, is presented below. This information is based on the amounts before intercompany eliminations.

	2024	2023
Total current assets	**₱219,397,392**	₱177,133,749
Total noncurrent assets	**800,387,396**	837,704,686
Total current liabilities	**87,033,555**	87,360,976
Total noncurrent liabilities	**246,171,015**	299,885,868
Total equity	**686,580,218**	627,591,591
Total revenue	**142,258,010**	127,037,483
Total net income	**59,009,454**	34,758,711
Total comprehensive income	**58,988,627**	34,866,675

Non-controlling interests in the consolidated statements of financial position are presented below:

	2024	2023	2022
L1HC	**₱134,735,536**	₱124,117,583	₱108,369,707
PHC	**3,846,767**	3,868,922	–
Others	**4,333,509**	4,306,992	3,364,234
	₱142,915,812	₱132,293,497	₱111,733,941

The net income (loss) attributable to non-controlling interests in the consolidated statements of comprehensive income is presented below:

	2024	2023	2022
L1HC	**₱10,621,702**	₱6,256,568	₱27,164,410
PMHC	**–**	–	(11,168,448)
Others	**613,354**	809,538	863,171
	₱11,235,056	₱7,066,106	₱16,859,133

The total comprehensive income (loss) attributable to non-controlling interests in the consolidated statements of comprehensive income is presented below:

	2024	2023	2022
L1HC	**₱10,617,953**	₱6,276,002	₱27,164,410
PMHC	**–**	–	(11,168,448)
Others	**614,362**	811,676	863,171
	₱11,232,315	₱7,087,678	₱16,859,133

6. Cash

This account consists of:

	2024	2023
Cash on hand	**₱211,269**	₱6,678,900
Cash in banks	**89,205,200**	38,209,543
	₱89,416,469	₱44,888,443

Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations.

Interest income recognized in profit or loss from continuing operations is as follows (see Note 19):

	Note	2024	2023	2022
Contract assets	8	**₱791,235**	₱–	₱–
Funds held in escrow	7	**476,566**	137,923	–
Cash in banks		**86,587**	40,170	37,522
		₱1,354,388	₱178,093	₱37,522

7. Funds Held in Escrow

The Parent Company appointed a universal bank as the custodian bank (the Custodian Bank) to manage and administer the proceeds of the initial public offering (IPO).

The IPO proceeds are kept separate and distinct from all other funds in custody of the Custodian Bank. The Custodian Bank maintains independent books of records of all the transactions of the escrow account and shall release the proceeds to the Parent Company, subject to the issuance of a letter of instructions, and a written certification under oath, signed by the Chief Financial Officer of the Parent Company, stating the purpose of which the Parent Company shall use the funds, and such purpose is exclusively in accordance with the approved use of proceeds.

The escrow deposit maintained under escrow account with the Custodian Bank amounted to ₱281,014,489 and ₱526,537,923 as at December 31, 2024 and 2023, respectively. Net withdrawals from funds held in escrow amounted to ₱246,000,000 and ₱423,100,000 in 2024 and 2023, respectively.

Interest income earned amounted to ₱476,566 and ₱137,923 in 2024 and 2023, respectively (see Note 6).

8. Trade and Other Receivables

This account consists of:

	2024	2023
Trade	**₱89,113,305**	₱76,491,779
Current portion of contracts assets	**50,104,846**	58,570,627
Receivables from employees	**4,503,259**	5,303,272
	₱143,721,410	₱140,365,678

Trade receivables pertain to receivable from the sale of electricity under the Feed-in-Tariff (FIT) mechanism and in the Wholesale Electricity Spot Market (WESM) through Independent Electricity Market Operator of the Philippines (IEMOP). These are noninterest-bearing and are generally collectible within 30 to 90 days.

Contract assets pertain to unbilled FIT differential (see Note 24). Contract assets presented in the consolidated statements of financial position are as follows:

	Note	2024	2023
Current		**₱50,104,846**	₱58,570,627
Noncurrent	9	**52,266,438**	9,733,811
		₱102,371,284	₱68,304,438

Interest income earned from contract assets amounted to ₱791,235 and nil in 2024 and 2023, respectively (see Note 6).

The carrying amount of trade and other receivables pledged as collateral for its loan payable amounted to ₱79,333,681 and ₱75,653,110 as at December 31, 2024 and 2023, respectively (see Note 14).

Receivables from employees consist of cash advances which are noninterest-bearing and are settled in the subsequent month through liquidation.

No impairment losses were recognized on trade and other receivables in 2024 and 2023.

9. **Other Assets**

This account consists of:

	Note	**2024**	2023
Other Current Assets			
Receivables from contractors		**₱65,941,707**	₱65,941,707
Restricted cash	14, 24	**18,131,099**	1,838,341
Input VAT for refund		**17,471,534**	17,471,534
Input VAT		**7,199,360**	7,197,371
Prepayments		**6,489,115**	4,107,176
Creditable withholding tax		**1,603,148**	3,484,228
Advances to contractors and suppliers	12	**1,200,000**	26,015,783
Advances to employees		**403,828**	4,656,672
Others		**1,426,861**	2,719,336
		119,866,652	133,432,148
Allowance for impairment of input VAT		**1,241,757**	1,241,757
		₱118,624,895	₱132,190,391
Other Noncurrent Assets			
Contract asset - net of current portion	8	**₱52,266,438**	₱9,733,811
Refundable deposit		**494,040**	494,040
Restricted cash - net of current portion		**–**	7,102,904
		₱52,760,478	₱17,330,755

Receivables from contractors pertain to unapplied advances which will be refunded to the Group.

Restricted cash pertains to cash set aside for payment of financial benefits and energy resources to its host communities pursuant to Energy Regulations (ER) No. 1-94 (see Note 24) and hold-out agreement with a local bank to secure prompt payment of the loan used to partially finance the rehabilitation of the hydropower plants (see Note 14).

Input VAT for refund pertains to previously declared input VAT incurred from the purchase of assets or services that are claimed for refund from the tax authority.

The allowance for impairment on input VAT pertains to the input VAT which the Group may not be able to utilize and those that are beyond the 2-year period for filing an administrative claim with the Bureau of Internal Revenue (BIR). In 2023, provision for impairment of input VAT amounted to ₱1,241,757 (see Note 19).

In 2023 and 2022, the Group wrote off input VAT amounting to ₱1,709,636 and ₱1,518,416, respectively (see Note 19).

Prepayments include prepayments for insurance to be realized within one (1) year.

10. **Investments in Associates**

Movements in this account are as follows:

	2024	2023
Acquisition Cost	**₱15,000,000**	₱15,000,000
Advances For Future Stock Subscriptions	**40,191,200**	40,191,200
Accumulated Equity Share in Net Loss of Associates		
Balance at beginning of year	**(14,826,061)**	(11,213,667)
Equity share in net income (loss)	**1,263,999**	(3,612,394)
Balance at end of year	**(13,562,062)**	(14,826,061)
Carrying Amount	**₱41,629,138**	₱40,365,139

In 2022, the Group assigned its 30% ownership interest in TNI to a related party and recognized a gain on disposal of investment in associate amounting to ₱4,218,750 (see Notes 1 and 19).

Summarized financial information of the associates is as follows:

	2024	2023
Total current assets	**₱51,582,687**	₱28,228,688
Total noncurrent assets	**471,327,804**	714,508,011
Total current liabilities	**157,022,066**	391,469,019
Total noncurrent liabilities	**361,095,297**	350,687,883
Total equity	**4,793,128**	579,797
Total revenue	**37,573,959**	–
Total net income (loss)	**4,213,331**	(12,041,314)
Total comprehensive income (loss)	**4,213,331**	(12,041,314)

The reconciliation of the net assets and the carrying amount of investment in an associate follows:

	2024	2023
Equity at end of year	**₱4,793,128**	₱579,796
Percentage of ownership	**30%**	30%
	1,437,938	173,939
Advances for future stock subscriptions	**40,191,200**	40,191,200
Carrying amount of investments	**₱41,629,138**	₱40,365,139

11. Property, Plant and Equipment

Movements and balances of this account consist of:

	2024						
	Hydropower Plants	**Construction in Progress**	**Buildings**	**Land**	**Furniture, Fixtures and Office Equipment**	**Transportation Equipment**	**Total**
Cost							
Balance at beginning of year	**₱3,190,647,176**	**₱1,001,152,665**	**₱24,533,069**	**₱13,869,359**	**₱6,173,089**	**₱3,269,950**	**₱4,239,645,308**
Additions	**137,484,586**	**1,194,593,024**	**–**	**941,626**	**966,695**	**2,535,401**	**1,336,521,332**
Balance at end of year	**3,328,131,762**	**2,195,745,689**	**14,810,985**	**14,810,985**	**7,139,784**	**5,805,351**	**5,576,166,640**
Accumulated Depreciation and Amortization							
Balance at beginning of year	**255,069,086**	**–**	**2,463,072**	**–**	**3,000,153**	**2,493,350**	**263,025,661**
Depreciation and amortization	**137,750,382**	**–**	**2,943,666**	**–**	**1,220,864**	**267,396**	**142,182,308**
Balance at end of year	**392,819,468**	**–**	**5,406,738**	**–**	**4,221,017**	**2,760,746**	**405,207,969**
Carrying Amount	**₱2,935,312,294**	**₱2,195,745,689**	**₱9,404,247**	**₱14,810,985**	**₱2,918,767**	**₱3,044,605**	**₱5,170,958,671**

	2023						
	Hydropower Plants	Construction in Progress	Buildings	Land	Furniture, Fixtures and Office Equipment	Transportation Equipment	Total
Cost							
Balance at beginning of year	₱1,881,823,635	₱1,307,486,317	₱10,284,120	₱13,869,359	₱4,312,802	₱3,269,950	₱3,221,046,183
Additions	77,329,396	938,000,493	1,408,949	–	1,860,287	–	1,018,599,125
Reclassification	1,231,494,145	(1,244,334,145)	12,840,000	–	–	–	–
Balance at end of year	3,190,647,176	1,001,152,665	24,533,069	13,869,359	6,173,089	3,269,950	4,239,645,308
Accumulated Depreciation and Amortization							
Balance at beginning of year	175,056,276	–	1,259,280	–	2,053,658	2,215,540	180,584,754
Depreciation and amortization	80,012,810	–	1,203,792	–	946,495	277,810	82,440,907
Balance at end of year	255,069,086	–	2,463,072	–	3,000,153	2,493,350	263,025,661
Carrying Amount	₱2,935,578,090	₱1,001,152,665	₱22,069,997	₱13,869,359	₱3,172,936	₱776,600	₱3,976,619,647

Property, Plant and Equipment as Loan Securities

Parcels of land, hydropower plants and construction in progress with a carrying value aggregating ₱4,795,340,380 and ₱3,645,006,776 as at December 31, 2024 and 2023, respectively, were mortgaged as collateral for the Group's loans (see Note 14).

Construction in Progress

Construction in progress pertains to the development costs of the Group's hydropower plant. As at December 31, 2024, the projects under construction are as follows:

	Pulanai Hydropower Plant	Piapi Hydropower Plant
Estimated cost to complete	₱3,500,000,000	₱1,300,000,000
Estimated completion date	2026	2027

The remaining contractual commitments to the contractors aggregated to ₱_____ as at December 31, 2024 (see Note 12).

Completed Projects

In 2023, the Group completed its construction of hydropower plants and building for a total cost of ₱1,244,334,145. The related construction costs were reclassified to the hydropower plants and buildings category.

Application of Advances to Contractors

The Group applied advances to contractors to construction in progress amounting to ₱138,681,948, ₱58,406,489 and ₱94,601,209 in 2024, 2023 and 2022, respectively (see Note 12).

Depreciation and Amortization

Depreciation and amortization charged to operations are as follows:

	Note	**2024**	2023	2022
Cost of sale of electricity	17	**₱138,879,028**	₱78,816,554	₱68,859,428
Operating expenses	18	**3,303,280**	3,624,353	4,541,811
Discontinued operations		**–**	–	27,310
		₱142,182,308	₱82,440,907	₱73,428,549

Capitalized borrowing costs amounted to ₱62,294,622, ₱25,151,272 and ₱35,237,885 in 2024, 2023 and 2022, respectively (see Note 14). Capitalization rates used were 7.6% to 8.7%, 5.6% to 8.9% and 5.6% to 5.7% in 2024, 2023 and 2022, respectively.

In 2023, the Group received an insurance claim amounting to ₱4,739,996 to cover for the property damages caused by a typhoon in 2019. The gain on the proceeds from insurance claim is presented as part of "Other income (charges)" account in the consolidated statements of comprehensive income (see Note 19).

In 2024, the Group wrote-off a portion of its access road which was destroyed by a typhoon and recognized a loss on write-off of property, plant and equipment amounting to ₱14,877,818 as part of "Other income (charges) - net" account in the consolidated statements of comprehensive income (see Note 19).

12. Advances to Contractors and Suppliers

Movements in this account are as follows:

	Note	2024	2023
Balance at beginning of year		**₱293,183,292**	₱37,954,825
Additions		**22,142,246**	313,704,956
Applications	11	**(138,681,948)**	(58,406,489)
Advances written-off		**–**	(70,000)
Balance at end of year		**317,143,590**	293,183,292
Current portion	9	**1,200,000**	26,015,783
Noncurrent portion		**₱315,943,590**	₱267,167,509

This account consists of advance payments to contractors and suppliers for the construction and development of the Group's hydropower plants and water facilities. These are applied against progress billings based on the percentage of completion.

13. Trade and Other Payables

This account consists of:

	Note	2024	2023
Trade		**₱350,196,380**	₱278,502,639
Accrued expenses		**136,393,891**	154,173,755
Current portion of retention payable		**42,392,703**	93,218,636
Interest payable		**34,557,743**	22,283,895
Statutory payables		**16,231,554**	710,698
Dividend payable		**610,000**	–
Payable for the acquisition of MHCI shares	4	**5,770,759**	59,251,096
Others		**(2,911,585)**	5,673,607
		₱583,241,445	₱613,814,326

Trade payables consist of payables to contractors and suppliers which are noninterest–bearing and are generally settled in varying periods within one year depending on the arrangements with suppliers and contractors.

Accrued expenses include accruals for professional fees, 1% government share in gross income, taxes and other employee benefits which are generally paid within the subsequent year.

Retention payable represents the portion of the contract price that is withheld until the construction works are substantially complete. Retention payable presented in the consolidated statements of financial position are as follows:

	2024	2023
Current	**₱42,392,703**	₱93,218,636
Noncurrent	**150,200,226**	80,466,710
	₱192,592,929	₱173,685,346

Interest payable pertains to accrued interest from loan payable to local creditor bank (see Note 14).

Statutory payables include taxes withheld by the Group on employees' compensation and on payments to suppliers. These are remitted to the respective regulatory agencies in the following month.

Payable for the acquisition of MHCI shares pertains to the unpaid portion of the consideration for the purchase of the hydropower plant. This is noninterest-bearing and fully settled by the Parent Company in 2024.

Dividends

On December 4, 2024, PPDC's BOD approved the declaration of cash dividend of ₱88.89 per share amounting to ₱100,000,000 to shareholders of record. The payment of the dividends is subject to requirements from the creditor bank in which PPDC has complied to based on the communications from the creditor bank dated March 18, 2025. As at April 11, 2025, PPDC is awaiting for the approval of the creditor bank. The dividend is payable to shareholders of record as at December 31, 2024. Moreover, cash dividends due amounting to ₱7,700,000 were applied against the subscription receivable from the Parent Company. As at December 31, 2024, dividends payable to non-controlling interest amounted to ₱610,000.

14. Loans Payable

This account consists of loans from:

	2024	2023
Loans from local creditor banks	**₱2,721,958,128**	₱1,800,736,937
Unamortized debt issue cost	**(26,490,048)**	(17,131,147)
Carrying amount	**2,695,468,080**	1,783,605,790
Current portion	**169,234,317**	114,880,390
Noncurrent portion	**₱2,526,233,763**	₱1,668,725,400

Movements in this account are as follows:

	2024	2023
Balance at beginning of year	**₱1,783,605,790**	₱1,442,685,889
Availments	**1,042,038,400**	466,000,000
Payments	**(127,732,144)**	(122,956,290)
Debt issue cost incurred	**(12,367,150)**	(5,725,535)
Debt issue cost amortization	**3,008,249**	2,246,377
Amortization of fair value adjustment from business combination	**6,914,935**	1,355,349
Balance at end of year	**₱2,695,468,080**	₱1,783,605,790

Local Creditor Banks

The Group entered into various loan contracts with local creditor banks to finance and reimburse the construction and rehabilitation of its various projects, at interest rates ranging from 5.5% to 9.0% a year, and with terms ranging from up to 15 years.

Debt Issue Costs

Debt issue costs pertain to documentary stamp taxes and other transaction costs incurred in connection with the loans. Movements of unamortized debt issue costs are as follows:

	2024	2023
Balance at beginning of year	**₱17,131,147**	₱13,651,989
Incurred	**12,367,150**	5,725,535
Amortization:		
Interest expense	**(2,354,952)**	(1,934,711)
Capitalized borrowing cost	**(653,297)**	(311,666)
Balance at end of year	**₱26,490,048**	₱17,131,147

The carrying amounts and significant terms of the loans are as follows:

	Carrying Amounts				
	2024	2023	**Credit Facility**	**Payment Terms**	**Security**
Local Creditor Banks:					
CHC	**₱1,169,668,030**	₱413,784,233	2,600,000,000	15-year term loan payable in 60 quarterly installments	Hydropower plants and parcels of land amounting to ₱2,103,390,477 and ₱10,941,626, respectively, as at December 31, 2024 (see Note 11), corporate suretyship of REDC, PEHC, and L1HC, shares of stock held by the majority of CHC's stockholders, REDC, and assignment of contractual rights, including but not limited to rights to receive revenue under Renewable Energy Payment Agreement (REPA), and hold out of one quarterly amortization in the debt service account maintained with the lending bank amounting to ₱15,386,342 as at December 31, 2024 (see Note 9).
THC	**870,913,916**	619,925,525	₱700,000,000 credit line with additional ₱200,000,000 upon commissioning of the plant	15-year loan payable in 46 quarterly installments	Real property mortgage and chattel mortgage covering all real properties and civil works together with improvements acquired or constructed; and guarantee from stockholders. The carrying amount of hydropower plant amounted to ₱1,258,268,806 as at December 31, 2024 (see Note 11).
L1HC	**273,182,458**	309,111,787	468,000,000	15-year loan payable in 52 equal quarterly installments	Chattel mortgage over the hydropower plants with carrying amounts aggregating ₱800,053,122 as at December 31, 2024 (see Note 11), assignment of rights over the receivables and deed of guarantee from stockholders.
PPDC	**₱185,652,679**	₱208,740,728	278,700,000	15-year loan payable in 48 equal quarterly amortizations	Trade and other receivables as collateral amounting to ₱63,043,647 as at December 31, 2024 (see Note 8). Hydropower plants and parcels of land as collateral amounting to ₱321,357,919 and ₱3,327,735, respectively, as at December 31, 2024 (see Note 11).
MHCI	**114,972,523**	132,043,517	₱246,463,000	15-year loan payable in 40 quarterly installments	Real and chattel property mortgages aggregating ₱277,974,609 and ₱286,159,468, respectively (see Note 11), assignment of receivables, assignment of debt servicing account and continuing suretyship of previous owners.
BHC	**77,918,687**	100,000,000	100,000,000	5-year term loan with a local bank payable in 48 monthly installments	Real estate mortgage on the land amounting to ₱5,350,000 as at December 31, 2024 (see Note 11) and assignment of trade and other receivables amounting to ₱16,290,034 as at December 31, 2024 (see Note 8).
REDC	**1,973,857**	–	–	5-year loan payable in 60 equal monthly installments, inclusive of interest	Chattel mortgage over the transportation equipment costing ₱2,523,000 as at December 31, 2024.
	₱2,694,282,150	₱1,783,605,790			

Interest
The loans are subject to interest rates ranging from 5.5% to 7.5% per annum, subject to repricing for various periods.

Financial Covenants
The loans include covenants to maintain certain debt-to-equity ratio, current ratio and debt service ratio. For THC, the debt service coverage ratio will commence on June 30, 2025. In accordance with the loan agreement, the borrower shall be in default if, in the reasonable opinion of the creditor bank, the noncompliance is not remediable, after a written notice.

As at December 31, 2024, the Group is compliant with these covenants, except for THC which is noncompliant with the current ratio. THC, however, has not received any notice from the creditor bank on the noncompliance of the current ratio and has continued to make payments based on the original terms of the loan. Accordingly, as at December 31, 2024, the Group did not reclassify the noncurrent portion of the loan as current.

Expected Loan Repayments
The expected loan repayments over the remaining term of the loan as at December 31, 2024 are as follows:

	2024	2023
Not later than one (1) year	**₱169,199,816**	₱114,880,390
Later than one (1) year but not later than (5) five years	**1,172,670,012**	543,244,644
Later than five (5) years	**1,426,518,991**	1,142,611,903
	₱2,768,388,819	₱1,800,736,937

Interest Expense and Capitalized Borrowing Costs
Interest expense charged to operations is as follows:

	Note	**2024**	2023	2022
Continuing operations:				
Long term loans		**₱130,790,847**	₱68,803,723	₱60,385,450
Net contract liability		**1,699,609**	1,879,805	–
Short term loans		**–**	–	4,425,275
		132,490,456	70,683,528	64,810,725
Discontinued operations	21	**–**	–	21,878,722
		₱132,490,456	₱70,683,528	₱86,689,447

The Group capitalized borrowing cost amounting to ₱62,294,622, ₱25,151,272 and ₱35,237,885 in 2024, 2023 and 2022, respectively (see Note 11).

The cash and noncash changes in the Group's liabilities arising from financing activities:

	2024				
	Loans Payable	Debt Issue Costs	Due to Related Parties	Interest Payable	Total
Balance at beginning of year	**₱1,800,736,937**	**(₱17,131,147)**	**₱778,434,703**	**₱22,283,895**	**₱2,584,324,388**
Changes from financing cash flows:					
Cash proceeds	**1,042,038,400**	**–**	**552,158,838**	**–**	**1,594,197,238**
Payments of:					
Due to related parties	**–**	**–**	**(506,640,912)**	**–**	**(506,640,912)**
Loans payable	**(127,732,144)**	**–**	**–**	**–**	**(127,732,144)**
Interests	**–**	**–**	**–**	**(240,091,701)**	**(240,091,701)**
Debt issue costs	**–**	**(12,367,150)**	**–**	**–**	**(12,367,150)**
Noncash changes:					
Accrual of interest	**–**	**–**	**–**	**132,490,456**	**132,490,456**
Capitalization of borrowing costs	**–**	**653,297**	**–**	**61,641,325**	**62,294,622**
Amortization of debt issue cost	**–**	**2,354,952**	**–**	**(2,354,952)**	**–**
Amortization of fair value adjustment	**5,729,005**	**–**	**–**	**(6,914,935)**	**–**
Amortization of day 1 difference	**–**	**–**	**–**	**(1,611,831)**	**(1,611,831)**
Others	**–**	**–**	**6,979,265**	**69,115,486**	**76,094,751**
Balance at end of year	**₱2,720,772,198**	**(₱26,490,048)**	**₱830,931,894**	**₱34,557,743**	**₱3,560,957,717**

	2023				
	Loans Payable	Debt Issue Costs	Due to Related Parties	Interest Payable	Total
Balance at beginning of year	₱1,456,337,878	(₱13,651,989)	₱759,080,119	₱18,433,268	₱2,220,199,276
Changes from financing cash flows:					
Cash proceeds	466,000,000	–	347,863,425	–	813,863,425
Payments of:					
Due to related parties	–	–	(328,508,841)	–	(328,508,841)
Loans payable	(122,956,290)	–	–	–	(122,956,290)
Interests	–	–	–	(88,382,447)	(88,382,447)
Debt issue costs	–	(5,725,535)	–	–	(5,725,535)
Noncash changes:					
Accrual of interest	–	–	–	70,683,528	70,683,528
Capitalization of borrowing costs	–	311,666	–	24,839,606	25,151,272
Amortization of debt issue cost	–	1,934,711	–	(1,934,711)	–
Amortization of fair value adjustment	1,355,349	–	–	(1,355,349)	–
Balance at end of year	₱1,800,736,937	(₱17,131,147)	₱778,434,703	₱22,283,895	₱2,584,324,388

15. **Retirement Liability**

The Group has unfunded and non-contributory defined benefit retirement plan covering all its qualified employees. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an independent actuary as at December 31, 2024.

The breakdown of retirement benefits expense in 2024 and 2023 are as follows (see Notes 17 and 18):

	2024	2023
Current and past service cost	**₱689,311**	₱5,210,221
Interest expense	**826,400**	479,748
	₱1,515,711	₱5,689,969

The movements of retirement liability recognized in the consolidated statements of financial position as at December 31, 2024 and 2023 are as follows:

	2024	2023
Balance at beginning of year	**₱5,088,972**	₱–
Interest expense	**826,400**	479,748
Current service cost	**689,311**	697,789
Remeasurement gain	**(159,922)**	(600,997)
Past service cost	**–**	4,512,432
Balance at end of year	**₱6,444,761**	₱5,088,972

The rates used as principal assumptions for the purpose of the actuarial valuation are as follows:

	2024	2023
Discount rate	**6.1%**	7.0% to 7.4%
Salary projection rate	**5.0%**	5.0%

The sensitivity analysis based on reasonable possible changes of assumptions as at December 31,2024 and 2023 are presented below.

		Effect on Present Value of Retirement Liability	
	Change in Assumption	**Discount Rate**	**Salary Projection Rate**
December 31, 2024	**+1%**	**(₱328,547)**	**₱337,106**
	-1%	**380,327**	**(293,664)**
December 31, 2023	+1%	(184,668)	191,273
	-1%	209,877	(170,490)

The expected future benefit payments within the following years after December 31, 2024 and 2023 are as follows:

	2024	2023
Within one (1) year	**₱–**	₱–
After one (1) year but not more than five (5) years	**7,553,713**	4,193,750
After five (5) years but not more than ten (10) years	**10,638,975**	3,446,813
After ten (10) years but not more than fifteen (15) years	**4,593,547**	3,469,839
More than fifteen (15) years	**31,776,047**	13,414,157

The weighted average duration of the retirement benefit obligation as at December 31, 2024 and 2023 ranges from 1.52 to 6.11 and 0.41 to 6.83 years, respectively.

16. Equity

Movements in capital stock are as follows:

	2024		2023		2022	
	Shares	**Amount**	Shares	Amount	Shares	Amount
Authorized Capital Stock at ₱1 par value						
Balance at beginning of year	**750,000,000**	**₱750,000,000**	750,000,000	₱750,000,000	150,000,000	₱150,000,000
Increase during the year	**–**	**–**	–	–	600,000,000	600,000,000
Balance at end of year	**750,000,000**	**₱750,000,000**	750,000,000	₱750,000,000	750,000,000	₱750,000,000
Issued and Outstanding						
Balance at beginning of year	**650,000,002**	**₱650,000,002**	450,000,000	₱450,000,000	150,000,000	₱150,000,000
Issuances of shares	**–**	**–**	200,000,002	200,000,002	300,000,000	300,000,000
Balance at end of year	**650,000,002**	**₱650,000,002**	650,000,002	₱650,000,002	450,000,000	₱450,000,000

On January 31, 2022, the SEC approved the increase in the Parent Company's authorized capital stock from ₱150,000,000 divided into 150,000,000 shares at ₱1.00 par value a share to ₱750,000,000 divided into 750,000,000 shares at ₱1.00 par value a share. Deposit for future stock subscription of ₱424,901,466 was converted to 300,000,000 REDC shares resulting into additional paid-in capital of to ₱124,901,466.

In 2023, when the Parent Company listed in the PSE, it issued 200.0 million common shares from its unissued capital stock at a price of ₱5.00 per share. The gross proceeds from the IPO amounted to ₱1,000.0 million. The excess of the offer price over the par value of the issued shares equivalent to ₱800.0 million, was recognized as additional paid in capital. Cost directly attributable to the issuance of shares amounting to ₱28,981,162 was recognized as reduction of additional paid in capital.

On March 27, 2023, the BOD approved the Parent Company's equity restructuring to wipe out its deficit amounting to ₱186,447,570 as at December 31, 2022 against APIC. In May 2024, the Parent Company received the certificate of approval of equity restructuring from the SEC.

17. **Cost of Sale of Electricity**

This account consists of:

	Note	**2024**	2023	2022
Depreciation and amortization	11	**₱138,879,028**	₱78,816,554	₱68,859,428
Salaries and wages		**22,495,639**	18,967,788	16,149,442
Repairs and maintenance		**9,675,888**	3,806,945	3,430,046
Insurance		**8,733,856**	3,311,145	–
Outside services		**6,801,605**	6,215,746	1,533,383
Taxes and licenses		**3,270,163**	2,500,585	1,516,868
Communication and utilities		**3,240,199**	7,448,653	5,299,041
Transportation		**1,493,553**	694,716	1,047,332
Distribution wheeling charges		**1,165,568**	1,564,615	882,628
Materials		**979,648**	519,799	955,918
Retirement benefits	15	**716,756**	2,875,553	–
Rent	24	**215,600**	109,350	81,397
Others		**4,964,516**	4,998,381	5,114,943
		₱202,632,019	₱131,829,830	₱104,870,426

18. **Operating Expenses**

This account consists of:

	Note	**2024**	2023	2022
Salaries and wages		**₱22,590,189**	₱15,185,599	₱10,609,546
Professional fees		**19,888,463**	14,671,589	3,090,206
Taxes and licenses		**10,829,465**	16,360,970	9,522,572
Representation and entertainment		**6,414,969**	13,274,235	5,711,575
Depreciation and amortization	11	**3,303,280**	3,624,353	4,541,811
Rent	24	**3,915,111**	3,728,865	3,541,161
Communication and utilities		**3,003,429**	3,196,759	3,754,236
Transportation and meals		**2,228,832**	5,608,987	4,376,863
Outside services		**1,763,270**	2,441,515	1,898,743
Insurance		**1,228,129**	2,214,690	976,020
Retirement benefits	15	**798,955**	2,814,416	–
Research and development cost		**519,824**	125,326	994,959
Listing fees		**509,600**	3,692,615	–
Repairs and maintenance		**466,846**	1,141,685	965,155
Fuel, oil and lubricants		**–**	317,945	361,899
Others		**6,052,254**	4,695,099	3,082,016
		₱83,512,616	₱93,094,648	₱53,426,762

Others include expenses for appraisal and survey services among others.

19. **Other Income** - Net

This account consists of:

	Note	**2024**	2023	2022
Interest income	6	**₱1,354,388**	₱178,093	₱37,522
Gain on insurance claim	11	**–**	4,739,996	–
Write-off of input VAT	9	**–**	(1,709,636)	(1,518,416)
Provision for impairment of input VAT	9	**–**	(1,241,757)	–
Gain on disposal of a subsidiary and an associate	1, 10	**–**	–	4,218,750
Foreign exchange loss		**–**	–	(1,580)
Others		**2,576,805**	10,883,206	(7,335)
		3,931,193	₱12,849,902	₱2,728,941

20. **Related Party Transactions**

The Group has transactions with its related parties in the ordinary course of business as follows:

	Amount of Transactions		Balance at End of Year	
	2024	2023	**2024**	2023
Due from Related Parties				
Entities Under Common Control:				
PMHC	**₱–**	₱5,322	**₱45,853,356**	₱45,853,105
PMHC Pulanai Inc. (PPI)	**–**	20,000,000	**–**	20,000,000
Titan Mining and Energy Corporation (TMEC)	**6,211,150**	4,000,000	**15,295,608**	9,577,680
Colossal Petroleum Corporation	**5,106,897**	8,211,964	**13,318,861**	8,211,964
Pure Water Corporation	**10,754,444**	–	**10,920,745**	166,301
Others	**32,193,207**	48,987,694	**74,405,778**	49,023,465
Associates:				
BEHMC		–	**17,263**	17,263
Stockholders:				
Ultimate Parent Company	**19,195**	–	**–**	–
			₱159,811,611	₱132,849,778
Due to Related Parties				
Stockholders:				
Parent Company	**₱106,086,330**	₱–	**₱296,351,320**	₱222,933,416
Other stockholders	**373,966,105**	115,556,241	**256,773,273**	288,700,778
Entities Under Common Control:				
Solar Powered Agri-rural Communities Corporation (SPARC)	**34,618,594**	57,309,258	**156,150,742**	102,581,636
NexGen Energy Corporation (XG)	**37,435,908**	–	**26,229,121**	35,283,052
Pure Geothermal Inc.	**51,902**	–	**132,474**	164,376
Others	**–**	95,449,989	**6,747,027**	47,202,773
Others:				
PMHC	**–**	79,547,937	**79,547,937**	79,547,937
VOLGA	**–**	–	**9,000,000**	9,000,000
			₱830,931,894	₱785,413,968

Due from Related Parties

These are noninterest-bearing working capital advances, unsecured and are due and demandable. No impairment loss was recognized in 2024, 2023 and 2022.

Due to Related Parties

These are noninterest-bearing working capital advances, unsecured and are payable in cash and upon demand.

Compensation of Key Management Personnel

Compensation of key management personnel of the Group consists of short-term benefits amounting ₱6,727,123, ₱4,522,500 and ₱3,872,500 in 2024, 2023 and 2022, respectively.

Related Party Transactions Eliminated During Consolidation

Related party transactions eliminated in the consolidation pertain to due to and from related parties for working capital purposes. Total due from and to related parties which are eliminated amounted to ₱568,590,570 and ₱444,595,011, as at December 31, 2024 and 2023, respectively. The total amounts of transactions were ₱605,621,654 and ₱580,252,094 in 2024 and 2023, respectively.

All related party transactions comply with the related party transactions policy of the Group including the adherence to the required approval process. This encompasses a thorough review by the related party committee and the approval of BOD for all transactions.

21. Discontinued Operations

On November 4, 2022, the Parent Company assigned its ownership interest in PMHC, a subsidiary, to Colossal Petroleum Corporation for ₱40,750,000. As at December 31, 2022, PMHC and its subsidiaries were presented as a discontinued operations.

The results of operations of PMHC and its subsidiaries are presented below:

	Note	2022
Operating expenses		₱458,175
Interest expense	14	21,878,722
		22,336,897
Gain on disposal		(34,276,628)
Net loss from discontinued operations		(₱11,939,731)

The net cash flows incurred by PMHC are as follows:

	2022
Operating activities	(₱43,973,719)
Investing activities	36,387,430
Financing activities	2,039,225
	(₱5,547,064)

The carrying amounts of assets and liabilities disposed are as follows:

Assets	
Cash	₱3,048,941
Property, plant and equipment	346,730,690
Other assets	371,683,873
	721,463,504
Liabilities	
Trade and other payables	31,921,523
Loans payable	285,000,000
Other liabilities	42,242,390
	359,163,913
Net Assets	**₱362,299,591**

Basic/diluted income (loss) per share from discontinued operations follow:

	2022
Basic/diluted income (loss) per share	₱0.03

22. Income Taxes

The components of income tax expense are as follows:

	2024	2023	2022
Reported in Profit or Loss			
Current - Regular corporate income tax (RCIT)	**₱–**	₱–	₱3,246,880
Deferred	**759,172**	(1,917,018)	504,650
	₱759,172	(₱1,917,018)	₱3,751,530

The Group has no current income tax in 2024 and 2023 due to the income tax holiday and net loss position.

The income tax rates used in preparing the consolidated financial statements are as follows:

	Regular corporate income tax (RCIT)	Preferential income tax	Minimum corporate income tax (MCIT)
2024	**25%**	**10%**	**2.0%**
2023	25%	10%	1.5%
2022	25%	10%	1.0%

Income Tax Holiday

MHCI, PPDC, L1HC, THC and BHC are entitled to the following incentives under *Republic Act No. 9513*, *Renewable Energy Act of 2008* upon approval of BOI:

- Exemption from the payment of income taxes levied by the National Government for the first seven (7) years of commercial operations and 10% corporate income tax after the income tax holiday;

The income tax holiday is valid until:

	Start of Commercial Operations	Valid Until
MHCI	May 2019	May 2026
PPDC:		
Balugbog powerplant	July 2018	July 2025
Calibato powerplant	January 2019	January 2027
Palakpakin powerplant	September 2018	October 2025
L1HC	September 2021	August 2028
BHC	April 2022	April 2029
THC	September 2023	September 2030

- Exemption from payment of tariff duties on the importation of renewable machinery, equipment and materials including control and communication equipment within the first ten (10) years;
- Special realty tax of 1.5% on equipment and machinery;
- Zero value-added tax rate on the sale of renewable energy sources;
- Zero value-added tax rate on the purchases of goods, properties and services directly related to the development of hydropower plant facilities;
- NOLCO during the first three (3) years from start of commercial operations shall be carried over as deduction from gross income for the next seven (7) consecutive taxable years immediately following the year of loss; and
- Tax exemption on the sale of carbon credits.

The details of the Group's net deferred tax liabilities are as follows:

	2024	2023
Deferred tax asset -		
Unrealized foreign exchange loss	**₱–**	₱18,365
Deferred tax liabilities:		
Unamortized debt issue cost	**2,730,061**	1,728,843
Difference between the fair value and carrying amount of property, plant and equipment	**393,596**	489,562
	3,123,657	2,218,405
	₱3,123,657	₱2,200,040

The Group did not recognize the following deferred tax assets since management assessed that it is not probable that there would be sufficient future taxable income against which the deferred tax assets can be utilized.

	2024	2023
NOLCO	**₱50,272,626**	₱38,976,157
Retirement liability	**196,446**	209,645
	₱50,469,072	₱39,185,802

Details of NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Expiration Year
2020	₱21,010,228	₱–	₱–	₱–	₱21,010,228	2025
2021	47,463,097	–	–	–	47,463,097	2026
2022	16,199,605	–	–	–	16,199,605	2025
2023	82,056,450	–	–	–	82,056,450	2026
2024	–	54,390,314	–	–	54,390,314	2027
2024	–	1,566,804	–	–	1,566,804	2031
	₱166,729,380	₱55,957,118	₱–	₱–	₱222,686,498	

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 to implement Section 4 (bbbb) of the Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act". This RR provides that net operating loss of the business or enterprise for taxable years 2020 and 2021 to be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

In 2024, THC incurred NOLCO amounting to ₱1,566,804 which can be claimed as deductions to taxable income until 2031.

The reconciliation of income tax expense computed at the statutory tax rate to income tax expense (benefit) as shown in the consolidated statements of comprehensive income is summarized as follows:

	2024	2023	2022
Income tax computed at statutory tax rate	**₱29,680,337**	₱7,950,690	₱42,937,752
Change in unrecognized deferred tax assets	**11,198,812**	19,262,951	(1,846,154)
Effect of change in income tax rate	**–**	(2,020,250)	–
Add (deduct) tax effects of:			
Nontaxable income	**(24,847,500)**	(10,536,637)	–
Income subject to income tax holiday (ITH)	**(17,855,792)**	(22,736,782)	(45,305,577)
Discount on FIT differential	**1,904,570**	–	–
Nondeductible expenses	**1,481,097**	3,380,196	1,615,886
Stock issuance costs	**(437,500)**	(7,372,790)	–
Equity share in net loss (income) of associates	**(316,000)**	903,098	462,949
Interest income subjected to final tax	**(130,910)**	(40,811)	(9,381)
Amortization of contract asset (liability) - net	**82,058**	–	–
Difference in tax rate and income tax holiday	**–**	9,169,141	
Provision on impairment of input tax	**–**	124,176	–
Expired NOLCO and MCIT	**–**	–	5,896,055
	₱759,172	(₱1,917,018)	₱3,751,530

23. Reclassification of 2023 Consolidated Financial Statements

As discussed in Note 2, certain accounts in the 2023 consolidated statements of financial position were reclassified to conform with the 2024 presentation as follows:

	As previously reported	Reclassification adjustment	As reclassified
Trade and other receivables	₱132,814,321	₱7,551,357	₱140,365,678
Other current assets	139,741,747	(7,551,356)	132,190,391
Trade and other payables	620,793,590	(6,979,264)	613,814,326
Due to related parties	778,434,703	6,979,265	785,413,968

24. Significant Commitments

Group as a Lessee

The Group has certain leases for its head office space and staff houses with lease terms of 12 months or less. The Group applied the "short-term lease" recognition exemption for these leases.

Rent expense incurred as follows:

	Note	**2024**	2023	2022
Cost of sale of electricity	17	**₱215,600**	₱109,350	₱81,397
Operating expenses	18	**3,915,111**	3,728,865	3,541,161
Discontinued operations		–	–	10,000
		₱4,130,711	₱3,838,215	₱3,632,558

Renewable Energy Distribution

Wind Energy Service Contract (WESC)

The Government, through the DOE, awarded WESCs to the Group that grant exclusive right to explore, develop and utilize wind energy resources within specified contract areas. The contract period is 25 years which is divided into two (2) stages: the pre-development stage and the development stage or commercial stage.

The pre-development stage refers to the preliminary assessment and feasibility study activities. The development or commercial stage commences from the confirmation of commerciality by the DOE and refers to the construction and installation of facilities up to the operation phase.

The WESCs also provide that the Parent Company may assign or transfer part or all of its rights and/or obligations under the WESCs to its affiliate upon compliance with certain requirements.

In 2024, the Group assigned its WESCs in Real Offshore, Pandan Labayat, Mauban Offshore and Silang Maragondon Wind Farms to Airstream Renewables Corp. As a result, the Group no longer holds any wind energy service contract as of December 31, 2024.

Hydropower Service Contract (HSC)
The Government, through the DOE, awarded HSCs to the Group that grant exclusive right to explore, develop and utilize hydropower resources within specified contract areas. The contract period is 25 years which is divided into two (2) stages: the pre-development stage and the development stage or commercial stage.

The pre-development stage refers to preliminary assessment and feasibility study activities. The development or commercial stage commences from the confirmation of commerciality by the DOE and refers to the construction and installation of facilities up to the operation phase.

The HSCs also provide that the Parent Company may assign or transfer part or all of its rights and/or obligations under the HSCs to its affiliate upon compliance with certain requirements.

Details of the Group's HSCs as at December 31, 2024 are as follows:

Project	Company Name	Location	Effective Date	Expiry Date	Status of Project
Palakpakin Hydroelectric Power Plant	PPDC	Calauan, Laguna	February 9, 2017	February 8, 2042	Commercial Stage
Balugbog Hydroelectric Power Plant	PPDC	Nagcarlan, Laguna	February 9, 2017	February 8, 2042	Commercial Stage
Calibato Hydroelectric Power Plant	PPDC	San Pablo, Laguna	February 9, 2017	February 8, 2042	Commercial Stage
Majayjay Hydroelectric Power Project	MHCI	Majayjay, Laguna	April 11, 2014	April 10, 2039	Commercial Stage
Labayat River (Upper Cascade) Hydroelectric Power Project	L1HC	Real Quezon	February 24, 2014	February 23, 2039	Commercial Stage
Inarihan Hydroelectric Power Project	BHC	Naga City, Camarines Sur	December 3, 2021	December 2, 2046	Commercial Stage
Tibag Hydroelectric Power Project	THC	Mauban, Quezon	February 24, 2014	February 23, 2039	Commercial Stage
Pulanai River Hydroelectric Power Project	CHC	Valencia, Bukidnon	February 24, 2014	February 23, 2039	Pre-development Stage
Piapi River Hydroelectric Power Project	PHC	Mauban, Quezon Province	February 24, 2014	February 23, 2039	Pre-development Stage
Real II Seawater Pumped Storage Hydroelectric Power Project	REDC	Real, Quezon	February 23, 2024	February 22, 2049	Pre-development Stage

Provisional Authority to Operate (PAO) Feed-in-Tariff (FIT) Eligible Power Plant
The Government, through the Department of Energy (DOE), issued Certificate of Endorsement (COE) under the FIT system to the Group, which entitled the Group to the FIT rate.

Subsequent to COE issuance, the Energy Regulatory Commission (ERC) issued PAO-FIT in favor of the Group's hydropower plants FIT eligibility valid for a period of one (1) year, contingent on the validity of permits and licenses issued by other government agencies.

Details of the Group's COEs as at December 31, 2024 are as follows:

	Date issued
MHCI	October 2019
PPDC:	
Balugbog powerplant	September 2019
Calibato powerplant	May 2020
Palakpakin powerplant	September 2019
L1HC	December 2021
BHC	August 2022
THC	May 2023

Details of the Group's PAO-FIT as at December 31, 2024 are as follows:

	Effective Date	Valid Until
MHCI	October 30, 2024	October 29, 2025
PPDC:		
Balugbog powerplant	January 15, 2025	January 14, 2026
Calibato powerplant	January 17, 2025	January 16, 2026
Palakpakin powerplant	January 15, 2025	January 14, 2026
L1HC	November 15, 2024	November 14, 2025
BHC	October 26, 2024	October 25, 2025
THC	December 18, 2024	December 17, 2025

Details of derived revenue from FIT are as follows:

	2024	2023	2022
Actual FIT revenue:			
PPDC	**₱90,544,652**	₱97,368,183	₱86,942,906
MHCI	**82,269,092**	92,024,197	94,904,416
	172,813,744	189,392,380	181,847,322
FIT differential adjustment:			
THC	**31,496,604**	9,733,811	–
L1HC	**19,279,406**	(24,233,683)	–
BHC	**6,686,902**	3,328,020	–
PPDC	**454,290**	–	–
	57,917,202	(11,171,852)	–
	₱230,730,946	₱178,220,528	₱181,847,322

Renewable Energy Payment Agreement (REPA) with National Transmission Corporation (Transco)
The Group entered into a REPA with the Transco to set out the rights and obligations relating to the payment of the Actual FIT Revenue to the Group for the electricity generated by the FIT eligible power plants. Under the REPA, Transco, as the FIT Administrator, shall administer the implementation of the FIT System, manage the FIT-All Fund from which renewable energy developers shall be paid, and perform the function of settlement agent for the payment of Actual FIT Revenue to the eligible renewable energy power plants.

In accordance with the agreement, Transco shall pay the actual FIT revenue for all metered generation for a period of 20 years from commercial operations. Any FIT differential, prior to the effectivity of the REPA, shall be billed and collected from Transco over a period, equivalent to the number of months lapsed between the start of commercial operations until the effective date of the REPA. The unbilled FIT differential is recorded under "Contract assets" and "Contract liabilities" account.

The Group's contract assets are as follows (see Note 8):

	2024	2023
THC	**₱41,873,535**	₱9,733,811
PPDC	**39,578,185**	42,394,257
MHCI	**10,526,661**	12,618,484
BHC	**10,392,903**	3,557,886
	₱102,371,284	₱68,304,438

L1HC's unbilled excess collections over the FIT rate amounting to ₱8,445,913 and ₱26,113,488 as at December 31, 2024 and 2023, respectively, are recorded under "Contract liability" account.

Interest expense incurred from net contract liability amounted to ₱1,699,609 and ₱1,879,805 in 2024 and 2023, respectively (see Note 14).

Market Participation Agreement (MPA) with Independent Electricity Market Operator of the Philippines (IEMOP)
The Group entered into an MPA to be a WESM Participant with IEMOP as its Market Operator to sell bulk energy generated from its hydropower plants subject to WESM rules and manuals.

Details of derived revenue from the MPA are as follows:

	2024	2023	2022
THC	**₱155,329,757**	₱54,674,646	₱–
L1HC	**142,258,010**	127,037,483	156,336,606
BHC	**52,265,132**	70,725,112	28,353,487
PPDC	**10,770,312**	14,809,188	15,504,627
	₱360,623,211	₱267,246,429	₱200,194,720

Memorandum of Agreement (MOA) with DOE
The Group entered into an agreement with the DOE to grant financial benefits and/or energy resources to its host communities pursuant to ER No. 1-94 implementing Section 5 (i) of R.A. No. 7638, otherwise known as the "Department of Energy Act of 1992". The agreement covers the hydropower plants of PPDC, L1HC, THC, MHCI and BHC.

Restricted cash set aside for payment of financial benefits to host communities' amounted to ₱2,744,757 and ₱1,838,342 as at December 31, 2024 and 2023, respectively (see Note 9).

Legal Proceedings
The Group is involved in certain legal proceedings. Management believes that the ultimate liability, if any, with respect to such disputes will not materially affect the financial position of the Group.

25. **Financial Risk Management Objectives and Policies and Capital Management**

The Group's principal financial instruments consist mainly of financial assets and financial liabilities directly related to operations specifically cash, trade and other receivables (excluding receivable from employees), due from related parties, refundable deposit, receivables from contractors , trade and other payables (excluding statutory payables), loans payable, due to related parties, and retention payable.

Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, foreign currency risk and interest rate risk. The BOD reviews and agrees on policies for managing each of these risks.

Credit Risk

Credit risk is the risk that counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers including related parties, placing deposits with banks and investing in short–term placements.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group has significant concentration of credit risk in its trade receivables and contract assets. As discussed in Note 2, the Group only has few customers in 2024, 2023 and 2022.

Generally, trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of the debtor to engage in repayment plan, no active enforcement activity and a failure to make contractual payment for a period greater than one (1) year.

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, representing the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained is summarized below:

	2024	2023
Cash in banks	**₱89,205,200**	₱38,209,543
Funds held in escrow	**281,014,489**	526,537,923
Trade and other receivables*	**139,218,151**	135,062,406
Due from related parties	**159,811,611**	132,849,778
Refundable deposit	**494,040**	494,040
Restricted cash	**18,131,099**	8,941,245
Receivables from contractors	**65,941,707**	65,941,707
	₱753,816,297	₱908,036,642

**Excluding receivable from employees amounting to ₱4,503,259 and ₱5,303,272 as at December 31, 2024 and 2023, respectively.*

The table below shows the credit quality and aging analysis of the Group's financial assets:

	2024					
			Past Due But Not Impaired			
	High Grade	Standard Grade	1 – 60 Days	61 – 90 Days	More than 90 Days	Total
Lifetime ECL -						
Trade receivables	₱–	₱54,248,589	₱22,109,104	₱8,472,469	₱4,283,143	₱89,113,305
Contract assets	–	91,844,623	–	–	10,526,661	102,371,284
	₱–	₱146,093,212	₱22,109,104	₱8,472,469	₱14,809,804	₱191,484,589
12–month ECL:						
Cash in banks	89,205,200	–	–	–	–	89,205,200
Funds held in escrow	281,014,489	–	–	–	–	281,014,489
Due from related parties	–	159,811,611	–	–	–	159,811,611
Refundable deposits	–	494,040	–	–	–	494,040
Receivables from contractors	–	65,941,707	–	–	–	65,941,707
Restricted cash	18,131,099	–	–	–	–	18,131,099
	₱388,350,788	₱226,247,358	₱–	₱–	₱–	₱614,598,146
	₱776,701,576	₱598,587,928	₱22,109,104	₱8,472,469	₱14,809,804	₱1,420,680,881

	2023						
			Past Due But Not Impaired				
	High Grade	Standard Grade	1 – 60 Days	61 – 90 Days	More than 90 Days	Allowance for ECL	Total
Lifetime ECL -							
Trade receivables	₱–	₱74,398,017	₱370,755	₱140,869	₱1,582,138	₱–	₱76,491,779
Contract assets	–	55,012,741	–	–	9,733,811	–	64,746,552
	₱–	₱129,410,758	₱370,755	₱140,869	₱11,315,949	₱–	₱141,238,331
12–month ECL:							
Cash in banks	38,209,543	–	–	–	–	–	38,209,543
Funds held in escrow	526,537,923	–	–	–	–	–	526,537,923
Due from related parties	–	132,849,778	–	–	–	–	132,849,778
Refundable deposits	–	494,040	–	–	–	–	494,040
Receivables from contractors	–	65,941,707	–	–	–	–	65,941,707
Restricted cash	8,941,245	–	–	–	–	–	8,941,245
	₱573,688,711	₱199,285,525	₱–	₱–	₱–	₱–	₱772,974,236
	₱573,688,711	₱328,696,283	₱370,755	₱140,869	₱11,315,949	₱–	₱914,212,567

The Group's financial assets are categorized based on the Group's collection experience with the counterparties as follows:

a. High Grade – settlements are obtained from counterparty following the terms of the contracts without much collection effort.

b. Standard Grade – some reminder follow–ups are performed to obtain settlement from the counterparty.

c. Past Due But Not Impaired – items with history of frequent defaults but are still being collected.

Cash and Cash Equivalents, Short-term Investment and Restricted Cash. The credit risk for cash and cash equivalents, short-term investment, financial assets at FVPL and restricted cash is considered negligible because the counterparties are reputable banks with high quality external credit ratings. Thus, the impairment loss is limited to 12-month ECL.

Due from Related Parties. The exposure on due from related parties, which are measured and classified as financial assets at amortized cost, are assumed to have low credit risk because the related parties have sufficient cash and other liquid assets to repay the loan immediately. Thus, the impairment loss is limited to 12-month ECL.

Liquidity Risk

Liquidity risk arises from the Group's inability to raise sufficient funds at the least possible cost to meet its financial commitments. The Group's objectives in liquidity management are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

The table below summarizes the maturity profile of the financial liabilities of the Group based on remaining contractual undiscounted cash flows as at December 31, 2024 and 2023:

	2024					
	Due and Demandable	**Less than 1 year**	**1–2 years**	**>2–3 years**	**Over 3 years**	**Total**
Trade and other payables*	**₱–**	**₱568,543,195**	**₱–**	**₱–**	**₱–**	**₱568,543,195**
Loans payable**	**–**	**377,663,199**	**448,508,768**	**426,030,104**	**2,796,649,941**	**4,048,852,012**
Retention payable - net of current portion	**–**	**–**	**–**	**150,200,226**	**–**	**150,200,226**
Due to related parties	**830,931,894**	**–**	**–**	**–**	**–**	**830,931,894**
	₱830,931,894	**₱946,206,394**	**₱448,508,768**	**₱576,230,330**	**₱2,796,649,941**	**₱5,598,527,327**

**Excluding statutory payables amounting to ₱16,318,891 as at December 31, 2024.*
***Includes future interest payments*

	2023					
	Due and Demandable	Less than 1 year	1–2 years	>2–3 years	Over 3 years	Total
Trade and other payables*	₱–	₱613,103,628	₱–	₱–	₱–	₱613,103,628
Loans payable**	–	386,012,085	199,757,908	836,908,872	1,215,971,188	2,638,650,053
Retention payable - net of current portion	–	89,826,865	(9,360,155)	–	–	80,466,710
Due to related parties	785,413,968	–	–	–	–	785,413,968
	₱785,413,968	₱1,088,942,578	₱190,397,753	₱836,908,872	₱1,215,971,188	₱4,112,643,256

**Excluding statutory payables amounting to ₱710,698 as at December 31, 2023.*
***Includes future interest payments*

The Group monitors its risk to a shortage of funds through analyzing the maturity of its financial investments and financial assets and cash flows from operations. The Group monitors its cash position by a system of cash forecasting. All expected collections, check disbursements and other payments are determined on a daily basis to arrive at the projected cash position to cover its obligations.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's market risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and liabilities. Any gap between the maturities of fixed and variable rate instruments is effectively managed by the Group.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with other variables held constant of the Group's income before income tax:

	2024	2023
Increase (decrease) in basis points:		
+50	**(₱2,012,813)**	(₱9,194,626)
-50	**2,012,813**	9,194,626

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

The Group regularly monitors its capital position and assesses business conditions to ensure early detection and determination of risks and its consequent adverse impact. The Group adopts measures, as deemed necessary and appropriate, to mitigate risks.

In determining reasonable leverage, the Group evaluates its cost of capital and manages its level of debt to maintain an optional cost of capital based in current conditions. The Group considers its equity as capital amounting to ₱2,215,488,647 and ₱2,117,562,655 as at December 31, 2024 and 2023, respectively.

The Group is required to maintain debt-to-equity ratios in accordance with its loan agreements (see Note 14).

26. Fair Value Measurement

Cash, Funds Held in Escrow, Trade Receivables, Contract Assets, Due from Related Parties, Restricted Cash, Receivable from Contractors, Due to Related Parties, and Trade and Other Payables (Excluding Statutory Payables). Due to the short-term nature of transactions, the carrying amount of these instruments approximate the fair values as at reporting dates.

Refundable Deposit and Retention Payable -Net of Current Portion. The management assessed that the effect of discounting is not significant.

Loan Payable. The fair value of loan payable is the present value of all future cash flows discounted using applicable rates for similar types of loans. The fair value of the loan payable is classified under level 2 (significant observable inputs) of the fair value hierarchy. The fair value of the loan payable amounted to ₱2,949,451,126 and ₱2,049,141,297 as at December 31, 2024 and 2023, respectively. The discount rates used are 1.00% to 6.02% and 1.00% to 6.04% in 2024 and 2023, respectively.

27. Basic/Diluted Earnings per Share

The following table presents information necessary to calculate income per share:

	2024	2023	2022
Net income attributable to the equity holders of the Parent Company from:			
Continuing operations	**₱91,517,482**	₱165,119,223	₱128,032,165
Discontinued operations	**–**	–	23,108,179
	91,517,482	165,119,223	151,140,344
Weighted average number of common shares	**650,000,002**	508,333,334	425,000,000
Basic/diluted earnings per share from continuing operations	**₱0.14**	₱0.32	₱0.30
Basic/diluted earnings per share	**₱0.14**	₱0.32	₱0.36

Earnings per share is calculated using the net income divided by the weighted average number of common shares. The Group has assessed that there were no dilutive common shares as at December 31, 2024, 2023 and 2022.

28. Segment Reporting

For management reporting purposes, the Group is organized based on its activities and has one operating segment which is the renewable energy generation segment. This segment undertakes the generation of electricity through hydroelectric power plants which are within the Group's country of domicile.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

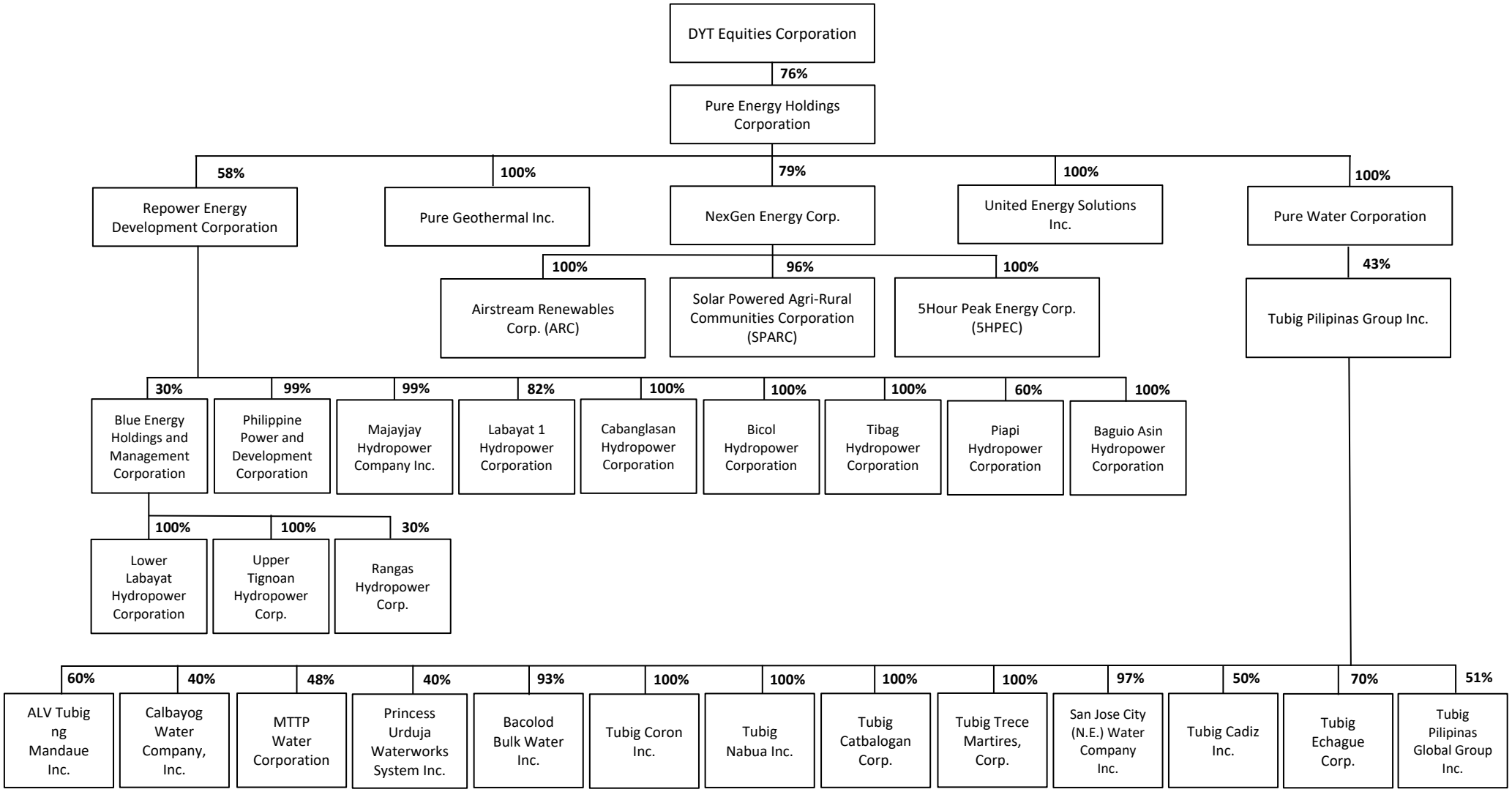
Below is a schedule showing financial soundness indicators of the Group as at and for the years ended December 31, 2024 and 2023.

Ratio	Formula	**2024**	2023
Current ratio	Current assets/current liabilities	**0.50:1**	0.65:1
Acid test ratio	Quick assets/current liabilities	**0.43:1**	0.56:1
Solvency ratios	Net income before amortization and depreciation/total liabilities	**0.06:1**	0.08:1
Debt-to-equity ratio	Total liabilities/total equity	**1.93:1**	1.56:1
Asset-to-equity ratio	Total assets/total equity	**2.93:1**	2.56:1
Interest rate coverage ratio	Net income before tax expense/interest expense	**0.78:1**	2.41:1
Return on equity	Net income/average shareholder's equity	**0.05:1**	0.08:1
Return on assets	Net income/average total assets	**0.02:1**	0.03:1
Net profit margin	Net income/revenue	**0.70:1**	0.69:1

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONGLOMERATE MAP

DECEMBER 31, 2024



REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II of the REVISED SRC RULE 68

DECEMBER 31, 2024

Table of Contents

Schedule	*Description*	*Page*
A	Financial Assets	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	N/A
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	1
D	Long-Term Debt	2
E	Indebtedness to Related Parties (Long-Term loans from Related Parties)	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	3

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

			Deductions		*Ending Balance*		
Name and designation of debtor	***Balance at beginnning of year***	***Additions***	***Amounts collected***	***Amounts written off***	***Current***	***Noncurrent***	***Balance at end of year***
Repower Energy Development Corporation	₱285,221,567	₱104,694,414	₱–	₱–	₱389,915,981	₱–	₱389,915,981
Labayat 1 Hydropower Corporation	14,500,000	–	(12,000,000)	–	2,500,000	–	2,500,000
Bicol Hydropower Corporation	403,333	–	(403,333)	–	–	–	–
Tibag Hydropower Corporation	83,590,209	12,391,100	–	–	95,981,309	–	95,981,309
Cabanglasan Hydropower Corporation	14,634,592	–	(14,634,592)	–	–	–	–
Piapi Hydropower Corporation	20,147,443	11,241,213	–	–	31,388,656	–	31,388,656
	₱418,497,144	₱128,326,727	(₱(27,037,925)	₱–	₱519,785,946	₱–	₱519,785,946

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SCHEDULE D – LONG TERM DEBT

DECEMBER 31, 2024

Title of Issue and Type of Obligation	*Amount Authorized by Indenture*	*Amount shown under caption "Current portion of Loans payable" in related balance sheet*	*Amount shown under caption "Loans payable - net of current portion " in related balance sheet*
Individual	₱–	₱–	₱–
Local creditor bank – A	870,913,916	62,125,000	808,788,916
Local creditor bank – B	273,182,458	36,986,362	236,196,096
Local creditor bank – C	185,652,679	23,091,628	162,561,051
Local creditor bank – D	114,972,523	22,800,000	92,172,522
Local creditor bank – E	77,918,687	23,918,526	54,000,161
Local creditor bank – F	1,169,668,030	–	1,169,668,030
Local creditor bank – G	1,973,857	1,973,857	–
	₱2,694,282,150	₱170,895,373	₱2,523,386,776

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SCHEDULE G – CAPITAL STOCK

DECEMBER 31, 2024

Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under the related statement of financial position caption*	*Number of shares reserved for options,warrants, conversion and other rights*	*Number of shares held by*		
				Related parties	*Directors, officers and employees*	*Others*
Common stock - ₱1 par value	750,000,000	650,000,002	–	439,999,995	5	210,000,002

PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

REPOWER ENERGY DEVELOPMENT CORPORATION

Address: 3rd Floor JTKC Centre, 2155 Don Chino Roces Ave., Makati City, Philippines

		Amount
Retained earnings (deficit) available for dividend declaration, beginning of reporting period		(₱190,209,877)
Add: Category A: Items that are directly credited to unappropriated retained earnings		
Equity restructuring	₱186,447,570	186,447,570
Deficit, as adjusted		(3,762,307)
Add net income for the current year		59,363,373
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate	1,263,999	1,263,999
Adjusted net income		58,099,374
Total retained earnings, end of the reporting period available for dividend		₱54,337,067

SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF SECURITIES TO THE PUBLIC

Repower Energy Development Corporation
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

	As disclosed in the final prospectus	Receipts during the period	Disbursements during the period	Balance as at December 31, 2024
Gross proceeds	₱1,000,000,000	₱–	₱–	₱1,000,000,000
IPO expenses	(50,500,000)	–	–	(47,837,167)
Net proceeds	949,500,000	–	–	952,162,833
Use of Proceeds:				
Partially fund the equity portion of:				
Pulanai (Pulangi) MHP Project	(600,000,000)	–	(97,000,000)	(411,880,000)
Piapi MHP Project	(100,000,000)	–	–	(53,000,000)
Fund the development and/or acquisition of renewable energy projects	(150,000,000)	–	(99,500,000)	(104,720,000)
Fund operating and working capital requirements	(99,500,000)	–	(49,500,000)	(99,500,000)
	(949,500,000)	–	(246,000,000)	(669,100,000)
Interest income	–	476,567	–	614,490
	(949,500,000)	476,567	(246,000,000)	(668,485,510)
Total	₱–	₱476,567	(₱246,000,000)	₱283,677,323

REPOWER ENERGY DEVELOPMENT CORPORATION

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

	2024	2023
Parent Company		
Total Audit Fees	**₱575,000**	₱575,000
Non-audit services fees:		
Agreed-upon procedures for use of proceeds from the initial public offering	300,000	150,000
Total Non-audit Fees	**300,000**	**150,000**
Total Audit and Non-audit Fees	**₱**	**₱**
Other related entities		
Audit fees	**₱**1,730,000	₱1,540,000
Total Audit Fees of Other Related Entities	**₱1,730,000**	₱1,540,000

Section 2.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

2. Financial Condition

As at December 31, 2024 Compared to as at December 31, 2023

The total assets of Repower Energy Development Corporation and Subsidiaries (the Group) reduced by ₱184.2 million (-19%) from December 31, 2023 due mainly to the application of proceeds from the initial public offering (IPO) on July 24, 2023.

Material changes in asset accounts are analyzed as follows:

a. The net increase in cash of ₱44.5 million (99%) is due to:
   i. Net increase in operational cash flows as a result of net income generated from the operating segments and continuing operations;
   ii. Additions to property and equipment aggregating ₱1.1 billion.

b. The net increase in due from related parties of ₱26.9 million (+20%) is due to working capital funds advanced to entities under common control to sustain operations. These advances are due and demandable and unimpaired.

c. Other current assets net decreased by ₱13.5 million (+10%) mainly due to reclassifications of advances made to contractors and suppliers consistent with the Group's plan to expand its hydropower operations together with net increase in its restricted cash for regulatory requirements. The net increase in other noncurrent assets of ₱9.13 million (+204%) is a result of the contract assets in relation to its revenues.

d. Net increase in property, plant and equipment by ₱306 million (30%) represent the additions mainly to hydropower plants and its project construction

The total liabilities of the Group increased by ₱981.1 million (+30%) due primarily to availments of loans and advances from related parties. Material changes in liability accounts are analyzed as follows:

d. Net decrease in trade and other payables amounting to ₱191.3 million (-4%) resulted from reduction of progress billings from various contractors and suppliers and payment of retention payables

e. Net increase in loans payable by ₱857.5 million (+51%) and due to related parties by ₱41 million (+5%) resulted from availments for various purposes but mainly as part of the Group's operational expansion. The increase was also partly due to the advances made by related parties under common control and of the stockholders which may be recognized as deposits for future stock subscription upon application for increase in capital stock, if any.

f. Noncurrent portion of retention payable also increased by ₱69.7 million (+87%) due to additional contractor billings related to ongoing construction projects.

The Group's total equity increased by ₱103.7 million (+5%) as a direct result of changes within the entity's capital structure. The net proceeds from the IPO amounted to ₱186.4 million which was accounted for under capital stock and additional paid-in capital accounts were used to restructure the existing deficit balance of Retained earnings from the parent's separate records. Retained earnings of the Group and the non-controlling interest accounts increased as a result of the net income earned during the period.

Relevant financial ratios related to the Group's financial position are liquidity ratio, solvency ratio, debt-to-equity ratio and asset-to-equity ratio.

The Group's liquidity ratios (current and acid test ratios) has reduced from 0.65:1 and 0.56:1 as at December 31, 2023 to 0.50:1 and 0.43:1 as at December 31, 2024 due mainly from the increase of liabilities and application of proceeds from escrow fund.

The solvency ratio is 0.06:1 and 0.08:1 as at December 31, 2024 and December 31, 2023, respectively.

The debt-to-equity ratio of 1.92:1 as at December 31, 2024 compared to the 1.55:1 as at December 31, 2023 shows the impact of the increases of the liability balances of the Group.

The asset-to-equity ratio of the Group increased from 2.56:1 as at December 31, 2023 to 2.92:1 as at December 31, 2024 which was partially impacted by increase on its fixed assets.

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4. Results of Operations

In comparison of results of December 31, 2024 with December 31, 2023

The Group generated a total of ₱533.4 million revenues from its operations for the twelve-month period ended December 31, 2024 which is ₱76.70 million (+17%) higher than the revenue generated for the same period in the prior year. Consequently, gross income is higher by ₱5 million (+2%). The total comprehensive income of the Group for the twelve-month period ended December 31, 2023 registered at ₱119.3 million which is ₱50 million (-30%) lower than that of the previous year for the same period.

Key factors to the changes of the items above are as follows:

a. Revenue increased mainly as a result of higher electric generation of the Group. The increase in is also brought about by the increased capacity from the L1HC and BHC operations and the full operations of THC. The revenue reported is understated by (reasonable estimate)₱70 million due to force majeure. As a result of increased revenue, the cost also increased during the period.

b. Operating expenses decreased by ₱9.5 million (-10%) and This decrease can be attributed to the Group's thrust to progress the status of its operations through savings. During the period, the Group increased its spending on salaries and wages, outside services, and professional fees. There were also significant increases in insurance, taxes and licenses, rental, depreciation and amortization, transportation and meals, and communication and utilities resulting to an increase of Cost of Sales by ₱70.8 million (+54%)..

c. Interest expense increased by ₱61.8 million (+87%) as a result of incurring more costs of borrowing related to the ongoing construction projects. The Group entered into various loan contracts with local creditor banks to finance the construction and rehabilitation of various projects, with interest rates ranging from 5.5% to 11% per annum, and with terms ranging from 3 to 15 years.

The resulting basic and diluted earnings per share of the Group decreased from 0.32 per share to 0.17 per share. This is due to the decrease in the income non-controlling.

Relevant profitability ratios related to the Group's financial performance are return on equity, return on total assets and net income margin.

The return on equity of the Group has reduced from 0.08:1 to 0.05:1 across the periods since the net income has reduced in contrast to the restructuring and reduction of its additional paid-in capital. Consequently, the return on assets decreased from 0.03:1 to 0.02:1 across the periods.

Net income margin increased to 0.70:1 from 0.69:1 across the periods due to the improvement in the results of operations.

5. Other disclosures

There were no material events subsequent to the end of the interim period that have not been reflected in the unaudited interim financial statements.

There were material changes in the composition of the Group during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

The Group has no contingent liabilities or contingent assets as at December 31, 2024.

There are no material contingencies and any other events or transactions that are material to the understanding of the current interim period.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures which are out of the scope of the use of proceeds from the IPO.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net revenues or income from continuing operations.

All significant elements of income or loss were generated from the Group's registered and continuing business operations.

Aside from the resulting effects of the IPO of the Group, there are no other nonrecurring or seasonal aspects that had a material effect on the financial condition or results of operations.

Pursuant to the requirements of Section 17 of the Code and Section 41 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on APR 30 2025, 20_____

By:

RENATO Z. LOCSIN
Chairman of the Board

ERIC PETER Y. ROXAS
President

ROLANDO P. DOMINGO
Chief Financial Officer

ANN MARGARET K. LORENZO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this ___ day of APR 30 2025, 20___ affiant(s) exhibiting to me his/her Tax Identification Number, as follows:

NAMES	**TAX IDENTIFICATION NUMBER**
RENATO Z. LOCSIN	187-939-916
ERIC PETER Y. ROXAS	106-207-301
ROLANDO P. DOMINGO	105-777-920
ANN MARGARET K. LORENZO	274-323-370

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Book No. 12;
Series of 2025;

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-118 until Dec. 31, 2026
Unit 3C LTA Building, 138 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 470008 / 10-02-2024 / Pasig City
PTR No. 10465768 / 01-02-2025 / Makati City
MCLE Compliance No. VIII-0024929 / April 14, 2028