TECHGLOMERATE BUILDERS

ANNUAL REPORT 2023

SEC FORM 20 - IS (Information Statement)

aboitiz Equity Ventures | GT2025

March 25, 2024

via electronic mail
SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7909 Makati Avenue
Salcedo Village, Bel-Air, Makati City

ATTENTION : **DIR. OLIVER O. LEONARDO**
Markets and Securities Regulation Department

via PSE EDGE
PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 28th Street cor. 5th Avenue,
Bonifacio Global City, Taguig City

ATTENTION : **MS. ALEXANDRA D. TOM WONG**
Head, Disclosure Department

via electronic mail
PHILIPPINE DEALING & EXCHANGE CORP.
29th Floor BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

ATTENTION : **ATTY. SUZY CLAIRE R.SELLEZA**
Head – Issuer Compliance and Disclosure Department

Gentlemen:

Attached is the SEC Form 20-IS (Definitive Information Statement) of Aboitiz Equity Ventures Inc. in preparation for its 2024 Annual Stockholders' Meeting for your files.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES INC.
By:

Sgd.
CONNIE G. CHU
Corporate Secretary

COVER SHEET

C	E	O	2	5	3	6				

S.E.C. Registration Number

A	B	O	I	T	I	Z		E	Q	U	I	T	Y		V	E	N	T	U	R	E	S		I	N	C	.	

(Company's Full Name)

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C	I	T	Y	,	T	A	G	U	I	G		C	I	T	Y	,	M	E	T	R	O		M	A	N	I	L	A

P	H	I	L	I	P	P	I	N	E	S																		

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

CONNIE G. CHU	02-8 886-2338
Contact Person	Company Telephone Number

1	2		3	1

Month *Day*
Fiscal Year

2	0	-	I	S

FORM TYPE

0	4		2	2

4th Monday of April
Month *Day*
Annual Meeting

N/A

Secondary License Type, if Applicable

SEC	N/A
Dept. Requiring this Doc	Amended Articles Number/Section

	x	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document I.D.	Cashier

S T A M P S

Remarks = Pls. use black ink for scanning purposes

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NOTICE AND AGENDA
OF THE ANNUAL MEETING OF STOCKHOLDERS

ABOITIZ EQUITY VENTURES INC.

32nd Street, Bonifacio Global City
Taguig City, Metro Manila 1634, Philippines

NOTICE is hereby given that the Annual Meeting of the Stockholders of **ABOITIZ EQUITY VENTURES INC.** (the "Company") will be held on **April 22, 2024**, Monday at **11:00 a.m**. (the "2024 ASM"). The meeting will be conducted virtually and will be streamed live from NAC Tower, 32nd Street, Bonifacio Global City, Taguig City. The 2024 ASM is accessible through the hyperlink available in the Company's website at *https://aboitiz.com/2024asm* (the "ASM Portal") beginning on March 25, 2024.

The Agenda* of the meeting is as follows:

1. Call to Order
2. Proof of Notice of Meeting and Determination of Quorum
3. Reading and Approval of the Minutes of the Previous Annual Stockholders' Meeting held on April 24, 2023
4. Presentation of the President's Report
5. Approval of the 2023 Annual Report and Financial Statements
6. Appointment of the Company's External Auditor for 2024
7. Election of the Members of the Board of Directors
8. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from April 24, 2023 up to April 21, 2024
9. Other Business
10. Adjournment

Only stockholders of record at the close of business on March 21, 2024 are entitled to notice of, to participate in, and to vote at this meeting by registering at the ASM Portal beginning on March 25, 2024 until 08:00 a.m. on April 22, 2024. Once registered, stockholders may send in questions or remarks through the ASM Portal.

Stockholders may vote through proxy, remotely, or *in absentia*.

Registered stockholders may cast their votes by remote communication or *in absentia* using the online voting platform available at the ASM Portal beginning March 25, 2024. Votes cast by registered stockholders until 08:00 a.m. of April 22, 2024, will be tabulated and presented during the 2024 ASM.

Stockholders may still vote after the cut-off time, and the final votes received through proxy and through the ASM Portal will be included in the minutes of the 2024 ASM and posted in the Company's website.

The procedures for attendance and voting during the 2024 ASM are included in the Information Statement and will be distributed to the stockholders and published in the Company's website at *www.aboitiz.com* and in the PSE EDGE portal at *edge.pse.com.ph*.

Stockholders may send their duly accomplished proxies on or before the close of business hours on April 15, 2024 to the Corporate Secretary either through email at AEV_B*oardSecretariat@aboitiz.com* or hard copies delivered prior to the cut-off date at NAC Tower, 32nd Street, Bonifacio Global City, Taguig City. Validation of proxies will be on April 18, 2024 virtually from the Office of the Corporate Secretary. **WE ARE NOT SOLICITING PROXIES.**

For the Board of Directors:

CONNIE G. CHU
Corporate Secretary

**The rationale for each Agenda item is explained in the attached Annex "A" and may also be viewed at AEV's website at http://www.aboitiz.com/2024asm under Annual Stockholders' Meeting in the Investor Relations Page.*

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
   [ ] Preliminary Information Statement
   [X] Definitive Information Statement

2. Name of Registrant as specified in its charter: **ABOITIZ EQUITY VENTURES INC.**

3. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**

4. SEC Identification Number: **CEO2536**

5. BIR Tax Identification Code: **003-828-269-000-V**

6. Address of principal office: **32ND STREET, BONIFACIO GLOBAL CITY**
   TAGUIG CITY, METRO MANILA
   1634 PHILIPPINES

7. Registrant's telephone number, including area code: **(02) 8 886-2800**

8. Date, time and place of the meeting of security holders:

   Date : **APRIL 22, 2024**
   Time : **11:00 A.M.**
   Place : Streamed live from NAC Tower, 32nd Street, Bonifacio Global City, Taguig City and accessible through the link available at the Company's website at *https://aboitiz.com/2024asm*

9. Approximate date on which the Information Statement will be first to be sent or delivered to security holders: **MARCH 26, 2024**

10. In case of Proxy Solicitations: **No proxy solicitation is being made.**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the Revised Securities Act (Information on number of shares and amount of debt is applicable only to corporate registrants):

Authorized Capital Stock: **₱10,000,000,000**

Title of Each Class	Par Value	No. of Shares	Authorized Capital Stock
Common	₱1.00	9,600,000,000	₱9,600,000,000
Preferred	₱1.00	400,000,000	₱400,000,000
Total		**10,000,000,000**	**₱10,000,000,000**

No. of Common Shares Outstanding as of December 31, 2023 **5,619,785,757**
Amount of Debt Outstanding as of December 31, 2023 **₱ 375,936,293,000.00**

Outstanding Fixed-Rate Peso Retail Bonds Issued by the Company:

Issue Date	Series	Amount of Issuance	Maturity Date	Tenor
August 2015	Series C	₱5 billion	August 2027	12 years
June 2019	Series A	₱3.4 billion	June 2024	5 years
June 2019	Series B	₱1.7 billion	June 2029	10 years
November 2020	Series C	₱6.9 billion	November 2023	3 years
November 2020	Series D	₱0.7 billion	November 2025	5 years
August 2021	Series E	₱5 billion	August 2025	4 years
August 2021	Series F	₱5 billion	August 2028	7 years
December 2022	Series A	₱9.1 billion	June 2026	3.5 years
December 2022	Series B	₱10.9 billion	November 2029	7 years

September 2023	Series C	₱5.8 billion	September 2025	2 years
September 2023	Series D	₱5.8 billion	September 2028	5 years
September 2023	Series E	₱5.8 billion	September 2033	10 years

For a discussion on the Company's bond issuances, please refer to Section C Item 9.

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes X No ___

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

The common stock of the Company is listed at the Philippine Stock Exchange, Inc. (PSE).

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time, and place of the 2024 Annual Stockholders' Meeting

Date of meeting	:	**April 22, 2024**
Time of meeting	:	**11:00 a.m.**
Place of meeting	:	Streamed live from NAC Tower, 32nd Street, Bonifacio Global City, Taguig City and accessible through the hyperlink provided in the Company's website at *https://aboitiz.com/2024asm*
Approximate mailing date of this statement	:	**March 26, 2024**
Complete mailing address of the principal office of the Registrant	:	**NAC Tower,** **32nd Street, Bonifacio Global City,** **Taguig City, Metro Manila** **1634 Philippines**

Item 2. Dissenter's Right of Appraisal

There are no matters or proposed actions included in the Agenda of the 2024 Annual Stockholders' Meeting ("2024 ASM") that may give rise to a possible exercise by the stockholders of their appraisal rights.

Generally, however, the stockholders of Aboitiz Equity Ventures Inc. (hereinafter referred to as AEV or the "Company", or the "Registrant"), in accordance with Section 80 of the Republic Act (RA) No. 11232 or the Revised Corporation Code of the Philippines ("Revised Corporation Code"), have the right of appraisal in the following instances: (a) in case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code; (c) in case of merger or consolidation; and (d) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

In accordance with Section 81 of the Revised Corporation Code, any stockholder who wishes to exercise his appraisal right must have voted against the proposed corporate action. He must make a written demand on AEV, within 30 days after the date on which the vote was taken, for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of such appraisal right. If the proposed corporate action is implemented or effected, AEV shall pay to such stockholder, upon surrender of the original certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within a period of 60 days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and AEV cannot agree on the fair value of the shares, it shall be determined and appraised by three disinterested persons, one of whom shall be named by the stockholder, another by AEV, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by AEV within 30 days after such award is made. No payment shall be made to any dissenting stockholder unless AEV has unrestricted retained earnings in its books to cover such payment. Upon payment by AEV of the agreed or awarded price, the stockholder shall forthwith transfer his shares to AEV.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

(a) Other than the election to AEV's Board of Directors, no current director or officer of AEV, or any associate of any of the foregoing persons, has substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the stockholders' meeting.

(b) No director has informed AEV in writing that he intends to oppose any action to be taken by AEV at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Class of Voting Shares as of February 29, 2024:

Nationality	Class of Voting Shares	Number of Shares	Percentage
Filipino	Common	5,286,222,047	94.06%
Non-Filipino		333,563,710	5.94%
Total No. of Shares Entitled to Vote		**5,619,785,757**	**100%**

Every stockholder shall be entitled to one vote for each share of stock held, as of the established record date.

(b) Record Date

All stockholders of record as of March 21, 2024 are entitled to notice of and to vote at AEV's 2024 ASM.

(c) Election of Directors and Cumulative Voting Rights

With respect to the election of directors, stockholders may vote in person, by proxy, or through remote communication, or *in absentia,* the number of shares of stock standing in their own name in the stock and transfer book of the Company. Stockholders may vote such a number of shares for as many persons as there are directors to be elected. Stockholders may also cumulate said shares and give one candidate as many votes as the number of directors to be elected, or distribute the shares on the same principle among as many candidates as they shall see fit, provided that the total number of votes cast by the stockholder shall not exceed the total number of shares owned by each stockholder as shown in the books of AEV as of the record date, multiplied by the number of directors to be elected, and provided further, that no delinquent stock shall be voted.

Article 6 of the Company's Amended Articles of Incorporation provides that the number of directors of AEV shall be nine who are to serve until their successors are elected and qualified as provided in the Company's By-Laws.

Section 5, Article I of the Amended By-Laws of AEV provides that voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capita. Moreover, Section 6 of the same Article states that stockholders may vote at all meetings either in person, or by proxy duly given in writing and presented to the Corporate Secretary for inspection, validation and recording, at least seven days prior to the said meeting. In addition, the Revised Corporation Code now allows stockholders of public companies (such as AEV) to cast their votes through remote communication or *in absentia*.

Nominations for independent directors are accepted starting January 1 of the year in which the nominee director is to serve. The table for nominations closes by February 15 of the year, unless the Board Sustainability, Governance, and Related Party Transactions *(SGRPT)* Committee (*formerly the Board Environmental Social and Corporate Governance Committee*), acting as the Nomination and Compensation Committee, unanimously agrees to extend the deadline for meritorious reasons. Section 7, Article I of the Amended By-Laws of AEV provides that nominations for the election of directors, other than independent directors, for the ensuing year must be received by the Corporate Secretary no less than 15 working days prior to the Annual Meeting of Stockholders, except as may be

provided by the Board in appropriate guidelines that it may promulgate from time to time in compliance with law.

No discretionary authority to cumulate votes Is solicited.

Pursuant to Sections 4, 5, and 6 of Article I of the Amended By-Laws of AEV and Sections 23 and 57 of the Revised Corporation Code, which allow for voting through remote communication or *in absentia*, stockholders may access AEV's online web address at *https://aboitiz.com/2024asm* beginning on March 25, 2024, in order to register and vote on the matters at the 2024 ASM. Stockholders may cast his/her votes online until 08:00 a.m. on April 22, 2024. A stockholder voting remotely or *in absentia* shall be deemed present for purposes of quorum.

Please refer to **Annex "E"** on the Requirements and Procedure for the Voting and Participation in the 2024 ASM for the detailed and complete information on voting via remote communication or *in absentia*, as well as on how to join the livestream for the 2024 ASM.

(d) Security Ownership of Certain Record and Beneficial Ownership and Management

(1) Security Ownership of Certain Record and Beneficial Owners (more than 5% of the voting shares) as of February 29, 2024:

Title of Class of Shares	Name, Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held and Nature of Ownership (Record and/or Beneficial)	Percentage of Ownership
Common	1. **Aboitiz & Company, Inc. ("ACO")**[1] Aboitiz Corporate Center, Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City (Stockholder)	ACO	Filipino	2,735,600,915 (Record and Beneficial)	48.68%
Common	2. **PCD Nominee Corporation (Filipino)**[2] 37th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue cor. Paseo de Roxas, Makati City, 1226 Metro Manila (Stockholder)	PCD participants acting for themselves or for their customers.[3]	Filipino	1,070,687,539 (Record)	19.05%
Common	3. **Ramon Aboitiz Foundation, Inc. ("RAFI")** 35 Lopez Jaena St., Cebu City (Stockholder)	RAFI	Filipino	426,804,093 (Record and Beneficial)	7.59%
Common	4. **PCD Nominee Corporation**[4] **(Foreign)** 37th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue cor. Paseo de Roxas, Makati City, 1226 Metro Manila (Stockholder)	PCD participants acting for themselves or for their customers.[5]	Non-Filipino	321,225,596 (Record)	5.72%

[1] ACO, the major shareholder of Aboitiz Equity Ventures Inc., is a corporation wholly-owned by the Aboitiz family. No single stockholder, natural or juridical, owns 5% or more of the shareholdings of ACO.
[2] PCD Nominee Corporation (Filipino and Foreign) is not related to AEV. The beneficial owners of the shares held through a PCD participant are the beneficial owners thereof to the extent of the number of shares registered under the respective accounts with the PCD participant.
[3] Each beneficial owner of shares through a PCD participant is the beneficial owner of such a number of shares he owns in his account with the PCD participant. AEV has no record relating to the power to decide how the shares held by PCD Nominee Corporation (Foreign and Filipino) are to be voted. Of the 1,391,913,135 shares held by PCD Nominee Corporation (Filipino and Foreign), at least 387,878,182 shares or 6.90% of the voting stock of AEV are for the account of Papa Securities Corporation (PapaSec). AEV is not related to PapaSec.
[4] *Supra Note 3.*
[5] *Supra Note 4.*

(2) Security Ownership of Management as of February 29, 2024 (Record and Beneficial)

Name of Owners and Position	Title of Class of Shares	No. of Shares and Nature of Ownership (Direct and/or Indirect)		Citizenship	Percentage of Ownership
Enrique M. Aboitiz Chairman of the Board	Common	6,000	Direct	Filipino	0.00%
		648,310	Indirect		0.01%
Mikel A. Aboitiz Vice Chairman of the Board	Common	10	Direct	Filipino	0.00%
		126,524,836	Indirect		2.25%
Erramon I. Aboitiz Director	Common	1,001,000	Direct	Filipino	0.02%
		77,074,387	Indirect		1.37%
Sabin M. Aboitiz Director/President and Chief Executive Officer	Common	14,415,651	Direct	Filipino	0.26%
		17,343,661	Indirect		0.31%
Ana Maria A. Delgado Director	Common	500	Direct	Filipino	0.00%
		32,023,888	Indirect		0.57%
Justo A. Ortiz Director	Common	1	Direct	Filipino	0.00%
		0	Indirect		0.00%
Cesar G. Romero Lead Independent Director	Common	50	Direct	Filipino	0.00%
		0	Indirect		0.00%
Joanne G. De Asis Independent Director	Common	100	Direct	Filipino	0.00%
		0	Indirect		0.00%
Peter D. Maquera Independent Director	Common	0	Direct	Filipino	0.00%
		20,100	Indirect		0.00%
Jose Emmanuel U. Hilado Senior Vice President/Chief Financial Officer/Corporate Information Officer	Common	0	Direct	Filipino	0.00%
		257,000	Indirect		0.00%
Connie G. Chu[6] Senior Vice President – Chief Legal and Compliance Officer / Corporate Secretary	Common	0	Direct	Filipino	0.00%
		11,200	Indirect		0.00%
Maria Veronica C. So Senior Vice President – Group Treasurer	Common	0	Direct	Filipino	0.00%
		9,617	Indirect		0.00%
Christine C. Kempeneers[7] Assistant Vice President – Head of Risk Management / Data Protection Officer	Common	0	Direct	Filipino	0.00%
		800	Indirect		0.00%
Maria Lourdes Y. Tanate Vice President – Group Internal Audit Head	Common	0	Direct	Filipino	0.00%
		74,386	Indirect		0.00%

[6] Ms. Chu replaced Mr, Manuel Alberto R. Colayco as the Company's Senior Vice President – Chief Legal and Compliance Officer / Corporate Secretary effective July 15, 2023
[7] Ms. Kempeneers replaced Ms. Santanina Apolinaria B. Castro as the Head of Risk Management effective July 7, 2023

Mailene M. de la Torre Vice President – Governance and Compliance / Assistant Corporate Secretary	Common	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Sammy Dave A. Santos Assistant Corporate Secretary	Common	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
TOTAL		**270,402,060**			**4.81%**

(3) Voting Trust Holders of Five Per Centum (5%) or More of Common Equity

No person holds, under a voting trust or similar agreement, more than five percent (5%) of AEV's common equity.

(4) Changes in Control

There are no arrangements that may result in a change in control of AEV during the period covered by this report.

Item 5. Directors and Executive Officers

(a) Directors and Officers for 2023-2024

The overall management and supervision of the Company is undertaken by its board of directors (the "Board"). The Company's executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review.

(1) Directors for 2023-2024

The Company's Board is composed of nine directors, three of whom are Independent Directors, five are Non-Executive Directors, and one is an Executive Director. Below is the profile of each director for 2023-2024 with their corresponding positions, offices, and business experience held for the past five years. Unless otherwise indicated, the directors were elected during AEV's 2023 ASM to serve for a term of one year.

ENRIQUE M. ABOITIZ (Chairman of the Board, Non-Executive Director)

Age: 70
Citizenship: Filipino
Date of First Appointment: May 10, 1999
Tenure: 24 years

Committee Memberships:

Member	- Board Sustainability, Governance, and Related Party Transactions Committee, - Board Executive Committee, - Board Cyber and Information Security Committee.

Present Positions:

Chairman of the Board of Directors	- Aboitiz Equity Ventures Inc.*
Vice Chairman of the Board of Directors	- Aboitiz & Company, Inc.

Previous Positions:

Chairman of the Board of Directors	- Aboitiz Power Corporation*
Chairman of the Board of Directors	- Jebsen Maritime, Inc.
President and Chief Executive Officer	- Aboitiz Transport System Corp (now 2GO Group, Inc.)*

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Science in Business Administration, Major in Economics, from Gonzaga University, Spokane, Washington, U.S.A.

Mr. Aboitiz is not connected with any government agency or instrumentality.

MIKEL A. ABOITIZ (Vice-Chairman, Non-Executive Director)

Age: 69
Citizenship: Filipino
Date of First Appointment: May 15, 2017
Tenure: 6 years

Committee Memberships:

Member	- Board Executive Committee

Present Positions:

Vice Chairman of the Board	- Aboitiz Equity Ventures Inc.*
Chairman of the Board of Directors	- Aboitiz & Company, Inc.
Trustee and Chairman	- Ramon Aboitiz Foundation, Inc.

Previous Positions:

Vice Chairman of the Board	- Aboitiz Power Corporation* (1998 to 2019)
Vice Chairman of the Board	- City Savings Bank, Inc. (2015 to 2016)
President and Chief Executive Officer	- City Savings Bank, Inc. (2001 to 2014)
Senior Vice President	- Aboitiz Equity Ventures Inc.* (2004 to 2015)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Science in Business Administration from Gonzaga University, Spokane, Washington, U.S.A.

Mr. Aboitiz is not connected with any government agency or instrumentality.

ERRAMON I. ABOITIZ (Non-Executive Director)

Age: 67
Citizenship: Filipino
Date of First Appointment: May 9, 1994
Tenure: 29 years

Committee Memberships:

Chairman	- Board Risk and Reputation Management Committee
Member	- Board Audit Committee - Board Executive Committee

Present Positions:

Director	- Aboitiz Equity Ventures Inc.*, - Aboitiz InfraCapital, Inc.
Chairman of the Board of Directors	- Union Bank of the Philippines*, - Endeavor Philippines
Chairman of the Board of Trustees	- Asian Institute of Management
Board Observer	- Aboitiz & Company, Inc.

Previous Positions:

President and Chief Executive Officer	- Aboitiz Equity Ventures Inc.* (2009 to 2019), - Aboitiz Power Corporation* (2018 to 2019)
Director / Chairman of the Board	- Aboitiz Power Corporation* (2009 to 2019)
Executive Vice President and Chief Operating Officer	- Aboitiz Equity Ventures Inc.* (1994 to 2008)
Trustee	- Philippine Disaster Recovery Foundation, - Asian Institute of Management

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Science Degree in Business Administration, Major in Accounting and Finance, from Gonzaga University, Spokane, Washington, U.S.A.
- Honorary Doctorate Degree in Management from the Asian Institute of Management.
- Awardee–- Management Man of the Year by the Management Association of the Philippines (2011)
- Awardee–- Entrepreneur of the Year by Ernst & Young (2011).

Mr. Aboitiz is not connected with any government agency or instrumentality.

SABIN M. ABOITIZ (Executive Director)

Age: 59
Citizenship: Filipino
Date of First Appointment: May 21, 2018
Tenure: 5 years

Committee Memberships:

Chairman	- Board Executive Committee
Member	- Board Sustainability, Governance, and Related Party Transactions Committee, - Board Risk and Reputation Management Committee

Present Positions:

President and Chief Executive Officer	- Aboitiz Equity Ventures Inc.*, - Aboitiz & Company, Inc.
Chairman of the Board	- Aboitiz Power Corporation*, - Aboitiz Foundation, Inc., - Aboitiz Land, Inc., - CRH Aboitiz Holdings, Inc., - Tenfold Ventures Corporation, - Manila-Oslo Renewable Enterprise, Inc., - SN Aboitiz Power–- Benguet, Inc.
Director/President	- AEV CRH Holdings, Inc.

Director	- Aboitiz Infracapital, Inc., - Aboitiz Construction International, Inc., - Aboitiz Construction, Inc., - AEV International Pte Ltd., - Apo Agua Infrastructura, Inc., - GMR Megawide Cebu Airport Corporation, - Lima Land, Inc., - Pilmico Animal Nutrition Corporation, - Pilmico Foods Corporation, - Republic Cement & Building Materials, Inc., - Republic Cement Services, Inc., - Unity Digital Infrastructure Inc., - Union Bank of the Philippines*, - UnionDigital Bank, Inc., - Aboitiz FeedAll Holdings, Inc., - Aboitiz Data Innovation Pte. Ltd., - CCEP Aboitiz Beverages Philippines Inc.
Head	- Private Sector Advisory Council
ASEAN Business Advisory Council (ABAC) PH Member	- Asia Pacific Economic Cooperation

Previous Positions:

Executive Vice President and Chief Operating Officer	- Aboitiz Equity Ventures Inc.* (2015–- 2019)
Senior Vice President	- Aboitiz Equity Ventures Inc.* (2015)
First Vice President	- Aboitiz Equity Ventures Inc.* (2014–- 2015)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Science Degree in Business Administration, Major in Finance from Gonzaga University, Spokane, U.S.A

Mr. Aboitiz is not connected with any government agency or instrumentality.

ANA MARIA A. DELGADO (Non-Executive Director)

Age: 43
Citizenship: Filipino
Date of First Appointment: Dec 11, 2018
Tenure: 5 years

Committee Memberships:

Member	- Board Audit Committee

Present Positions:

Director	- Aboitiz Equity Ventures Inc.*
Chairman	- City Savings Bank Inc.
Director	- Advanced Data Innovation, Inc., - AEV CRH Holdings, Inc., - CRH Aboitiz Holdings, Inc. - Republic Cement & Building Materials, - Republic Cement Services, Inc., - Tenfold Ventures Corporation, - Union Bank of the Philippines*,

	- Visayan Electric Company, Inc.
Senior Executive Vice President, Chief Digital Channels Officer and Chief Customer Experience Officer	- Union Bank of the Philippines*

**Publicly Listed Company*

Previous Positions:

Non-Executive Director	- Singlife Philippines Inc.
Director	- Aboitiz Land Inc., - Aboitiz InfraCapital, Inc.
Assistant Vice President for Product Management	- Citibank, N.A. (2006 to 2008)

Educational and Professional Background:

- Bachelor of Arts degree in Art History/Painting from Boston College
- Master's Degree in Business Administration from New York University Stern School of Business.

Ms. Delgado is not connected with any government agency or instrumentality.

JUSTO A. ORTIZ (Non-Executive Director)

Age: 66
Citizenship: Filipino
Date of First Appointment: May 9, 1994
Tenure: 26 years
(1994 -2017, 2021–- 2022)

Committee Memberships:

Chairman	Board Cyber and Information Security Committee
Member	Board Executive Committee

Present Positions:

Director	- Aboitiz Equity Ventures Inc.*, - Advanced Data Innovation, Inc.; - UBX Philippines, Inc.
Vice Chairman of the Board	- Union Bank of the Philippines*
Chairman of the Board and/or Director	- Aboitiz FeedAll Holdings, Inc., - Pilmico Foods Corporation, - Pilmico Animal Nutrition Corporation, - Concepcion Industrial Corporation*, - Philippine Payments Management, Inc.
Chairman of the Board	- Fintech Philippines Association, Inc., - Distributed Ledger Technology Association of the Philippines, Inc., - Union Digital Bank, Inc.
Board of Trustees	- The Insular Life Assurance Co., Ltd., - Philippine Trade Foundation, Inc.
Member	- Management Association of the Philippines, - Makati Business Club, - World Presidents Organization

Previous Positions:

Director	- Aboitiz Equity Ventures Inc.* (1994 to 2017)
Member of Board Audit Committee	- Aboitiz Equity Ventures Inc.*(2006 to 2017)
Member of Board Risk and Reputation Management Committee	- Aboitiz Equity Ventures Inc.*(2009 to 2017)
Chairman and Chief Executive Officer	- Union Bank of the Philippines* (1993–- 2017)
Managing Partner–- Global Finance	- Citibank, N.A. (1990 to 1993)
Country Executive–- Investment Banking	- Citibank, N.A. (1988 to 1990)
Treasury Marketing Unit Head	- Citibank, N.A. (1985 to 1988)
Relationship Manager for various local, corporate multinational, and public sectors customers	- Citibank, N.A. (1979 to 1985)
Executive Assistant to Asia Pacific Human Resource Executive	- Citibank, N.A. (1978 to 1979)
Management Trainee	- Citibank, N.A. (1977 to 1978)

**Publicly Listed Company*

Educational and Professional Background:

- Member of the Claustro de Profesores and Doctor of Humanities Degree (Honoris Causa) from the University of Santo Tomas (UST)
- Honorary Fellow of Institute of Corporate Directors (ICD)
- Awardee- Asian Banker Lifetime Achievement Award & Philippine Blockchain Leader of the Year
- Economics Honors Program (Magna Cum Laude) from Ateneo de Manila University.

Mr. Ortiz is not connected with any government agency or instrumentality.

CESAR G. ROMERO (Lead Independent Director)
Age: 58
Citizenship: Filipino
Date of First Appointment: April 25, 2022
Tenure: 1 year

Committee Memberships:

Chairman	- Board Audit Committee,
Member	- Board Sustainability, Governance, and Related Party Transactions Committee - Board Risk and Reputation Management Committee

Present Positions:

Independent Director	- Aboitiz Equity Ventures Inc.*, - Robinson Retail Holdings, Inc.*, - Aboitiz Power Corporation*

**Publicly Listed Company*

Previous Positions:

President and Chief Executive Officer	- Pilipinas Shell Petroleum Corporation (2016–- 2021)
Vice President Global Retail	- Shell's Global Downstream Business (2013–- 2018)

Network	
Vice President of Retail Sales and Operations East	- Shell's Global Downstream Business (2009–- 2013)
Vice President of Supply East	- Shell's Global Downstream Business (2007–- 2009)
Vice President for Downstream Management Consultancy	- Shell's Global Downstream Business (2005–- 2007)
Business Assistant to the Executive Director	- Shell's Global Downstream Business (2005–- 2007)
Shell's Scenario Planning Team	- Shell International (1995)
Refinery Engineer	- Pilipinas Shell Petroleum Corporation (1987)

Educational and Professional Background:

- Bachelor of Science in Mechanical Engineering (Cum Laude) from the University of the Philippines
- Master's Degree in Business Administration (with High Distinction) from the University of Michigan
- Various management development courses at the London Business School and the Wharton Business School

Mr. Romero is not connected with any government agency or instrumentality.

JOANNE G. DE ASIS (Independent Director)

Age: 73
Citizenship: Filipino
Date of First Appointment: April 26, 2021
Tenure: 2 years

Committee Memberships:

Chairman	- Board Sustainability, Governance, and Related Party Transactions Committee
Member	- Board Audit Committee, - Board Risk and Reputation Management Committee, - Board Cyber and Information Security Committee

Present Positions:

Independent Director	- Aboitiz Equity Ventures Inc.*
Senior Adviser	- Morgan Stanley & Co
Founder and Chairman	- Globe Capital Partners LLC, U.S.A.
Independent Director	- Easycall Communications Philippines, Inc.,
Advisory Board Member	- Anneberg Foundation Trust at Sunnylands, U.S.A
Advisory Council Member	- The International Institute for Strategic Studies, London
Advisor	- APEC Business Advisory Council
Member	- Private Sector Advisory Council

**Publicly Listed Company*

Previous Positions:

Managing Director	- Credit Suisse First Boston, New York City, U.S.A & London, U.K (1989–- 1998)
Director, International	- Dillon Read & Company, New York City, U.S.A (1986–- 1988)
Vice President	- Morgan Stanley International, London, U.K (1981–- 1986)

Associate	- Morgan Stanley & Co. New York City, U.S.A (1977 – 1981)
Advisory to the Treasury Department	- Bangko Sentral ng Pilipinas (1984 – 1985)
Professor	- Maryknoll College, Communication Arts (1972)

Educational and Professional Background:

- Bachelor of Arts, Major in Communication Arts, from Maryknoll College
- Master of Business Administration from the Columbia University in New York, U.S.A.
- Executive Management Program from Stanford University in Palo Alto California, U.S.A.

Ms. De Asis is not connected with any government agency or instrumentality.

PETER D. MAQUERA (Independent Director)
Age: 61
Citizenship: Filipino
Date of First Appointment: October 26, 2023
Tenure: 4 months

Committee Memberships:

Member	- Board Sustainability, Governance, and Related Party Transactions Committee, - Board Audit Committee, - Board Risk and Reputation Management Committee, - Board Cyber and Information Security Committee

Present Positions:

Chief Executive Officer	- Microsoft Philippines
Trustee/Director	- Makati Business Club, - American Chamber of Commerce, - Advanced Nutritional Technologies, Ltd., and - FPS Tech Philippines, Inc.

Previous Positions:

Senior Vice President	- Globe Telecom, Inc.* (2017-2022)
President and Director	- Globe Telecom International Business Holdings (2018–-2022)
Deputy CEO and Director	- LiveIt Investments, Ltd. (2010–- 2017)
Trustee	- IT & Business Process Association of the Philippines; and - Semiconductor and Electronics Industries in the Philippines Foundation, Inc.

**Publicly Listed Company*

Educational and Professional Background:

- Undergraduate Degree in Engineering from the University of Southern California, U.S.A.
- Master of Business Administration from the University of Southern California, U.S.A.

Mr. Maquera is not connected with any other publicly-listed company. He is not connected to any government agency or instrumentality.

Performance Assessment and Attendance Reports of the Board

In accordance with AEV's Revised Manual on Corporate Governance as amended on February 23, 2022, (the "Revised Manual"), the members of the Board and Board Committees conduct an annual self-assessment of their collective and individual performance. In addition, the directors assess the performance of the Company's corporate officers such as the Chairman of the Board, the Chief Executive Officer, the Chief Risk Officer, the Chief Compliance Officer, the Corporate Secretary, and the Group Internal Audit Head.

The assessment forms are prepared and regularly reviewed by the Chief Compliance Officer in order to elicit relevant and valuable insights on the following assessment criteria: (1) compliance with best governance practices and principles; (2) participation and contribution to the Board and committee meetings; and (3) performance of their duties and responsibilities as provided in the Company's Revised Manual, Charters, Amended Articles of Incorporation, and Amended By-Laws.

In addition, AEV directors are evaluated by its key officers based on the following criteria: (1) business acumen, (2) independent judgment, (3) familiarity with the business, (4) active participation and effective challenge, (5) professional expertise and network, (6) value contribution, (7) embodiment of Aboitiz core values, and (8) reputation. Assessment results are presented to the SGRPT Committee as part of the nomination and selection process of incumbent Board members.

The Corporate Governance Code and the Revised Manual requires that at least once in every three years, the conduct of the Board performance assessment must be supported by an independent third-party facilitator. AEV complied with this requirement in 2023 with the engagement of Complete Coherence, a leadership development and coaching company based in the United Kingdom. The results of the assessment, as well as the recommendations from Complete Coherence, were presented and discussed at the Board meeting on December 12, 2023.

For more discussion on the Board's (i) performance assessment, and (ii) attendance record at Board, Board Committee, and stockholders' meetings for the year 2023, please refer to Board Matters portion of Part III–- Corporate Governance on page 162 of this Information Statement.

Nominations for Independent Directors and Procedure for Nomination

The procedure for the nomination and election of the Independent Directors is in accordance with Rule 38 of the Securities Regulation Code ("SRC Rule 38"), AEV's Amended By-Laws, and AEV's Guidelines for the Nomination and Election of Independent Directors approved by the Board of Directors on March 23, 2017 (the "Amended Guidelines").

Nominations for Independent Directors were opened beginning on January 1, 2024 until February 15, 2024, in accordance with Section C(1) of the Guidelines. The period may be extended by the unanimous vote of the Board SGRPT Committee for meritorious reasons.

SRC Rule 38 further requires the Board SGRPT Committee (in its capacity as the Board Nomination and Compensation Committee) to meet and pre-screen all nominees and submit a final list of nominees to the Corporate Secretary, so that such list will be included in the Company's Information Statements. Only nominees whose names appear on the final list shall be eligible for election as Independent Directors. No other nominations shall be entertained after the final list of nominees has been prepared. The name of the person or group of persons who nominates an Independent Director shall be identified including any relationship with the nominee.

On February 16, 2024, the Chairman of the then Board ESCG Committee submitted the final list of nominees to the Corporate Secretary. In approving the nominations for Independent Directors, the Board ESCG Committee considered the guidelines on the nominations of Independent Directors prescribed in SRC Rule 38, the Amended Guidelines, and AEV's Revised Manual. Mr. Cesar G. Romero, Lead Independent Director, is the incumbent Chairman of the then Board ESCG Committee. The other voting members of the committee are Messrs. Sabin M. Aboitiz, Enrique M. Aboitiz, Peter D. Maquera, and Ms. Joanne G. De Asis, while the ex-officio non-voting members are Ms. Connie G. Chu, Ms. Santanina Apolinaria B. Castro, and Ms. Ana Margarita N. Hontiveros-Malvar.

Independent Directors shall be elected at the stockholders' meeting during which other members of the Board are to be elected. However, no nominations for Independent Director shall be accepted at the floor during the 2024 ASM.

Mr. Cesar G. Romero, Ms. Joanne G. De Asis, and Mr. Peter D. Maquera are the nominees for Independent Directors of AEV for the 2024 ASM. They are neither officers nor employees of the Company or any of its Affiliates, and do not have any relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of an Independent Director. Attached as **Annexes "B-1",**"**B-2**", and **"B-3''** are the Certifications of Qualification of Mr. Romero, Ms. De Asis, and Mr. Maquera, respectively.

AEV stockholders, Ms. Maria G. Sandalo, Ms. Josephine R. Pabriga, and Ms. Viva Torre have nominated Mr. Romero, Mr. Maquera, and Ms. De Asis, respectively, as the Company's Independent Directors. None of the nominating stockholders have any relation to the respective Independent Director they are nominating.

Other Nominees for the Election as Members of the Board of Directors

Included in the final list of nominees as conveyed by the then Board ESCG Committee to the Corporate Secretary on February 16, 2024, the following were also nominated and qualified as candidates to the AEV Board of Directors for the 2024-2025 term:

Enrique M. Aboitiz
Mikel A. Aboitiz
Erramon I. Aboitiz
Sabin M. Aboitiz
Ana Maria A. Delgado
Justo A. Ortiz

Pursuant to Section 1, Article II of the Amended By-Laws of AEV, nominations for members of the Board, other than Independent Directors, for the ensuing year must be submitted in writing to the Corporate Secretary at least 15 working days prior to the ASM on April 22, 2024, or not later than March 26, 2024.

All other information regarding the positions and offices held by nominees are integrated in Item 5 (a) (1) above.

Officers for 2023-2024

Below is the list of AEV officers for 2023-2024 with their corresponding positions and offices held for the past five years. Unless otherwise indicated, the officers assumed their positions during AEV's organizational meeting in 2023 for a term of one year.

ENRIQUE M. ABOITIZ Chairman – Board of Directors *Refer to Item 5 (a) (1) for the profile of Mr. Enrique M. Aboitiz.*
MIKEL A. ABOITIZ Vice Chairman – Board of Directors *Refer to Item 5 (a) (1) for the profile of Mr. Mikel A. Aboitiz.*

SABIN M. ABOITIZ
Director / President and Chief Executive Officer

Refer to Item 5 (a) (1) for the profile of Mr. Sabin M. Aboitiz.

JOSE EMMANUEL U. HILADO
Senior Vice President/ Chief Financial Officer/ Corporate Information Officer

Age: 60
Citizenship: Filipino

Committee Memberships:

Ex-Officio Member	- Board Risk and Reputation Management Committee - Board Executive Committee - Board Cyber and Information Security Committee

Present Positions:

SVP – Chief Financial Officer / Company Information Officer	- Aboitiz Equity Ventures Inc.*
Trustee and Treasurer	- Aboitiz Foundation, Inc.
Director, President, and Chief Operating Officer	- Tenfold Ventures Corporation
Director and Treasurer	- AEV CRH Holdings, Inc.
Director	- Union Bank of the Philippines* - AEV International Pte Ltd. - Archipelago Insurance Pte. Ltd. - Republic Cement and Building Materials, Inc. - Aboitiz Data Innovation Pte. Ltd. - Aboitiz Renewables, Inc. - CCEP Aboitiz Beverages Philippines, Inc.
Treasurer	- Aboitiz InfraCapital Inc. - CRH Aboitiz Holdings, Inc.

Previous Positions:

Union Bank of the Philippines*	- Senior Vice President – Treasurer and Head of Global Market (2022) - Senior Executive Vice President – Chief Finance Officer (2021) - Senior Executive Vice President – Chief Finance Officer and Treasurer (2017–- 2021)
East West Banking Corporation*	- Senior Executive Vice President & COO (2014–- 2017)
Rizal Commercial Banking Corporation*	- Senior Executive Vice President & Treasurer (2008–- 2014)
Banco de Oro*	- Senior Vice President (2001–- 2008)

**Publicly Listed Company*

Educational and Professional Background:

- University of the Philippines BS Business Economics
- Kellogg-HKUST Executive MBA Master of Business Administration
- Certified Treasury Professional BAP- Ateneo Graduate School

• Member	Bankers Association of the Philippines' Open Market Committee Financial Executive Institute of the Philippines (FINEX) Money Market Association ACI Philippines Philippine Interpretations Committee

Mr. Hilado is not connected with any government agency or instrumentality.

SUSAN V. VALDEZ
Senior Vice President and Chief Corporate Services Officer
(Retired as of December 31, 2023)

Age: 63
Citizenship: Filipino

Committee Memberships until December 31, 2023:

Ex-Officio Member	- Board Environmental, Social, and Corporate Governance Committee - Board Cyber and Information Security Committee

Present Positions until December 31, 2023:

Senior Vice President and Chief Corporate Services Officer	- Aboitiz Equity Ventures Inc.*
Trustee	- Aboitiz Foundation, Inc.

Previous Positions:

Senior Vice President–- Chief Human Resources Officer and Chief Corporate Services Officer	- Aboitiz Equity Ventures, Inc.* (2020 to 2021)
Senior Vice President–- Chief Human Resources Officer	- Aboitiz Equity Ventures, Inc.* (2019)
Senior Vice President–- Chief Reputation Officer; Chief Corporate Services Officer	- Aboitiz Equity Ventures, Inc.* (2013 to 2018)
President	- Aboitiz Foundation, Inc. (2014 to 2018) - Weather Philippines Foundation, Inc. (2014 to 2018)
First Vice President and Chief Reputation Officer and Chief Risk Management Officer	- Aboitiz Equity Ventures, Inc.* (2012 to 2013)
First Vice President and Chief Reputation Officer	- Aboitiz Equity Ventures, Inc.* (2011 to 2012)
President and Chief Executive Officer	- Aboitiz Transport Systems Corporation (ATSC) (now 2GO Group, Inc.*) (2009 to 2011)
Executive Vice President and Chief Executive Officer of 2GO Division	- Aboitiz Transport Systems Corporation (ATSC) (now 2GO Group, Inc.*) (2004 to 2011)
Executive Vice President and Chief Finance Officer	- Aboitiz Transport Systems Corporation (ATSC) (now 2GO Group, Inc.*) (1994 to 2004)
Senior Vice President–- Chief Financial Officer and Chief Information Officer	- WG&A (1999 to 2003)
Senior Vice President–- Chief Financial Officer	- Aboitiz Transport Systems Corporation (ATSC) (now 2GO Group, Inc.*) (1997 to 1998)
Assistant Vice President to Vice President–- Finance	- Aboitiz Shipping Corporation (1994 to 1996)

**Publicly Listed Company*

Educational and Professional Background:

- Certified Public Accountant.
- Bachelor of Science in Commerce, Major in Accounting (Cum Laude) from St. Theresa's College.
- Master's degree in Business Management from the University of the Philippines, and
- Management Development Program at Harvard Business School, U.S.A.

Ms. Valdez is not connected with any government agency or instrumentality. She is not a director of any publicly-listed company.

CONNIE G. CHU
Senior Vice President–- Chief Legal and Compliance Officer/ Corporate Secretary

Age: 48
Citizenship: Filipino

Committee Memberships:

Ex-Officio Member	- Board Sustainability, Governance, and Related Party Transactions Committee

Present Positions:

Senior Vice President–- Chief Legal and Compliance Officer/ Corporate Secretary	- Aboitiz Equity Ventures Inc.*
Assistant Corporate Secretary	- CCEP Aboitiz Beverages Philippines, Inc.

Previous Positions:

Registered Foreign Lawyer	- Cleary Gottlieb Steen & Hamilton (2008 to 2022)
Associate	- Romulo Mabanta Buenaventura Sayoc & De Los Angeles (2003 – 2007)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Arts in Political Science from the University of San Carlos (Magna Cum Laude)
- Juris Doctor degree from the Ateneo de Manila University (Class Salutatorian with honors)
- Master of Laws degree from New York University School of Law, U.S.A. (with distinction)

Ms. Chu is a member in good standing of the Integrated Bar of the Philippines and the New York State Bar. She was a bar topnotcher, ranking 2nd in the 2002 Philippine Bar Exams. She is not connected with any government agency or instrumentality. She is also not a director of any publicly listed company.

MARIA VERONICA C. SO
Senior Vice President–- Group Treasurer

Age: 51
Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

Senior Vice President – Group Treasurer	- Aboitiz Equity Ventures Inc.*

Group Treasurer	- Aboitiz Power Corporation*

Previous Positions:

First Vice President–- Deputy Group Treasurer	- Aboitiz Equity Ventures Inc.*(2020 to 2021)
Vice President–- Treasurer Services	- Aboitiz Equity Ventures Inc.* (2019 to 2020)
Various treasury and finance positions	- Globe Telecom* (2001 to 2017)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Science Degree in Business Management from the Ateneo de Manila University.
- Master's Degree in Business Management from the Asian Institute of Management

Ms. So is not connected with any government agency or instrumentality. She is not a director of any publicly-listed company.

MARIA LOURDES Y. TANATE
Vice President – Group Internal Audit Head

Age: 58
Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

Vice President – Group Internal Audit Head	- Aboitiz Equity Ventures Inc. *

Previous Positions:

Chief Audit Executive	- Aboitiz Transport System (ATSC) Corporation (now 2GO Group, Inc.) (2009 to 2011)*
Assistant Vice President for Finance	- Aboitiz Transport System (ATSC) Corporation (now 2GO Group, Inc.) (2005 to 2009)*
Senior Manager for Finance and Freight	- Aboitiz Transport System (ATSC) Corporation (now 2GO Group, Inc.) (2000 to 2005)*
Manager and Head of Corporate Planning and Credit & Economic Research Departments	- Prime Bank (1996 to 2000)
Senior Assistant Cashier	- Far East Bank & Trust Company (1986 to 1993)

**Publicly Listed Company*

Educational and Professional Background:

- Cum Laude with a degree of Bachelor of Arts in Economics from the University of the Philippines (Diliman)
- Master's in Business Administration from University of the Philippines (Diliman)
- Master's in Engineering and Technology Management from the University of Queensland, Australia.

Ms. Tanate is not connected with any government agency or instrumentality. She is also not a director of any publicly-listed company.

CHRISTINE C. KEMPENEERS
Assistant Vice President – Risk Management Head / Data Protection Officer

Age: 34
Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

Assistant Vice President – Risk Management Head / Data Protection Officer	- Aboitiz Equity Ventures Inc. *

Previous Positions:

Risk Manager – Risk Management Team	- Aboitiz Equity Ventures Inc.* (2017 to 2019)
Project Manager	- Aboitiz InfraCapital, Inc. (2016 to 2017)
Project Manager	- AEV's infrastructure Strategic Business Unit (2016 to 2017)
Management Associate	- Citibank (2015 to 2016)
Management Trainee – Manager	- Union Bank of the Philippines* (2010 to 2013)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Arts Degree in European Studies, International Business Track from the Ateneo de Manila University
- Master of Business Administration, Major in Finance (with Distinction) from the Asian Institute of Management
- PARIMA-ANZIIF Certified Risk Professional
- Crisis Management Certified Expert from the BCM Institute
- Sustainability and Climate Risk Certification from the Global Association of Risk Professionals
- Certification from the International Association of Privacy Professionals

Ms. Kempeneers is not connected with any government agency or instrumentality. She is not a director of any publicly-listed company.

MAILENE M. DE LA TORRE
Vice President – Governance and Compliance, and Assistant Corporate Secretary

Age: 42
Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

Vice President–- Governance and Compliance, and Assistant Corporate Secretary	- Aboitiz Equity Ventures Inc.*
Corporate Secretary	- Various subsidiaries of the Aboitiz Group
Assistant Corporate Secretary	- Various subsidiaries of the Aboitiz Group

Previous Positions:

Assistant Vice President– Governance and Compliance, and	- Aboitiz Equity Ventures Inc.* (2018 to 2023)

Assistant Corporate Secretary	
Assistant Corporate Secretary	- Aboitiz Power Corporation*
Senior Associate General Counsel for Governance and Compliance	- Aboitiz Equity Ventures Inc.* (2016 to 2018)
Associate General Counsel for Legal and Corporate Services	- Aboitiz Equity Ventures Inc.* (2010 to 2014)
Associate	- Esguerra & Blanco Law Office (2007 to 2010)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Arts Degree in Political Science (Cum Laude) from the University of the Philippines Diliman
- Bachelor of Laws degree from University of the Philippines Diliman
- Graduate Member of the ICD
- Certified Compliance and Ethics Professional – International (CCEP-I)

Ms. de la Torre is a member in good standing of the Integrated Bar of the Philippines. She is not connected with any government agency or instrumentality. She is not a director of a publicly-listed company.

SAMMY DAVE A. SANTOS
Senior Associate General Counsel for Governance and Compliance, and Assistant Corporate Secretary

Age: 39
Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

Senior Associate General Counsel for Governance and Compliance, and Assistant Corporate Secretary	- Aboitiz Equity Ventures Inc.* (2020 to present)
Corporate Secretary	- Various subsidiaries of the Aboitiz Group
Assistant Corporate Secretary	- Good Governance Advocates and Practitioners of the Philippines (GGAPP) - Various subsidiaries of the Aboitiz Group

Previous Positions:

Assistant Corporate Secretary	- Aboitiz Power Corporation* (2019 to 2023)
Associate General Counsel for Governance and Compliance	- Aboitiz Equity Ventures Inc.* (2017 to 2020)
Legal Counsel	- Alliance Select Foods International* (2016 to 2017)
Counsel	- Privatization Group and Office of Special Concerns of the Department of Finance (2016)
Junior Associate	- Quiason Makalintal Barot Torres Ibarra Sison & Damaso (2014 to 2016)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Arts in Humanities with Professional Certificate in Industrial Economics from the University of Asia and the Pacific, Manila
- Master of Science in Industrial Economics from the University of Asia and the Pacific, Manila
- Juris Doctor degree from the Ateneo de Manila University, Manila

Mr. Santos is a member in good standing of the Integrated Bar of the Philippines. He is not connected with any government agency or instrumentality. He is not a director of a publicly-listed company.

Period in which the Directors Should Serve

The Company's directors serve for a period of one year.

Term of Office of a Director

Pursuant to the Company's Amended By-Laws, the directors are elected at each ASM by stockholders entitled to vote. Each director holds office until the next annual election for a term of one year and until his/her successor is duly qualified and elected, unless he/she resigns, dies, or is removed prior to such election.

Any vacancy in the Board other than by removal or expiration of term may be filled by a majority vote of the remaining members at a meeting called for that purpose, if they still constitute a quorum. Otherwise, said vacancy must be filled by the stockholders or members in a regular or special meeting called for that purpose. The director so chosen to fill a vacancy shall serve for the unexpired term of his/her predecessor in office.

When the vacancy arises as a result of removal by the stockholders or members, the election may be held on the same day of the meeting authorizing the removal and this fact must be so stated in the agenda and notice of said meeting. In all other cases, the election must be held no later than 45 days from the time the vacancy arose. The director so chosen to fill a vacancy shall serve for the unexpired term of his/her predecessor in office.

When the vacancy prevents the remaining directors from constituting a quorum and emergency action is required to prevent grave, substantial, and irreparable loss or damage to the corporation, the vacancy may be temporarily filled from among the officers of the corporation by unanimous vote of the remaining directors. The action by the designated director shall be limited to the emergency action necessary, and the term shall cease within a reasonable time from the termination of the emergency or upon the election of the replacement director, whichever comes earlier.

(2) Significant Employees

AEV considers the contribution of every employee important to the fulfillment of its goals.

(3) Family Relationships

Messrs. Enrique, Erramon, and Sabin Aboitiz, are brothers. Mr. Mikel A. Aboitiz is the uncle of Ms. Ana Maria A. Delgado. Other than these, no other officers or directors are related within the fourth degree of consanguinity.

(4) Involvement in Certain Legal Proceedings as of February 29, 2024

To the knowledge and/or information of AEV, none of its nominees for election as directors, its current members of the Board or its executive officers have been involved in any of the following during the past five years up to February 29, 2024:

a. 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;
b. 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;
c. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily

enjoining, barring, suspending or otherwise limiting his/her involvement in any type of business, securities, commodities or banking activities; and

d. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

(5) Certain Relationships and Related Transactions

AEV and its Subsidiaries (the "Group"), in their regular conduct of business, have entered into related party transactions (RPT) consisting of professional and technical services, rental, money market placements, and power sales and purchases. These are made on an arm's length basis.

Aboitiz & Company, Inc. (ACO), the parent company of AEV, and certain Associates have service contracts with AEV for corporate center services rendered, such as human resources, internal audit, legal, treasury and corporate finance, among others. These services are obtained from AEV to enable the Group to realize cost synergies. AEV maintain a pool of highly qualified professionals with business expertise specific to the businesses of the Group. Transactions are priced on an arm's length basis, and covered with service level agreements to ensure quality of service.

ACO and certain Associates are leasing office spaces from Cebu Praedia Development Corporation (CPDC), a Subsidiary of AEV. Rental rates are comparable with prevailing market prices. These transactions are covered with lease contracts for a period of three years.

The Group has cash deposits and money market placements with Union Bank of the Philippines, Inc. ("UnionBank", or the "Bank") and City Savings Bank, Inc., AEV's banking Associates. These are earning interest at prevailing market rates.

Power generation Subsidiaries sell to certain power Associates based on their respective power supply agreements. Meanwhile, power distribution Subsidiaries purchase from certain generation Associates based on existing power purchase agreements.

A wholly-owned construction and steel fabrication Subsidiary of ACO renders its services to the Group for the construction of new power plants.

The Company's retirement benefit fund (the "Fund") is in the form of a trust being maintained and managed by an independent committee composed of select officers of the Company. The Fund has investments in the equity of the Company, AboitizPower, and UnionBank.

No other transaction, without proper disclosure, was undertaken by the Company in which any director or executive officer, any nominee for election as director, any beneficial owner (direct or indirect) or any member of his/her immediate family was involved or had a direct or indirect material interest. Other than what has been discussed in this Information Statement and the Company's 2023 Annual Financial Statements, there are no other related party transactions entered into by the Company with related parties, including transactions with directors or self-dealings by the Company's directors.

AEV employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are determined and brought to the attention of management.

AEV's RPT Policy ensures that RPTs are conducted at arms-length and at market prices, and undergo the appropriate approval process.

In 2023, the RPT Committee (1) continued to ensure that RPTs are taken on an arm's-length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval and (2) ensured the submission of the RPT Certification for Directors and Officers in compliance with the Company's RPT Policy.

For detailed discussion on RPTs, please refer to the notes of the Company's consolidated financial statements.

(6) Parent Company

AEV's parent company is Aboitiz & Company, Inc. It owns 48.68% of the voting shares of AEV as of February 29, 2024.

(b) Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

No director has resigned nor declined to stand for re-election to the Board since the date of AEV's last ASM because of a disagreement with AEV on matters relating to its operations, policies, and practices.

Item 6. Compensation of Directors and Executive Officers

(a) Summary of Compensation of Executive Officers

Information as to the aggregate compensation paid or accrued to AEV's Chief Executive Officer and four most highly compensated executive officers, as well as other directors and officers during the last two completed fiscal years and the ensuing fiscal year are as follow:

Name of Officer and Principal Position	Year	Salary	Bonus	Other Compensation
CHIEF EXECUTIVE OFFICER AND FOUR MOST HIGHLY COMPENSATED OFFICERS **1. SABIN M. ABOITIZ** *President and Chief Executive Officer* **2. JOSE EMMANUEL U. HILADO** *Senior Vice President and Chief Financial Officer* **3. SUSAN V. VALDEZ** *Senior Vice President and Chief Corporate Services Officer* **4. MARIA VERONICA C. SO** *Senior Vice President – Group Treasurer* **5. MANUEL ALBERTO R. COLAYCO** (only for 2022) *Senior Vice President – Chief Legal and Compliance Officer/Corporate Secretary* **6. CONNIE G. CHU** (only for 2023) *Senior Vice President – Chief Legal and Compliance Officer/Corporate Secretary*				
All above named officers as of group	**Actual 2023**	**₱141,575,277.00**	**₱20,902,740.00**	**₱16,556,572.00**
	Actual 2022	₱148,400,396.00	₱15,555,513.00	₱14,854,434.00
	Projected 2024	₱139,496,673.00	₱22,021,263.00	₱17,987,888.00
All other directors and officers- as a group unnamed	**Actual 2023**	**₱19,789,091.00**	**₱3,491,396.00**	**₱47,958,355.00**
	Actual 2022	₱29,548,811.00	₱3,491,396.00	₱47,958,355.00
	Projected 2024	₱21,768,000.00	₱2,928,296.00	₱49,739,848.00

The 2020 Amended By-Laws of the Company as approved by the Securities and Exchange Commission (SEC) on October 1, 2020 defined corporate officers as follows: the Chairman of the Board; the Vice Chairman; the Chief Executive Officer; the Chief Operating Officer; the Treasurer, the Corporate Secretary; the Assistant Corporate Secretary; and such other officers as may be appointed by the

Board. For the year 2023, the Company's Summary of Compensation of Executive Officers covers the compensation of officers as reported under Item 5 (a)(1) of the Information Statement.

Except for the regular company retirement plan, which by its very nature will be received by the officers concerned only upon retirement from the Company, the above-mentioned officers do not receive any other compensation in the form of warrants, options, and/or profit-sharing.

There is no compensatory plan or arrangement between the Company and any executive in case of resignation or any other termination of employment or from a change-in-control of the Company.

(b) Compensation of Directors

(1) Standard Arrangements

AEV directors receive a monthly allowance of ₱150,000.00 while the Chairman of the Board receives a monthly allowance of ₱200,000.00. In addition, each director/member and the Chairmen of the Board and the Board Committees receive a per diem for every Board or Board Committee meeting attended as follows:

Type of Meeting	Directors	Chairman of the Board
Board Meeting	₱150,000.00	₱225,000.00

Type of Meeting	Committee Member	Chairman of the Committee
Board Committee Meeting (*except Audit Committee*)	₱100,000.00	₱150,000.00
Audit Committee Meeting	₱100,000.00	₱200,000.00

In compliance with Section 29 of the Revised Corporation Code, the total compensation of each of the Company's directors as of December 31, 2023 is as follow:

Name of Director	Total Compensation Received by Directors[8]
ENRIQUE M. ABOITIZ *Chairman of the Board*	₱6,375,000.00
MIKEL A. ABOITIZ *Vice Chairman of the Board*	₱3,900,00.00
ERRAMON I. ABOITIZ *Director*	₱6,400,00.00
SABIN M. ABOITIZ* *President and Chief Executive Officer*	₱5,250,000.00
ANA MARIA A. DELGADO* *Director*	₱4,300,000.00
JUSTO A. ORTIZ* *Director*	₱5,550,000.00
ROMEO L. BERNARDO *Lead Independent Director*	₱4,100,000.00
CESAR G. ROMERO** *Lead Independent Director*	₱6,000,000.00
JOANNE G. DE ASIS *Independent Director*	₱6,050,000.00
PETER D. MAQUERA** *Independent Director*	₱1,050,000.00

(2) Other Arrangements

Other than payment of the directors' per diem and monthly allowance as previously stated, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be

[8] Consisting of the monthly allowance and per diem. Per diem is based on the directors' attendance in the Board and Board Committee meetings, and their Committee memberships for the period January 1 to December 31, 2023.
*A portion of the director's compensation was paid to their nominating company.
** On September 4, 2023, Mr. Bernardo resigned as Lead Independent Director. He was replace by Mr. Cesar G. Romero as Lead Independent Director and Mr. Peter D. Maquera as Independent Director

compensated, directly or indirectly, for any services provided as a director.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arragements

There is no compensatory plan or arrangement between AEV and any executive officer that results or will result from the resignation or any other termination of employment or from a change in the management or control of AEV.

(d) Warrants and Options Outstanding

To date, AEV has not granted any stock option to its directors or officers.

Item 7. Independent Public Accountant

As a matter of policy, the Board Audit Committee (the "Audit Committee") selects, monitors, and reviews the independence, performance and effectiveness, scope of work, and fees and remuneration of the Company's external auditors. The performance of this function is done in consultation with the Chief Executive Officer, the Chief Financial Officer, and the Group Internal Audit Head. When appropriate, the Audit Committee may recommend to the Board of Directors the re-appointment or replacement of the current external auditor.

During the AEV board meeting on March 5, 2024, the Chairman of the Audit Committee reported to the Board that after the evaluation and assessment of the performance of SyCip Gorres Velayo & Co. (SGV) for 2023, the Audit Committee was satisfied with SGV's performance and recommended SGV's re-appointment as the Company's external auditor for 2024.

The Board of Directors discussed the Audit Committee's recommendation, and after discussion, approved the re-appointment of SGV. The Board of Directors has endorsed to the stockholders the re-appointment of SGV as the Company's external auditor for 2024.

The accounting firm of SGV has been AEV's Independent Public Accountant for the last 29 years. Ms. Jhoanna Feliza C. Go is AEV's audit partner from SGV since 2022. Ms. Go replaced Ms. Maria Veronica R. Pore who served as AEV's audit partner from 2017 to 2021. AEV complies with the requirements of Section 3(b) (ix) of SRC Rule 68 on the rotation of external auditors or signing partners and the two-year cooling-off period.

Representatives of SGV will be present during the 2024 ASM and will be given the opportunity to make a statement if they so desire. They are also expected to respond to appropriate questions if needed.

There was no event in the past 29 years where AEV and SGV (or the handling partner) had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Chairman of the Audit Committee is Mr. Cesar G. Romero, an Independent Director. The other members are Mr. Peter D. Maquera and Ms. Joanne G. De Asis, both Independent Directors, and Ms. Ana Maria A. Delgado, and Mr. Erramon I. Aboitiz, Non-Executive Directors of AEV.

Item 8. Compensation Plans

No action is to be taken during the 2024 ASM with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other Than for Exchange

No action is to be taken during the 2024 ASM with respect to authorization or issuance of any securities other than for exchange of outstanding securities.

The following is a discussion of the Company's outstanding registered securities.

Recent Issuance of Registered Debt Securities

(a) Twenty-Five Billion Fixed Rate Retail Bonds Issued in August 2015

On July 27, 2015, the SEC issued the Order of Registration and Certificate of Permit to Offer Securities for AEV's fixed- rate retail bonds in the aggregate amount of up to ₱25 bn, inclusive of oversubscription (the "2015 Bonds"). The 2015 Bonds were then offered to the public on July 28, 2015 until July 31, 2015. The first tranche, equivalent to ₱24 bn was issued in 2015 in three series, as follows:

Series	Maturity Date	Interest Rate Per Annum
Series A	Five Years and three months	4.4722%
Series B	Seven Years	5.0056%
Series C	Twelve Years	6.0169%

The 2015 Bonds were listed with PDEx on August 5, 2015 for secondary market trading. Interest on the 2015 Bonds is paid quarterly in arrears every August 6, November 6, February 6, and May 6 of each year for each subsequent interest payment date at which the bonds are outstanding.

AEV received the aggregate net proceeds of ₱24 bn from the offer and sale of 2015 Bonds. The breakdown of the use of proceeds is set out below:

	Projected Usage (Per Prospectus)	Actual Usage*
Capital Infusion into Aboitiz Land, Inc.	₱9,892,000,000.00	₱10,000,000.00
Capital Infusion into Apo Agua Infrastructura, Inc.	2,055,000,000.00	14,000.00
Capital Infusion into Aseagas Corporation	311,000,000.00	222,500,000.00
Capital Infusion into PETNET, Inc.	765,000,000.00	125,000,000.00
Full repayment of existing long-term debt to fund purchase of UBP shares in 2010 & 2011	1,188,000,000.00	1,188,000,000.00
Bond Issuance Costs	214,076,625.00	219,925,521.28
Acquisition of a stake in the Philippine business of Lafarge S.A.	9,574,923,375.00	22,234,560,478.72
TOTAL	**₱24,000,000,000.00**	**₱24,000,000,000.00**

** The actual amount spent for the above projects in 2015 reached ₱25.5 bn. The funding came from the ₱24 bn retail bond proceeds and the ₱1.5 bn balance from internally-generated funds.*

AEV has been paying interest to its bondholders since November 6, 2015.

On August 10, 2021, the Company fully paid the outstanding seven-year 2015 Bonds amounting to ₱8.47 bn, a year ahead of its 2022 maturity schedule.

(b) Thirty Billion Fixed Rate Peso Denominated Retail Bonds (2019)

On January 29, 2019, the Board approved the issuance of a fixed-rate peso-denominated retail bonds in the aggregate amount of up to ₱30 bn, to be registered under the shelf registration program of the SEC (the "2019 Bonds"). Subsequently, the members of the Board approved the

issuance of the first tranche of its 2019 Bonds equivalent to ₱3 bn and with an oversubscription option of up to ₱2 bn (the "First Tranche 2019 Bonds") on March 7, 2019.

On June 3, 2019, the SEC issued the Order of Registration and Certificate of Permit to Offer Securities for AEV's 2019 Shelf Program and the public offering of its First Tranche 2019 Bonds which was issued in two series.

Series	Maturity Date	Interest Rate Per Annum
Series A	Five Years	6.0157%
Series B	Ten Years	6.3210%

The First Tranche 2019 Bonds were listed with PDEx on June 18, 2019 for secondary market trading. Interest is paid quarterly in arrears every May 21, August 21, November 21, and February 21 of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregated net proceeds of ₱4.94 bn from the offer and sale of the First Tranche 2019 Bonds.

The breakdown of the use of proceeds is set out below (amount in thousand pesos):

	Projected Usage (Per Prospectus)	Actual Usage
Repayment of Medium-term Loan of AEV International Pte. Ltd.	₱4,936,384	₱4,937,310
Bond issuance costs	63,616	62,690
TOTAL	**₱5,000,000**	**₱5,000,000**

On November 5, 2019, the Board approved the issuance of up to ₱10 bn fixed-rate retail bonds (the "Second Tranche 2019 Bonds"). The SEC issued the Certificate of Permit to Offer Securities on October 29, 2020 for the Second Tranche 2019 Bonds, which was then offered to the public from October 29, 2020 until November 6, 2020. The Second Tranche 2019 Bonds, equivalent to ₱7.55 bn including oversubscription, were issued in two series:

Series	Maturity Date	Interest Rate Per Annum
Series C	Three Years	2.8403%
Series D	Five Years	3.3059%

The Second Tranche 2019 Bonds were listed with PDEx on November 16, 2020 for secondary market trading. Interest is paid quarterly in arrears every November 16, February 16, May 16, and August 16 of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregate net proceeds of ₱7.45 bn from the offer and sale of Second Tranche 2019 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

	Projected Usage (Per Prospectus)	Actual Usage[9]
Payment of the maturing 2013 Series A Bonds	₱6,200,000	₱6,200,000
Payment of the maturing 2015 Series A Bonds	2,664,112	1,245,578
Partially finance the 2021 equity contributions to Apo Agua for the construction of a hydroelectric-powered bulk water treatment facility in Davao	1,000,000	-
Bond issuance costs	135,888	104,422
TOTAL	**₱10,000,000**	**₱7,550,000**

On April 26, 2021, the Board approved the issuance of up to ₱10 bn fixed-rate retail bonds (the "Third Tranche 2019 Bonds"). The SEC issued the Certificate of Permit to Offer Securities on July 26, 2021 for the Third Tranche 2019 Bonds, which was then offered to the public from July 26, 2021 until July 30, 2021. The Third Tranche 2019 Bonds, equivalent to ₱10 bn including oversubscription, were issued in two series.

Series	Maturity Date	Interest Rate Per Annum
Series E	Four Years	3.2977%
Series F	Seven Years	3.3059%

The Third Tranche 2019 Bonds were listed with PDEx on August 9, 2021 for secondary market trading. Interest is paid quarterly in arrears every February 9, May 9, August 9, and November 9 of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregate net proceeds of ₱10 bn from the offer and sale of the Third Tranche 2019 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

	Projected Usage (Per Prospectus)	Actual Usage
Refinance facilities drawn to fund the early redemption of the 2015 Series B Bonds	₱8,467,030	₱8,467,030
Partially finance Aboitiz InfraCapital's 2021 equity contributions to Apo Agua to fund its requirements for the construction of a hydroelectric-powered bulk water treatment facility in Davao	750,000	750,000
Finance future funding requirements of Aboitiz InfraCapital in 2022 for its towers project	643,629	647,997
Bond issuance costs	135,341	134,973
TOTAL	**₱10,000,000**	**₱10,000,000**

AEV has been paying interest to its bondholders since September 18, 2019 and February 16, 2021, for the First and Second Tranche Bonds, respectively. The Company started paying interest on the Third Tranche 2019 Bonds beginning on November 9, 2021.

On August 25, 2022, the Board approved the issuance of up to ₱7.45 bn fixed-rate retail bonds (the "Fourth Tranche 2019 Bonds"), together with the application for a new shelf registration program with the SEC for the issuance of fixed-rate peso-denominated retail bonds with an aggregate principal amount of up to ₱30 bn, to be issued in one or more tranches, depending on market conditions (the "2022 Shelf Program").

9 The full allotment for the oversubscription was not availed.

(c) Thirty Billion Fixed Rate Peso Denominated Retail Bonds (2022)

On August 25, 2022, the members of the Board approved the issuance of the first tranche from its 2022 Shelf Program equivalent to ₱4.55 bn inclusive of oversubscription option (the "First Tranche 2022 Bonds"). Subsequently, the Board of Directors of the Company approved the increase in the amount of the oversubscription option to ₱12.55 bn. The issuance of the Fourth Tranche 2019 Bonds and the First Tranche 2022 Bonds amounted to a total issue size of ₱20 bn fixed-rate retail bonds (the "2022 Bonds"). The increase in the oversubscription option allowed for greater flexibility amidst robust liquidity in the capital markets.

The SEC issued the Certificate of Registration and the Permit to Offer Securities on November 22, 2022 for the 2022 Bonds, which was then offered to the public from November 22, 2022 until November 28, 2022. The 2022 Bonds were issued in two series.

Series	Maturity Date	Interest Rate Per Annum
Series A	Three Years and Six Months	6.8725%
Series B	Seven Years	7.5321%

The First Tranche 2022 Bonds were listed with PDEx on December 7, 2022 for secondary market trading. Interest is paid quarterly in arrears every March 7, June 7, September 7, and December 7 of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregate net proceeds of ₱20 bn from the offer and sale of the 2022 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

	Projected Usage (Per Prospectus)	Actual Usage
Partially finance Aboitiz InfraCapital's acquisition in GMCAC	₱18,756,283	₱19,759,321
Refinancing of the maturing AEV Series C 2.8403% Bonds Due 2023	1,000,000	-
Bond issuance costs	243,717	240,679
TOTAL	**₱20,000,000**	**₱20,000,000**

On May 30, 2023, the members of the Board approved the issuance of the second and final tranche of its 2022 Bonds equivalent to ₱17.45 bn inclusive of oversubscription option (the "Second Tranche 2022 Bonds"). The SEC issued the Certificate of Registration and the Permit to Offer Securities on September 7, 2023.

The Second Tranche 2022 Bonds was then offered to the public from September 7, 2023 until September 13, 2023. The Second Tranche 2022 Bonds were issued in three series.

Series	Maturity Date	Interest Rate Per Annum
Series C	Two Years	6.3402%
Series D	Five Years	6.4762%
Series E	Ten Years	6.8032%

The Second Tranche 2022 Bonds were listed with PDEx on September 21, 2023 for secondary market trading. Interest is paid quarterly in arrears every December 21, March 21, June 21, and September 21 of each year for each subsequent interest payment date at which the bonds are

outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregate net proceeds of ₱17.45 bn from the offer and sale of the Second Tranche 2022 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

	Projected Usage (Per Prospectus)	Actual Usage
To partially fund the acquisition of 40% equity interest in Coca-Cola Beverages Philippines, Inc.	₱11,382,434	-
Refinancing of the maturing AEV Series C 2.8403% Bonds Due 2023	5,853,300	5,853,300
Bond issuance costs	214,266	216,470
TOTAL	₱17,450,000	₱6,069,770

AEV started paying interest to its bond holders of the First Tranche 2022 Bonds on March 7, 2023 and Second Tranche 2022 Bonds on December 21, 2023.

Item 10. Modification or Exchange of Securities

No action is to be taken during the 2024 ASM with respect to modification of any other class of issued securities of AEV, or the issuance or authorization for issuance of one class of securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

No other action is to be taken during the 2024 ASM with respect to any matter specified in Items 9 or 10.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken during the 2024 ASM with respect to any transaction involving: (i) merger or consolidation into or with any other person or of any other person into or with AEV; (ii) acquisition by AEV or any of its security holders of securities of another person; (iii) acquisition of any other going business or of the assets thereof; (iv) sale or other transfer of all or any substantial part of the assets of AEV; or (v) liquidation or dissolution of AEV.

Item 13. Acquisition or Disposition of Property

No action is to be taken during the 2024 ASM with respect to acquisition or disposition of any property of AEV.

Item 14. Restatement of Accounts

No action is to be taken during the 2024 ASM with respect to restatement of any asset, capital or surplus account of AEV.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following action require approval and ratification from the stockholders during the 2024 ASM:

(a) Approval of the Minutes of the 2023 Annual Meeting of Stockholders dated April 24, 2023 (A summary and copy of the 2023 ASM Minutes are attached as **Annexes "C" and "C-1"**). The approval of the minutes is only with respect to the correctness of the minutes and not as to any of the matters referred therein. The minutes may also be viewed at the Company's website at:

https://aboitizcom-uploads.s3.ap-southeast-1.amazonaws.com/wp-content/uploads/2023/02/25153716/AEV-Minutes-2023-04.24.2023-Annual-Stockholders-Meeting.pdf and covers the following matters:

1) Reading and approval of the minutes of the previous Annual Stockholders' Meeting on April 25, 2022;
2) Presentation of the President's Report;
3) Approval of the Annual Report and Audited Financial Statements as of December 31, 2022;
4) Appointment of External Auditor for 2023;
5) Election of the Members of the Board of Directors;
6) Ratification of the Acts, Resolutions, and Proceedings of the Board of Directors, Corporate Officers, and Management from April 25, 2022 up to April 24, 2023; and
7) Other Business

(b) Approval of the 2023 Annual Report of Management and Financial Statements of the Company; and:

(c) General ratification of the acts of the Board of Directors, corporate officers, and the management from April 24, 2023 up to April 21, 2024.

These acts are covered by resolutions of the Board duly adopted during the normal course of trade or business of the Company.

The Company's President and Chief Executive Officer, Mr. Sabin M. Aboitiz will present the President's Report during the 2024 ASM. The President's Report will be an assessment of the Company's 2023 performance and will include information on any material change in the Company's business, strategy, and other affairs, if any. The President's report for the 2024 ASM is not yet available at the time that the Company's Information Statement is due to be submitted to the SEC on March 25, 2024. It will be uploaded and may be viewed at the Company's website at *https://aboitiz.com/2024asm* as soon as available before the 2024 ASM.

Item 16. Matters Not Required to be Submitted

No action is to be taken with respect to any matter that does not require the submission to a vote of security holders.

(a) **Ratification of acts, resolutions, and proceedings of the Board of Directors, Corporate Officers and Management from April 24, 2023 up to April 21, 2024.** The proposal is intended to allow the stockholders to ratify the acts of the Board of Directors and Officers of the Company as a matter of procedure or policy.

The resolutions approved by the Board in its regular and special meetings refer only to acts done by the Board of Directors, corporate officers, and management in the ordinary course of business. The board resolutions are enumerated in this Information Statement. The Company also regularly discloses material transactions approved by the Board. These disclosures are available for viewing and can be downloaded at the Company's website at *www.aboitiz.com*.

Below is the list of the resolutions approved by the Board of Directors from April 24, 2023 up to March 5, 2024:

Regular Board Meeting on April 24, 2023

1. Appoint Representatives to Attend and Represent the Company at the Stockholders' Meeting of its Investee Companies;
2. Appoint Representatives Authorized to Enter into Non-Disclosure Agreements, Letters of Instruction, Memoranda of Agreement and Other Preliminary Agreements Involving Potential Acquisitions or Transactions;
3. Appoint Representatives Authorized to Enter into Non-Disclosure Agreements and Other Preliminary Agreements Involving Media Relation Transaction;

4. Appoint Representatives Authorized to Enter into Non-Disclosure Agreements and Other Preliminary Agreements Involving Human Resources (HR) and Information Technology (IT) Related Transactions;
5. Appoint Representatives Authorized to Enter into Non-Disclosure Agreements and Other Preliminary Agreements Transactions by the Office of the Chief Transformation Officer;
6. Appoint Authorized Representatives to Purchase, Sell, or Deal in Any Manner with the Motor Vehicles of the Company;
7. Update Authority of Representatives to Transact and File Reports to the Philippine Depository & Trust Corporation (PDTC);
8. Update Authority of Representatives to Transact and File Reports to the Philippine Stock Exchange, Inc. (PSE), Philippine Dealing & Exchange Corporation (PDEx), and the Securities Exchange Commission (SEC);
9. Renew the Authority of the Data Privacy Officer to Transact with the National Privacy Commission (NPC);
10. Approve the 2022 Integrated Annual Corporate Governance Report;
11. Authorize the Sale and Leaseback Agreements between Unity Digital Infrastructure, Inc. and Globe Telecom; and
12. Updating of Email and Contact Number with SEC (OST).

Regular Board Meeting on May 30, 2023

1. Infuse Capital into Aboitiz InfraCapital, Inc. (Aboitiz InfraCapital) to fund Unity's acquisition of the PLDT-Smart Towers;
2. Appoint Authorized Representatives to Apply and Secure Work Permits and Visas;
3. Appoint Additional Authorized Representatives to Purchase, Sell, Lease, or Transfer of Motor Vehicle; and
4. Update Authorized Representatives for Banking Transactions with Union Bank of the Philippines.

Regular Board Meeting on July 7, 2023

1. Approve Changes in the Company's Officers;
2. Update the Authorized Representatives for Non-Disclosure Agreements, Letters of Instruction, Memoranda of Agreement and Other Preliminary Agreements involving HR and IT Transactions;
3. Update Authorized Representatives to Transact and File Reports with PDTC, PSE, PDEx, and the SEC;
4. Authorize the Issuance of a Parent Guarantee by Subsidiaries; and
5. Update the List of Trustees for the Company's Retirement Fund.

Regular Board Meeting on July 27, 2023

1. Authorize Various Treasury Requests.

Regular Board Meeting on August 30, 2023

1. Delegate Authority for the Proposed Acquisition of Coca-Cola Beverages Philippines, Inc.;
2. Update the List of Authorized Representatives for Various Day-to-Day Transactions;
3. Update Authorized Representatives to Purchase, Sell, Lease, or Transfer of Motor Vehicles;
4. Approve Human Resources-related Requests;
5. Renew Authority to Buyback AEV, UnionBank, and AboitizPower Shares; and
6. Authorize Various Treasury Requests.

Regular Board Meeting on September 27, 2023

1. Amend of Financial Levels of Authority (FINLOA);
2. Authorize the Creditable Withholding Tax Refund Application for 2022; and
3. Update Authorized Representatives for the AEV Payroll Account and UnionBank Portal Access.

Regular Board Meeting on October 26, 2023

1. Authorize AIC to Participate in the Swiss Challenge for the Laguindingan International Airport Project;
2. Authorize Various Banking Transactions;

3. Update the Authorized Representatives to Enter into Non-Disclosure Agreements, Letters of Instruction, Memoranda of Agreement and Other Preliminary Agreements Involving Transactions of the Transformation Office; and
4. Appointment of an Independent Director.

Regular Board Meeting on November 23, 2023

1. Approve the Changes in the Board and Board Committee Appointments;
2. Update the List of Trustees for the Company's Retirement Plan and Retirement Fund; and
3. Authorize Various Treasury Requests.

Regular Board Meeting on December 12, 2023

1. Authorize Aboitiz InfraCapital Inc.'s bid for the Ninoy Aquino Internal Airport Solicited Project;
2. Authorize Various Treasury Requests; and
3. Consent to the Food Group's Trademark application with the Intellectual Property Office of the Philippines.

Special Board Meeting on December 20, 2023

1. Retirement of Officer and Appointment of Ex-Officio Officers in Board Committees.

Regular Board Meeting on January 24, 2024

1. Amend Board Committee Charters;
2. Updating of Authorized Representatives for Various Transactions with the Bureau of Internal Revenue; and
3. Revocation of the Authority of Officer.

Regular Board Meeting on February 29, 2024

1. Approval of Revised Committee Charters;
2. Renewal of Authority for Representatives to Attend to the ASMs of AEV's Investee Companies, Organizations, or Associations;
3. Update the Authorized Representatives for Non-Disclosure Agreements, Letters of Instruction, Memoranda of Agreement and Other Preliminary Agreements involving Information Technology Transactions;
4. Authorize of Aboitiz InfraCapital to Proceed with the Bohol-Panglao International Airport Project;
5. Revocation of the Authority of an Officer in Various Transactions;
6. Changes in the Trustees of the Company's Retirement Funds; and
7. Treasury Requests.

Special Board Meeting on March 5, 2024

1. Authorize the Conduct of Virtual ASM in 2024;
2. Authorize the use of an Online Voting Platform for the 2024 ASM;
3. Approval of the Agenda, Date, Venue, and Record Date for the 2024 ASM;
4. Appoint the Board Election Inspectors for the 2024 ASM;
5. Appoint the Proxy Validation Committee Members;
6. Endorse the Appointment of SGV as External Auditor for 2024;
7. Cash Dividend Declaration; and
8. Approval of 2023 Audited Financial Statements.

A resolution to ratify the acts, resolutions, and proceedings of the Board of Directors, corporate officers and management from April 24, 2023 up to April 21, 2024 shall be presented to the stockholders for approval.

Item 17. Amendment of Charter, By-Laws or Other Documents

No action is to be taken during the 2024 ASM with respect to the amendment of the Company's Charter, By-Laws or other documents.

Item 18. Other Proposed Actions

(a) **Approval of the 2023 Annual Report and Financial Statements**. The proposal is intended to present to the stockholders the results of the Company's operations in 2023, in accordance with Section 74 of the Revised Corporation Code.

The Company's audited financial statements as of December 31, 2023 will be integrated and made part of the Company's Definitive Information Statement. The Definitive Information Statement will be distributed to the stockholders at least 15 business days prior to the ASM, and the same will be posted at the Company's website at *https://aboitiz.com* and in the PSE EDGE portal at *edge.pse.com.ph*.

A resolution approving the 2023 Annual Report and Audited Financial Statements shall be presented to the stockholders for approval.

(b) **Appointment of the Company's External Auditor for 2024.** The proposal is intended to appoint an auditing firm which can best provide assurance to the directors and stockholders on the integrity of the Company's financial statements and adequacy of its internal controls. The Board Audit Committee and the Board of Directors will endorse SGV as the external auditor for 2024 for the stockholders to appoint.

The profile of the external auditor Is disclosed in this Information Statement.

A resolution for the appointment of the Company's external auditor for 2024 shall be presented to the stockholders for approval.

(c) **Ratification of Acts, Resolutions, and Proceedings of the Board of Directors, Corporate Officers, and Management from April 24, 2023 up to April 21, 2024.** The proposal is intended to allow the stockholders to ratify the acts of the Board of Directors and Officers of the Company as a matter of procedure or policy.

The resolutions approved by the Board in its regular and special meetings refer only to acts done by the Board of Directors, corporate officers, and management in the ordinary course of business. The board resolutions are enumerated in this Information Statement. The Company also regularly discloses material transactions approved by the Board. These disclosures are available for viewing at, and can be downloaded from, the Company's website at *https://aboitiz.com*.

A resolution to ratify the acts, resolutions, and proceedings of the Board of Directors, corporate officers, and management from April 24, 2023 up to April 21, 2024 shall be presented to the stockholders for approval.

Item 19. Voting Procedures

(a) Votes Required for Matters Submitted to Stockholders for Approval and Election of Directors

Section 4, Article I of the Amended By-Laws of AEV states that a quorum for any meeting of stockholders shall consist of the majority of the outstanding capital stock of AEV. Majority of such quorum shall decide on any question in the meeting, except those matters in which the Revised Corporation Code requires a greater proportion of affirmative votes.

Regarding the election of members of the Board, nominees who receive the highest number of votes shall be declared elected, pursuant to Section 23 of the Revised Corporation Code.

For the matters submitted to the stockholders for approval, the affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the 2024 ASM is required to approve the proposed actions. There are no proposed actions in the 2024 ASM that requires approval by a higher percentage of votes from the stockholders.

(b) The Method by which Votes will be Counted

The Company intends to conduct the 2024 ASM through remote communication, in accordance with the Revised Corporation Code and the applicable SEC Circulars. Stockholders who are unable to attend the meeting may execute a proxy in favor of a representative, or vote electronically *in absentia* using a hyperlink at *https://aboitiz.com/2024asm* available on March 25, 2024. Stockholders voting electronically *in absentia* shall be deemed present for purposes of quorum. See **Annex "E"** for complete information on the process for voting via remote communication or *in absentia* and the requirements for doing so.

In the election of directors, the nine nominees with the greatest number of votes shall be declared elected. If the number of nominees does not exceed the recorded number of directors to be elected, all the shares present or represented at the meeting will be voted in favor of the nominees.

In the election of directors, the stockholder may choose to do any of the following:

(i) Vote such number of shares for as many person(s) as there are directors to be elected;
(ii) Cumulate such shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares; or
(iii) Distribute his shares on the same principle as option (ii) among as many candidates as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him, multiplied by the whole number of directors to be elected.

The method of counting the votes shall be in accordance with the general provisions of the Revised Corporation Code. The counting of votes shall be done by the representatives from the Office of the Corporate Secretary, who shall serve as members of the Election Committee. The voting shall be witnessed and the results verified by a duly appointed Independent Board of Election Inspectors, Luis Cañete & Company, an independent accounting firm.

Other than the nominees' election as directors, no director, executive officer, nominee, or associate of any nominee has any substantial interest, direct or indirect, by security holdings or otherwise, in any way in the matters to be taken up during the ASM. AEV has not received any information that an officer, director or stockholder intends to oppose any action to be taken at the 2024 ASM.

This Information Statement in SEC Form 20-IS is given free of charge to the stockholders prior to the Annual Stockholders' Meeting of the Company. AEV stockholders may likewise request for a copy of the 2023 Annual Report on SEC Form 17-A which will be given free of charge upon written request. Please write to:

Office of the Corporate Secretary:

Aboitiz Equity Ventures Inc.
NAC Tower, 32nd Street,
Bonifacio Global City
Taguig City, Metro Manila
1634 Philippines
email: *AEV_BoardSecretariat@aboitiz.com*

Attention: **Ms. Connie G. Chu**

This Information Statement will also be posted at AEV's website: *www.aboitiz.com* and in the PSE EDGE portal at *edge.pse.com.ph*

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on March 25, 2024.

ABOITIZ EQUITY VENTURES INC.
By:

Sgd.
CONNIE G. CHU
Corporate Secretary

PART I – BUSINESS AND GENERAL INFORMATION

A. Item 1. Business of the Registrant

Overview of Business of the Registrant

Aboitiz Equity Ventures Inc., is the public holding and management company of the Aboitiz Group, one of the largest conglomerates in the Philippines. As of February 29, 2024, it is the fourth largest Philippine conglomerate based on market capitalization. The Company was originally incorporated as Cebu Pan Asian Holdings, Inc. on September 11, 1989. Its name was later changed to Aboitiz Equity Ventures Inc. on December 29, 1993, and its ownership was opened to the general public through an initial public offering (IPO) of its common shares in 1994.

AEV's core businesses, conducted through its various domestic and international Subsidiaries and Associates across 8 countries, are grouped into five main categories:

- **Power.** AEV's power generation, distribution, and retail electricity supply businesses are operated through AboitizPower and its Subsidiaries, Joint Ventures, and Associates (collectively, "AboitizPower"). AboitizPower holds leadership positions across its various segments: its power generation business is among the largest in the country in terms of installed capacity, its distribution utility business is the second largest in terms of captive customer connections and energy sales and its RES business is the largest both in number of customers and total retail market share. AboitizPower is also a pioneer in building and operating run-of-river mini hydropower plants in the country and has the largest installed capacity of renewable energy under its market control.

  On December 10, 2021, the AEV stockholders ratified the sale of 25.01% of the Company's equity ownership in AboitizPower (equivalent to 25.01% of the total outstanding capital stock of AboitizPower) to JERA Asia, an affiliate of JERA, Japan's largest power generation company. Including the shares acquired from ACO, JERA Asia now owns 27.00% of the total outstanding capital stock of AboitizPower. The proceeds from this transaction unlocked significant capital in AEV to fuel the expansion of its portfolio into high-growth sectors.

  AboitizPower's common shares are listed on the PSE and as of February 29, 2024, AboitizPower had a market capitalization of ₱267.00 bn, with a share price of ₱37.00 per share.

- **Food.** AEV's integrated agribusiness and food company is operated in the Philippines primarily through Pilmico Foods Corporation (Pilmico) and its Subsidiaries, and its international feeds business through Pilmico International Pte. Ltd. (Pilmico International) and its various Subsidiaries and Associates (collectively as the "Food Group"). The Food Group is composed of two segments: (1) Agribusiness and (2) Food and Nutrition. Agribusiness covers feed milling, pet food and specialty nutrition while Food and Nutrition includes flour milling, hog and layers farming, meat slaughter and fabrication and commodity trading.

  In July 2018, Pilmico International acquired a 75% equity interest in Gold Coin Management Holdings, Pte. Ltd. (GCMH) and its Subsidiaries (collectively, the "Gold Coin Group"), expanding AEV's animal feed business into 11 countries across the Asia-Pacific region. In May 2019, Pilmico International acquired the remaining 25% equity interest in GCMH. The Gold Coin Group is a leading brand in animal nutrition with 21 production facilities, with an installed milling capacity of 2.8 million (mn) metric tons (MT) per year. Following the GCMH acquisition, the Company believes that the Food Group is the fourth largest animal feed producer in Southeast Asia based on internal market data of the capacities of major players within the market.

- **Financial Services.** AEV's financial services group is consolidated under its Associate, Union Bank of the Philippines and its key Subsidiaries, which include City Savings Bank, Inc., a thrift bank, UBP Investments Corporation, a holding company, UBX Philippines Corporation ("UBX

PH"), an innovation and technology company, and UnionDigital Bank, Inc., the Bank's digital and banking arm. UnionBank is a universal banking corporation listed on the PSE and is among the top universal banks in the country, in terms of asset size as of September 31, 2023, as reported in disclosures made by private universal banks to the PSE. UnionBank had a market capitalization of ₱133.62 bn, with a price per common share of ₱44.70 as of February 29, 2024.

- **Real Estate.** AEV's development of residential communities is through AboitizLand, Inc. (AboitizLand). As of February 29, 2024, AboitizLand had 13 residential projects in the selling phase across three different product types: lot only, house and lot, and condominiums.

- **Infrastructure.** The infrastructure and infrastructure-related investments of the Aboitiz Group are primarily undertaken through Aboitiz InfraCapital, Inc. (Aboitiz InfraCapital) and AEV CRH Holdings, Inc. (AEV CRH). As of February 29, 2024, Aboitiz InfraCapital's business portfolio includes (i) administrative franchises to provide water and wastewater-related services to residential, commercial and industrial customers in Batangas, Cebu and Davao, among others, (ii) digital infrastructure, which includes common towers and data centers, (iii) regional airports, and (iv) economic estates projects. AEV CRH is AEV's partnership with CRH plc, a global leader in the manufacture and supply of building materials and products. AEV CRH acquired Republic Cement & Building Materials, Inc. (RCBM) together with its Subsidiaries and Affiliates (the "Republic Cement Group") in 2015. As of February 29, 2024, the Company believes that the Republic Cement Group is one of the country's leading local cement manufacturing and distribution companies with five integrated plants and one grinding facility in operation across Luzon, Visayas, and Mindanao.

Others. AEV's other investments include holdings in (a) aviation through AEV Aviation, Inc. (AEV Av), (b) insurance through Archipelago Insurance Pte. Ltd. (Archipelago Insurance), and (c) portfolio investments abroad through AEV International.

In 2022, AEV embarked on the Great Transformation ("GT 2025"), with the goal of becoming the country's first *techglomerate* by (i) harnessing technology and innovation to create exponential advantages, (ii) creating a more diversified portfolio that is substantially invested in the incubation of innovative and disruptive new ideas, products, services, and actual startup companies positioned for success in the future, and (iii) aspiring to become the public's *Partner of Choice* in modernizing and digitizing communities by helping government and institutions tech-up for more efficiency in developing the economy and society. Apart from modernizing and advancing the group's operations through the use of technology, an integral part of GT 2025 is the expansion of AEV's portfolio to the consumer segment, which should further enhance synergies within the Aboitiz Group.

On February 23, 2024, AEV, together with Coca-Cola Europacific Partners Plc, completed the acquisition of Coca-Cola Beverages Philippines, Inc. (CCBPI), the exclusive bottler and distributor of The Coca-Cola Company products in the Philippines. CCBPI is profitable and has attractive growth prospects, making AEV's 40% stake in its earnings accretive on day one.

As of February 29, 2024, ACO owned 48.68% of the outstanding capital stock of AEV, 4.84% was owned by directors, officers, and related parties, while the remaining 46.48% was owned by the public.

As of February 29, 2024, AEV had a market capitalization of ₱298 bn, with a share price of ₱53.00 per share.

Neither AEV nor any of its Subsidiaries has ever been the subject of any bankruptcy, receivership, or similar proceedings.

B. ABOITIZ EQUITY VENTURES INC.

In 2013, AEV transferred its corporate headquarters from Cebu to Metro Manila. The transfer, including the corresponding amendment to the Company's corporate documents, was approved by the stockholders during the 2013 ASM. AEV's current principal office address is at 3^{2n}d Street,

Bonifacio Global City, Taguig City, Metro Manila. AEV and its Subsidiaries still maintain administrative and liaison offices in Cebu.

Group Strategy

The AEV group strategy is best understood through four strategic pillars that guide it in creating long-term value for all its stakeholders: (i) growing the business, (ii) engaging stakeholders, (iii) building human capital, and (iv) executing with excellence.

Business Growth

AEV grows the business by continuing to explore businesses that meet the following criteria: (a) well-suited to AEV's experience and expertise in its existing business segments, (b) has dependable and growing sources of income, and (c) scalable with long-term growth potential. AEV seeks to grow within the Company's acceptable thresholds for risk, leverage, and returns to maintain sustainable growth. An integral part of AEV's strategy is to keep the Company's balance sheet healthy and to uphold the Company's ability to raise funds through the debt market.

While the Company is open to the possibility of expanding into new industries, AEV remains bullish on the long-term prospects of its five core businesses. AEV's business presence in the sectors in which it currently operates is aligned with the international indicators of economic growth and positions AEV well to take advantage of the country's economic cycle and to reap the benefits of demographic dividends.

Power

To sustain its economic growth, the Philippines requires a sufficient amount of competitively priced power. The Company believes AboitizPower is strategically positioned to meet this increasing demand. AboitizPower seeks to provide the country with reliable power at a reasonable cost and with minimal impact on the environment and communities. AboitizPower has been growing its generation portfolio since 2007 and as part of its decarbonization journey, it continues to have a strong pipeline of renewable and selective baseload builds, which should drive cost-efficient growth for the group. AboitizPower targets to grow its renewable energy portfolio to 4,600 MW of net attributable sellable capacity, of which, 3,700MW will be new RE capacity. Out of this 3,700 MW, 991 MW are expected to be energized within the next three years. Aside from SN Aboitiz Magat Battery Energy Storage System (24MW), which started commercial operations on January 26, 2024, some of AboitizPower's ongoing projects include the PV Sinag Power Cayanga Project (a 94 MWp solar power plant), the Tiwi Binary Geothermal Project (a 17 MW Binary power plant initiative to convert waste heat from the geothermal brine into electricity), and the PV Sinag Power Laoag Project (a 159 MWp solar power plant).

In addition, AboitizPower has the following RE projects (with their net attributable capacity) under development, and which are expected to be energized within the next three years: the 173 MWp Aboitiz Solar Power, Inc. Calatrava Solar Project; the 44 MWp RE Resources, Inc. Tarlac Solar Project; the 85 MWp RE Resources, Inc. San Manuel Solar Project; the 72 MWp San Isidro Wind Project; the 51 MWp Rizal-Laguna Wind Project; the 212 MWp AP Renewables Energy Corporation Olongapo Solar Project; the 20 MW Hedcor Sablan Hydro Project; the 75 MWp SN AboitizPower-Magat Floating Solar Project; the 40 MW Hedcor Bukidnon Kibungan Hydro Project; and the 31 MWp Libmanan Onshore Wind Project.

AboitizPower also aims to maximize opportunities arising from the implementation of the Renewable Portfolio Standards ("RPS") by the Department of Energy ("DOE"). In line with DOE's aspirational goal of a 35% share in renewable energy utilization by 2030, RPS is a market-based policy that mandates power distribution utilities, electric cooperatives, and retail electricity suppliers to source an agreed portion of their energy supplies from renewable energy facilities. It is likewise open to opportunities in optimizing its existing baseload facilities to meet critical market needs as energy demand in the Philippines is still expected to grow in the coming years. AboitizPower is studying to fill some of these gaps with LNG-to-Power projects, unless a cleaner technology proves to be the more economical option.

Food

The Food Group, through Pilmico, is strategically positioned as a manufacturer and producer. Given the trend of rising protein consumption globally, it is building a comprehensive animal nutrition platform in Asia. This requires having a good base of products and services that facilitates creation of a portfolio of offerings that will serve both existing and future customers and markets. Similar to the Company's other business segments, the Food Group utilizes a strategy of sustaining and strengthening the profitability of existing businesses as it looks to build new businesses.

As part of the Food Group's overseas strategy, the acquisition of the Gold Coin Group has allowed the Food Group to expand its customer base and geographic reach. The Company believes that the Food Group is now the fourth largest animal feed manufacturer in Southeast Asia, and is present in 8 countries across the Asia-Pacific. The Gold Coin Group's position provides the Food Group a foothold in these regional markets to explore opportunities down the value chain. Geographic expansion also provides the Food Group and the rest of AEV's businesses access to local or regional information for potential expansion opportunities. The Food Group looks forward to harnessing synergies in distribution, localized operations, cross-selling, research and development, and raw materials and logistics costs.

Financial Services

UnionBank continues to enhance its business model by expanding its presence into the digital banking space to compete in the evolving banking landscape.

In December 2018, UnionBank established its technology and innovation arm, UBX PH, to lead its initiatives in building platforms and exploring emerging technologies in the financial space.

In November 2021, UnionBank established UnionDigital, which is its foray into the larger untapped retail segment. UnionDigital is the only digital bank owned by a universal bank among the six licensees approved by the Bangko Sentral ng Pilipinas (BSP).

Through UnionDigital, as well as CitySavings, Inc. and its Subsidiaries, UnionBank is able to extend its products and services to the unbanked and underbanked segments of the population[10]. UnionBank delivers products using innovative technologies to service these segments by upgrading its technology systems in cost-effective ways.

In December 2021, UnionBank acquired Citi's consumer banking business in the Philippines, which further accelerated UnionBank's growth in the retail space given Citi's market leadership in the credit cards, personal loans, and wealth management business.

Real Estate

AboitizLand is focused on developing and monetizing its landbank across its 13 residential projects across Cebu and North and South Luzon and to step up mid-market residential launches.

Infrastructure

Aboitiz InfraCapital has four growth pillars: (i) Economic Estates; (ii) airports, which includes the Mactan Cebu International Airport (MCIA); (iii) bulk water distribution; and (iv) telco towers.

The Economic Estates business has further strengthened its leadership in Industrial-anchored estates by continuing to expand its footprints in both Batangas and Cebu. It targets to more than double the footprint of its developments, as well as introduce sustainability and smart city features.

[10] The portion of the adult population that do not have a formal bank account

Aboitiz InfraCapital acquired a 33 and 1/3% minus 1 share equity ownership interest in GMCAC, the developer and operator of the MCIA. Together with its unsolicited proposals for the Bohol Panglao, Laguindingan and Iloilo airports, Aboitiz InfraCapital aspires to expand the Aboitiz airports platform.

Aboitiz InfraCapital's bulk water project, Apo Agua, achieved full commercial operations on February 15, 2024. Together with LWC and Balibago Water, Aboitiz InfraCapital is now present in all aspects of the water value chain, which includes water supply, distribution and wastewater treatment. Through this platform, Aboitiz InfraCapital expects to continue to explore unserved or underserved areas within the infrastructure sector for opportunities to enter the water business across the country.

Aboitiz InfraCapital launched Unity, a joint venture telecommunications infrastructure platform between Aboitiz InfraCapital with Partners Group. Progress is underway in building greenfield macro towers, enabling tower co-locations and providing complementary offerings via deployment of small cell sites.

Already a strong player in the cement sector, the Republic Cement Group remains committed to building capacity for the country's long-term cement requirements, and expects to upgrade facilities in order to ensure best-in-class efficiency standards.

Stakeholder Engagement

AEV aims to maximize shared value for all the entities involved in its business and believes that direct, regular, open, and respectful dialogue with key stakeholders is seen as an essential element in developing mutually beneficial and sustainable relationships that help unlock value for all parties over the long-term.

Human Capital

AEV's third strategic pillar is to build human capital by strengthening its capability to attract, retain, and optimize top caliber professionals who will not only help manage its businesses, but also work to enhance the Aboitiz Group's capabilities and skills. Talent management and succession planning are at the core of AEV's strategy in relation to human capital.

The Aboitiz Group has always taken pride in leadership excellence across five smooth leadership transitions during the group's history while retaining the simple and entrepreneurial approach that fueled its expansion. This approach has played an integral part in the continuity of AEV's policies and the execution of its strategic business plans over time. Today, as a new generation of leaders of AEV's business takes shape, its leadership team will seek to continue to produce leaders from within the ranks, having a leadership bench that is capable of stimulating healthy change and progress within the organization. In building its future leadership team, AEV aims to seek out people who believe in its purpose and brand promise, whose values are aligned with its core values, and who will thrive in its long-standing culture.

Execution Excellence

AEV measures execution excellence by its ability to act in a timely and effective manner. AEV works continuously to enhance its business processes across all corporate service units and Strategic Business Units (SBUs) to ensure AEV maintains its competitive edge.

AEV attributes its ability to execute swiftly to the leadership of the AEV Board. The Board is composed of highly professional directors that work in an environment of respect and collegiality, where active participation, candidness, and robust discussions are not only encouraged but are the norm. The members of the AEV Board include three Independent Directors, five Non-Executive Directors, and one Executive Director, all of whom come from diverse professional backgrounds, such as economics, corporate finance, engineering, accounting, auditing, investment banking, and technology, in addition to experience in the private, government and multilateral agency sectors and other policy-making bodies. The AEV Board is supported by a capable and accountable management team and empowered team members, united in living the time-honored Aboitiz core values of Integrity, Teamwork, Innovation, and Responsibility.

In all its business ventures, AEV has adopted sound corporate governance practices, robust internal controls and compliance monitoring processes, and a well-functioning enterprise risk management system to satisfy the heightened expectations of its various stakeholders. AEV has been recognized as one of the best-managed companies in the Philippines and in the ASEAN region, and is frequently cited for its commitment to good corporate governance and corporate social responsibility.

Sustainability and Corporate Governance

Sustainable business practices have enabled the Aboitiz Group to operate commercially for 100 years. A key component of its strategy is to match its business expansion with sustainability initiatives. AEV looks at a triple-bottom line to measure the impact of its activities not only on profit but also on people and the planet. The Company remains committed to strengthening its environmental, social, and governance (ESG) practices and communication strategy. AEV's goal is to grow profitably, while partnering with its stakeholders to create shared value, and minimize its environmental impact.

To strengthen ESG governance, ESG was included as a regular Board agenda in 2020. In July 2020, the Board Corporate Governance Committee was renamed the Environment, Social and Corporate Governance Committee to assist the Board in establishing a group-wide integrated approach in addressing its ESG commitments by recommending guidelines and policies related to ESG that are material to the businesses, operations, performance or public image of the Aboitiz Group, and assess current ESG practices with the intention to align with material and emerging ESG principles and best practices.

AEV reports on its areas of focus: team member engagement and development, corporate social responsibility, customer focus, disaster resilience, carbon emissions reduction, resource efficiency, renewable energy, waste management, financial growth, and financial returns. Its report has been prepared in accordance with GRI Standards: Core option. Its key performance indicators are aligned with the United Nations Sustainable Development Goals. AEV was one of the first Philippine businesses to support the United Nations' 17 Sustainable Development Goals. AEV published its first sustainability report in 2009, adopted the GRI reporting framework in 2014 and achieved limited assurance of its 2022 Integrated Annual Report.

(a) DESCRIPTION OF REGISTRANT

(i) Principal Products or Services

As of February 29, 2024, AEV's core businesses, conducted through its various Subsidiaries and Affiliates, can be grouped into five main categories: (a) power distribution, power generation, and retail electricity supply; (b) financial services; (c) food manufacturing; (d) real estate; and€) infrastructure. Principal products and services offered by AEV's core businesses are discussed in the relevant portions of each SBU.

Based on the SEC parameters of what constitutes a significant Subsidiary under Item XX of Annex "D" of SRC Rule 12, AboitizPower is AEV's only significant Subsidiary. (Please see **Annex "D"** for the corporate structure of AEV showing the different business segments.)

(ii) Sales

Comparative amounts of consolidated revenues, and profitability of continuing operations are as follows:

(in ₱ millions)	2023	2022	2021
Revenue	**₱310,338**	₱306,861	₱223,929
Operating Profit	**₱38,187**	₱35,095	₱33,101

The operations of AEV and its Subsidiaries are based largely in the Philippines. AEV's percentage of revenues and net income contributed by foreign sales are as follows:

Contribution to Revenue	2023		2022		2021	
			(in ₱ millions)	%	(in ₱ millions)	(in ₱ millions)
Philippines	₱257,356	76%	₱242,782	73%	₱170,226	76%
Rest of Asia	₱80,878	24%	89,461	27%	₱53,703	24%
Total	**₱338,234**	**100%**	**₱332,135**	**100%**	**₱223,929**	**100%**

Contribution to Net Income Attributable to Parent	2023		2022		2021	
	(in ₱ millions)	%	(in ₱ millions)	%	(in ₱ millions)	%
Philippines	₱22,684	96%	₱25,432	102%	₱27,306	100%
Rest of Asia	₱862	4%	(605)	-2%	₱4	0%
Total	**₱23,546**	**100%**	**₱24,827**	**100%**	**₱27,310**	**100%**

Comparative amounts of revenue contribution by business group are as follows:

Contribution to Revenue

	2023		2022		2021	
	(in ₱ millions)	%	(in ₱ millions)	%	(in ₱ millions)	%
Power	₱207,100	64	₱193,994	62%	₱134,359	59%
Food	103,755	32	110,726	35%	87,200	38%
Financial Services	-	0	-	0%	-	0%
Real Estate	9,927	3	7,780	2%	5,327	2%
Infrastructure	213	0	143	0%	126	0%
Others	2,750	1	2,181	1%	2,004	1%
Subtotal	323,745	100	**314,823**	**100%**	**229,015**	**100%**
Eliminations	(13,407)		(8,070)		(5,086)	
Total	**₱310,338**	**100**	**₱306,753**	**100%**	**₱186,725**	**100%**

Note: *Percentages refer to the business group's share in the total net revenue for a given year. The revenues of Associates do not form part of the Group's consolidated revenues. For additional details on the income contributions of all business segments/groups to AEV, please refer to Business Segment Information of the Notes to the Consolidated Financial Statements.*

(iii) Distribution Methods of the Products or Services

At the parent company level, AEV offers some corporate center services to its Subsidiaries and Associates to enable the Group to realize cost synergies. AEV has service level agreements that may include the provision of human resources, internal audit, legal, treasury and corporate finance services, among others. AEV itself maintains a pool of highly qualified professionals with business expertise relevant to the businesses of the entire Aboitiz Group.

AEV's Business Units have their respective distribution methods of products and services. Please refer to the discussion on distribution methods of each SBU.

(iv) New Products/Services

With innovation being one of its core values, the Aboitiz Group is always on the lookout for new and efficient ways to provide service to its customers. The Company is in constant pursuit of opportunities within and beyond its current investment portfolio to expand its businesses, locally and within the ASEAN region.

On February 15, 2021, the Aboitiz Group formed Aboitiz Data Innovation (ADI), a Singapore-based subsidiary engaged in the utilization of data science and artificial intelligence ("DSAI") in business development. ADI plans to consolidate and leverage on the DSAI operating model across the Aboitiz Group and promote a data-driven culture within the organization. It is tasked to be at the forefront of the group-wide effort to transform data into business opportunities, exploit information to make better decisions, reinvent business models, and develop high-value solutions to create new processes, products, and services.

AEV's Business Units have their own innovative products and services. Please refer to the discussion on new products and services of each SBU.

(v) Competition

At the parent company level, AEV has no direct competitors. However, for reference purposes, other holding and management companies listed on the PSE can be used for comparison.

AEV's Business Units are subject to significant competition in the industry segments of which they operate. Please refer to the discussion on competition of each SBU.

(vi) Sources of Raw Materials and Supplies

AEV's Business Units have their respective sources of raw materials and are not dependent upon one or a limited number of suppliers for essential raw materials. Please refer to the discussion on sources of raw materials of each SBU.

(vii) Major Customers

As a holding company providing management services, AEV's principal customers are its Subsidiaries and Associates.

AEV's Business Units have their respective major customers. Please refer to the discussion on major customers of each SBU.

(viii) Transactions with and/or Dependence on Related Parties

AEV and its Subsidiaries, in their regular conduct of business, have entered into RPT consisting of professional and technical services, rental, money market placements, and power sales and purchases. These are all made on an arm's length basis.

ACO and certain Associates have service contracts with AEV for corporate center services rendered, such as human resources, internal audit, legal, treasury and corporate finance, among others. These

services are obtained from AEV to enable the Group to realize cost synergies. Transactions are priced on an arm's-length basis, and documented by service level agreements to ensure quality of service.

ACO and certain Associate companies lease office spaces from CPDC, a Subsidiary of AEV. Rental rates are comparable with prevailing market prices. These transactions are covered with lease contracts with three-year periods.

The AEV Group has cash deposits and money market placements with UnionBank and CitySavings, AEV's banking Associates. These are earning interest at prevailing market rates.

Power generation Subsidiaries sell to certain power Associates based on their respective power supply agreements. Meanwhile, power distribution Subsidiaries purchase from certain generation Associates based on existing power purchase agreements.

A wholly-owned construction and steel fabrication Subsidiary of ACO renders its services to the AEV Group for the construction of various construction projects.

The Company's Retirement Fund is in the form of a trust being maintained and managed by an independent committee of select officers of the Company. The Retirement Fund has investments in the equity of the Company, AboitizPower, and UnionBank.

The above RPTs are discussed extensively in the audited financial statements of AEV.

No other transaction, without proper disclosure, was undertaken by AEV in which any director or executive officer, any nominee for election as director, any beneficial owner (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest. Other than what has been discussed in this Information Statement and the Company's annual audited financial statements, there are no other related party transactions entered into by the Company with related parties, including transactions with directors or self-dealings by the Company's directors.

AEV employees are required to promptly disclose any business and family-related transactions with AEV to ensure that potential conflicts of interest are determined and brought to the attention of management.

AEV's SGRPT Committee has the mandate to ensure that related party transactions are taken on an arms' length basis and within market rates, with sufficient documentation, and coursed through all appropriate levels of approval necessary. AEV's RPT Policy ensures that RPTs are conducted at arms-length and at market prices, and undergo the appropriate approval process.

For detailed discussion on RPT, please refer to the notes of the Company's consolidated annual financial statements.

(ix) Patents, Copyrights and Franchises

AEV and its Subsidiaries own, or have pending applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. Please refer to **Annex "G-1"** to see the trademark applications which AEV and its Subsidiaries have secured or have pending application with the Philippine Intellectual Property Office ("Philippine IPO") and intellectual property offices abroad.

(x) Government Approvals

AEV and its Subsidiaries rely on government approvals relative to the industries in which they operate. They secure various government approval such as environmental compliance certificate, development permits, license to sell, business permits, import permits, etc. as part of the normal course of its business.

The discussion on the need for any government approval for principal products or services of AEV and its Subsidiaries, including the Certificates of Compliance (COCs) obtained by the Generation

Companies and franchises obtained by the Distribution Utilities, is included in the discussion for each SBU.

(xi) Effect of Existing or Probable Government Regulations

AEV and its Subsidiaries are subject to the laws generally applicable to all Philippine corporations, such as corporation law, securities law, tax laws, data privacy law, and the Local Government Code. All Philippine corporations are also subject to labor laws and social legislation, including Republic Act (RA) No. 11199 or the Social Security Act of 2018, RA No. 10606 or the National Health Insurance Act of 2013, RA No. 11223 or the Universal Health Care Act, RA No. 9679 or the Home Development Mutual Fund Law of 2009, The Philippine Labor Code and its implementing rules, and other labor-related laws, regulations, and DOLE mandated work-related programs.

The Aboitiz Group closely monitors its compliance with the laws and government regulations affecting its businesses. Please refer to the discussion on the effects of existing and/or probable governmental regulations for rules applicable to the individual SBU.

At the AEV level, the following are the general business regulation framework:

1. Ease of Paying Taxes Act (EOPT Act)

RA No. 11976, otherwise known as the Ease of Paying Taxes ("EOPT") Act, was signed into law by President Ferdinand Romualdez Marcos, Jr. on January 5, 2024 and took effect on January 22, 2024. The law seeks to introduce significant amendments to the National Internal Revenue Code of 1997 (the "Tax Code") and aims to modernize and increase the efficiency and effectiveness of Philippine tax administration and strengthen taxpayer rights.

The salient features of the EOPT Act include:

a. Classification of taxpayers into micro, small, medium, and large according to their gross sales;
b. Filing of returns and payment of internal revenue taxes through electronic or manual means such as authorized agent banks or authorized software providers;
c. Repeal of Section 34(K) of the Tax Code, which provides that expenses not subjected to the appropriate withholding taxes will be disallowed as deduction;
d. Section 58 of the Tax Code on taxes withheld at source now includes a provision that the obligation to deduct and withhold taxes arises at the time the income has been made "payable". Previously, the obligation to withhold arises at the time when an expense has been paid, payable or accrued, whichever comes first, pursuant to Revenue Regulations No. 02-98, as amended;
e. Harmonizing the rules on the VAT treatment of sales of goods and services, thereby requiring sales invoice for both;
f. Ensuring availability of registration facilities to taxpayers not residing in the country;
g. Removal of "business style" in the invoice requirements;
h. Increase in the threshold for the mandatory issuance of receipts for each sale and transfer of goods and services from ₱100 to ₱500;
i. Fixing the period for preservation of books of accounts at five years; and
j. Classification of VAT refund claims into low-, medium-, and high-risk claims which are based on the amount of VAT refund claim, tax compliance history, and frequency of filing of VAT refund claims, among others.

It is important to note that due to the standardization of VAT rules for sales of goods and services as mentioned in subparagraph (e) above, service providers are required to pay and remit VAT to the BIR at the time their invoice is issued to their customers. This creates a risk to said taxpayers since they might not be able to recover from non-paying customers. To mitigate the risk, the EOPT Act has introduced specific safeguards, i.e.: (i) A provision for clawback, which clearly states that output VAT on uncollected receivables may be deducted on the next quarter after the lapse of the agreed upon period to pay; and (ii) A clear determination that gross sales, forming the VAT base, shall exclude pass-thru charges or those earmarked for payment to third parties, and reimbursements.

2. Corporate Recovery and Tax Incentives for Enterprises Act (CREATE Act)

RA No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act, was signed into law by former President Duterte on March 26, 2021 and took effect on April 11, 2021. The law seeks to reform the country's fiscal incentives to make it performance-based, targeted, time-bound, and transparent. This means that incentives will be granted based on the number and quality of jobs that will be created, the investments made on research and development and skills training, the capital invested for countrywide infrastructure development, among other criteria.

The salient features of the CREATE Act includes:

a) Effective July 1, 2020, lowering the income tax rate to 25% for domestic corporations and foreign corporations, and to 20% for domestic corporations with net taxable income not exceeding ₱5 mn and with total assets (excluding land) of not more than ₱100 mn;
b) Lowering the Minimum Corporate Income Tax rate to 1% effective July 1, 2020 to June 30, 2023;
c) Tax exemption on foreign-sourced dividends subject to certain conditions;
d) Repeal of the Improperly Accumulated Earnings Tax;
e) Repeal of the 5% Gross Income Tax (GIT) incentive and providing for a 10-year transitory period for all firms that are currently availing of the 5% GIT;
f) Providing fiscal incentives for activities included in the Strategic Investment Priority Plan (SIPP), provided that the category of incentives shall be based on the location and industry of the registered project or activity; and
g) Granting the President the power to modify the mix, period or manner of availment of incentives or craft a financial support package for a highly desirable project or a specific industrial activity.

The CREATE Act is the second package of the Comprehensive Tax Reform Program of the Duterte Administration. On June 21, 2021, the Department of Finance (DOF) and the Department of Trade and Industry (DTI) signed the implementing rules and regulations (IRR) of the CREATE Act.

The lower income tax provided by the CREATE Act will generate substantial amounts of tax savings to the Company and its subsidiaries which were under the 30% tax regime prior to the effectiveness of the said law. While some of the subsidiaries have been availing of incentives under special laws which have been repealed by the CREATE Act, the law provides for sunset provisions by (i) allowing the entities granted with income tax holiday to enjoy it until it expires and (ii) granting subsidiaries who enjoyed income tax holiday and are entitled to the 5% gross income earned ("GIE") incentive after their income tax holiday the benefit to continuously avail of the 5% GIE rate for the next ten years.

3. Revised Corporation Code

The Revised Corporation Code was signed into law on February 20, 2019 and took effect on February 23, 2019. Among the salient features of the Revised Corporation Code are: allowing perpetual existence of corporations; requiring corporations vested with public interest to submit to its shareholders and to the SEC an annual report of the total compensation of each of its directors or trustees; and, allowing stockholders to vote in the election of directors or trustees, or in shareholders meetings, through remote communication or *in absentia*, among others.

4. The Philippine Competition Act

RA No. 10667 (the Philippine Competition Act) was signed into law on July 21, 2015 and took effect on August 8, 2015. This Act aims to codify antitrust laws in the Philippines and it provides the competition framework in the country. The Philippine Competition Act was enacted to provide free and fair competition in trade, industry, and all commercial economic activities.

To implement its objectives, the Philippine Competition Act provides for the creation of a Philippine Competition Commission (PCC), an independent quasi-judicial agency to be composed

of five commissioners. Among the PCC's powers are to: conduct investigations, issue subpoenas, conduct administrative proceedings, and impose administrative fines and penalties. To conduct a search and seizure, the PCC must apply for a warrant with the relevant court.

The Philippine Competition Act prohibits anti-competitive agreements between or among competitions, and mergers and acquisitions which have the object or effect of substantially preventing, restricting, or lessening competition. It also prohibits practices which involve abuse of dominant position, such as selling goods or services below cost to drive out competition, imposing barriers to entry or prevent competitors from growing, and setting prices or terms that discriminate unreasonably between customers or sellers or the same goods, subject to exceptions.

The Philippine Competition Act also introduces the pre-notification regime for mergers and acquisitions, which requires covered transactions to be notified to the PCC for its approval.

Effective March 1, 2024, the PCC raised the thresholds for the Size of Party Test and Size of Transaction Test to ₱7.8 bn and ₱3.2 bn, respectively. This means that if the value of the assets or revenues of the Ultimate Parent Entity (UPE) of at least one of the parties exceeds ₱7.8 bn and the value of the assets or revenues acquired, target, or merged entity exceeds ₱3.2 bn, then the parties must notify the PCC of the transaction, provided that, the other requirements under the Philippine Competition Act are met.

5. Amended Foreign Investment Act of 1991 (Amended FIA)

On March 2, 2022, former President Duterte signed into law RA No 11647, *"An Act Promoting Foreign Investments, Thereby Amending Republic Act 7042 Otherwise Known as the Foreign Investments Act of 1991, as Amended and For Other Purposes."* (the "Amended FIA"). The law aims to attract foreign investments in activities which contribute to sustainable economic growth, global competitiveness, employment creation, technical advancement, and countrywide development.

Under this law, foreign nationals are now allowed to engage in a domestic market enterprise with a minimum capital requirement of US$100,000.00 provided that the enterprise: (a) utilizes advanced technology as determined by the Department of Science and Technology; (b) endorsed as a start-up or start-up enabler under RA No. 11337 or the Innovating Startup Act; or (3) composed of a majority of Filipino employees, which shall not be less than 15. Other salient features of the Amended FIA include: (a) a required understudy or skills development program by registered foreign enterprises to ensure skills and technology transfer to Filipinos; (b) allowing 100% foreign investment in a domestic enterprise unless participation of foreigners is limited to a smaller percentage; and (c) allowing 100% foreign investment in an export enterprise provided that the products or services do not fall under the Foreign Investments Negative List.

Pursuant to the FIA, as amended, the Twelfth Regular Foreign Investment Negative List was promulgated on June 27, 2022 ("Negative List"). This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, exploration, development and utilization of natural resources, operation of public utilities, and land ownership.

6. Amended Public Service Act

On March 22, 2022, former President Duterte signed into law RA No 11659 or "An Act Amending Commonwealth Act No. 146 otherwise known as the Public Service Act" ("Amended PSA"). Under the Amended PSA, the term "Public Utilities" is confined to public services that operate, manage, or control for public use any of the following: 1) Distribution of Electricity; 2) Transmission of Electricity; 3) Petroleum and Petroleum Products Pipeline Transmission Systems; 4) Water Pipeline Distribution Systems and Wastewater Pipeline Systems, including sewerage pipeline systems; 5) Seaports; and 6) Public Utility Vehicles. The operation of a Public Utility is limited by the Constitution to citizens of the Philippines, or to corporations or associations

organized under the laws of the Philippines at least sixty per centum (60%) of whose capital is owned by such citizens.

The Amended PSA now provides that "no other person shall be deemed a public utility unless otherwise subsequently provided by law." Moreover, nationality requirements shall not be imposed by Philippine administrative agencies on any public service not classified as a public utility.

Under the Amended PSA, the ownership by a foreign national of a business defined as "Critical Infrastructure" is limited to 50%, unless the country of such foreign national accords reciprocity to Philippine Nationals as may be provided by foreign law, treaty or international agreement, in which case foreign ownership may be up to 100%. However, foreign state-owned enterprises may not make any new or additional investments in the capital of critical infrastructure. "Critical Infrastructure" refers to any public service which owns, uses, or operates systems and assets, whether physical or virtual, so vital to the Philippines that the incapacity or destruction of such would have a detrimental impact on national security, including telecommunications and other such vital services as may be declared by the President of the Philippines.

7. Data Privacy Act of 2012

The Data Privacy Act of 2012 is a comprehensive and strict privacy legislation aimed to protect the fundamental human right to privacy of data subjects by: (a) protecting the privacy of individuals while ensuring free flow of information; (b) regulating the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of personal data; and (c) ensuring that the Philippines complies with international standards set for data protection through National Privacy Commission.

Intended to protect the privacy of individuals, it mandates companies to inform the individuals about how their personal information is collected and processed. It also ensures that all personal information must be (a) collected and processed with lawful basis, which includes consent, and only for reasons that are specified, legitimate, and reasonable; (b) handled properly, ensuring its accuracy and retention only for as long as reasonably needed; and (c) discarded properly to avoid access by unauthorized third parties.

Its implementing rules and regulations ("Data Privacy Act IRR") took effect on September 9, 2016, mandating all Philippines companies to comply with the following: (a) appointment of a Data Protection Officer; (b) conduct of a privacy impact assessment; (c) adoption of a privacy management program and privacy policy; (d) implement privacy and data protection measures; and (e) establish a breach reporting procedure. In addition, companies with at least 250 employees or access to sensitive personal information of at least 1,000 individuals are required to register their data processing systems with the National Privacy Commission. The Data Privacy Act IRR, furthermore provides the only instances when data sharing is allowed, to wit: (a) data sharing is authorized by law, provided that there are adequate safeguards for data privacy and security, and processing adheres to principles of transparency, legitimate purpose and proportionality; (b) in the private sector, data sharing for commercial purposes is allowed upon (i) consent of data subject, and (ii) when covered by a data sharing agreement; (c) data collected from parties other than the data subject for purpose of research shall be allowed when the personal data is publicly available; and (d) data sharing among government agencies for purposes of public function or provision of a public service shall be covered by a data sharing agreement.

As the Aboitiz Group continues to operate in a highly digital and fast changing environment, the Data Protection Teams of each Business Unit endeavors to keep up with the expectations of their Data Subjects as well as with the evolving guidelines of the National Privacy Commission. This constant review of requirements, downloading of information, updating of processes, and testing of capabilities aims to ensure that the Aboitiz Group is able to meet the expectations of its stakeholders.

In 2023, the NPC launched the National Privacy Commission Registration System (NPCRS), an online portal for the registration of an organization's Data Protection Officer (DPO) and its Data

Processing Systems (DPS). As part of AEV's compliance, the Privacy Team submitted AEV's renewal of registration for DPO and registered its DPS's. Through this, AEV was able to obtain the NPC Seal of Registration to serve as its proof of compliance.

8. Registration with the Board of Investments

Under Executive Order (EO) No. 226, otherwise known as the Omnibus Investments Code, as amended, a BOI-registered enterprise enjoy certain incentives, both financial and non-financial, provided such enterprise invests in preferred areas of investment enumerated in the Investment Priorities Plan annually prepared by the Government. However, prior to registration with the Board of Investments (BOI), the enterprise must first satisfy the minimum equity required to finance the project applied equivalent to 25% of the estimated project cost, or as may be prescribed by the BOI. Such incentives include: (i) income tax holiday; (ii) exemption from taxes and duties on imported spare parts; (iii) exemption from wharfage dues and export tax, duty, impost and fees; (iv) reduction of the rates of duty on capital equipment, spare parts and accessories; (v) tax exemption on breeding stocks and genetic materials; (vi) tax credits; (vii) additional deductions from taxable income; (viii) employment of foreign nationals; (ix) simplification of customs procedure; and (x) unrestricted use of consigned equipment.

On April 12, 2019, RA No. 11285, otherwise known as the Energy Efficiency and Conservation Act, was enacted. Under the said law, upon certification by the DOE, energy efficiency projects shall be included in the annual investment priorities plan of the BOI and shall be entitled to the incentives provided under EO No. 226, as amended, and any other applicable laws for 10 years from the effectivity of the Act. Said energy efficiency projects shall also be exempt from the requirements provided under Article 32(1) of EO No. 226. Energy efficiency projects refer to projects designed to reduce energy consumption and costs by any improvement, repair, alteration, or betterment of any building or facility, or any equipment, fixture, or furnishing to be added to or used in any building, facility, or vehicle including the manufacturing and provision of services related thereto: provided, that such projects shall be cost-effective and shall lead to lower energy or utility costs during operation and maintenance.

9. Labor Laws

The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 (RA No. 8282), the National Health Insurance Act of 1995 (RA No. 7875), as amended, and the Home Development Fund Law of 2009 (RA No. 9679). On the other hand, the Occupational Safety and Health Law (RA No. 11058) reinforces the existing Occupational Safety and Health Standards, which sets out, among others, the guidelines applicable to different establishments intended for the protection of every working man against the dangers of injury, sickness or death through safe and healthful working conditions.

The Department of Labor and Employment (DOLE) is the Philippine government agency mandated to implement policies, programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws, such as the Labor Code of the Philippines and the Occupational Safety and Health Law and Standards, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

a. Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under the Social Security Act of 2018 (RA No. 11199) to ensure coverage of employees following procedures set out by the law and the Social Security System (SSS). Under the said law, an employer must deduct from its employees their monthly contributions in an amount corresponding to his salary, wage, compensation or earnings during the month in accordance with the monthly salary credits, the schedule and the rate of contributions as may be determined and fixed by the Social Security Commission,

pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits.

Employers are likewise required to ensure enrolment of its employees in a National Health Insurance Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the Department of Health tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of RA No. 10606, the National Health Insurance Act of 2013.

On February 20, 2019, the Universal Health Care Act (RA No. 11223), was enacted, which amended certain provisions of the National Health Insurance Act of 2013. Under the said law, all Filipino citizens are now automatically enrolled into the National Health Program. However, membership is classified into two types, direct contributors and indirect contributors. Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, migrant workers, including their qualified dependents, and lifetime members. On the other hand, indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents, whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws. Every member is also granted immediate eligibility for health benefit package under the program.

Under the Home Development Mutual Fund Law of 2009 (RA No. 9679), all employees who are covered by SSS must also be registered with and covered by the Home Development Mutual Fund (HDMF, more commonly referred to as the "*Pag-IBIG Fund")*. It is a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Except for foreign expatriates, coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee's monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2% of the employee's monthly compensation, and remit the contributions to the HDMF.

b. The Labor Code

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private-sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month's salary for every year of service, with a fraction of at least six months being considered as one whole year. For the purpose of computing the retirement pay, "one-half month's salary" shall include all of the following: fifteen days' salary based on the latest salary rate; in addition, one-twelfth of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

c. Occupational Safety and Health Law

The Occupational Safety and Health Law (RA No. 11058) was signed into law on August 17, 2018. It applies to all private establishments alike, requiring them, among others, to furnish workers with a place of employment free from hazardous conditions causing or are likely to cause death, illness, or physical harm, and to comply with the Occupational Safety and Health standards, including training, medical examination and the necessary protective and safety devices, such as personal protective equipment.

d. Other Labor-Related Laws and Regulations

(1) Contracting and Subcontracting

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work or service within a definite or predetermined period, regardless of whether such job, work or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a "trilateral relationship" among: (i) the principal who decides to farm out a job, work or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

The DOLE, through its Department Order No. 174, Series of 2017, regulates subcontracting arrangements by requiring, among others, the registration of contractors with the Regional Office of the DOLE where it principally operates.

(2) DOLE Mandated Work-Related Programs

Under the Comprehensive Dangerous Drugs Act (RA No. 9165), a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 53-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases in accordance with the Safe Spaces Act (RA No. 9165), which was signed into law on April 17, 2019.

DOLE Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it is strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control. In line with the Mental Health Act (RA No. 11036), employers are further required to develop policies and programs on mental health in the workplace designed to: raise awareness on mental health issues, correct the stigma and discrimination associated with mental health conditions, identify and provide support for individuals at risk, and facilitate access to treatment and psychosocial support.

All private workplaces are also required to update their respective Telecommuting Guidelines and Consent Form, whenever applicable, in accordance with the revised implementing rules and regulations of Telecommuting Act (DOLE D.O. 237-22).

Moreover, Labor Advisory No. 20-2023 requires private companies and their employees to implement a Cancer Prevention and Control in the Workplace Policy and Program. This program encompasses various elements, including prevention measures, access to screening, diagnosis, and treatment, support for employees' return to work, compensation and social policies, and the promotion of a safe and healthy lifestyle, which includes considerations for mental and social well-being.

(xii) Amount Spent on Research and Development

AEV and its Subsidiaries do not allocate specific amounts or fixed percentages for research and development. All research and developmental activities are done by its Subsidiaries and Affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

(xiii) Cost and Effects of Compliance with Environmental Laws

AEV and its Subsidiaries, Associates, and Joint Ventures are subject to extensive, evolving and increasingly stringent safety, health and environmental laws and regulations. These standard laws and regulations that govern AEV's business operations include the Philippine Clean Air Act (RA No. 8749), Ecological Solid Waste Management Act (RA No. 9003), Clean Water Act (RA No. 9275), Toxic Substances and Hazardous and Nuclear Wastes Control Act (RA No. 6969), and Philippine Environmental Impact Statement System (Presidential Decree No. 1586), address, among other things, air emissions, wastewater discharges, the generation, handling, storage, transportation, treatment and disposal of toxic and hazardous chemicals, materials and waste, workplace conditions, and employee exposure to hazardous substances. Power plant operations are considered environmentally critical projects for which an Environmental Impact Study and an Environmental Compliance Certificate are mandatory.

AEV has incurred, and is expected to continuously incur, operating costs to comply with these laws and regulations. However, these costs cannot be segregated or itemized as these are embedded in, and are part and parcel of, each SBU's overall system in compliance with both industry standards and regulatory requirements. Each SBU has appointed and designated a Pollution Control Officer to closely monitor compliance with the requirements of these regulations.

(xiv) Employees

On the parent company level, AEV had a total of 209 employees as of February 29, 2024, composed of executives, managers, supervisors, and rank and file employees. There are no existing collective bargaining agreements (CBA) covering any of AEV's employees.

The following table provides a breakdown of total employee headcount per SBU, divided by function, as of February 29, 2024:

Number of Employees	AEV Corporate	UnionBank and Subsidiaries	Pilmico and Subsidiaries	Gold Coin and Subsidiaries	AboitizLand and Subsidiaries	Aboitiz InfraCapital and Subsidiaries	RCBM and Subsidiaries	AboitizPower and Subsidiaries*
Executives	62	600	50	52	9	49	5	240
Managers	59	1,579	136	148	39	102	115	454
Supervisors	45	2,851	486	362	144	143	254	923
Rank & File	43	640	392	1,902	130	198	247	2,663
TOTAL	**209**	**5,670**	**1,064**	**2,464**	**322**	**492**	**621**	**4,280**
Unionized Employees	N/A	640	24	809	N/A	N/A	450	405
Expiry of CBA	N/A	May 31, 2025	**Pilmico Foods Corporation:** May 31, 2025	**Indonesia:** GCI Bekasi - Dec 31, 2024 GCS Bekasi - Dec 31, 2024 **Malaysia:** GCFMBW - Dec 31, 2022 GCFMPK - Dec 31, 2022 GCSSB - Feb 02, 2024 **Vietnam:** AFC - Jan 05, 2024** GCFBD - Mar 30, 2024 GCFD - Oct 06, 2025 GCFHN - Jan 05,	N/A	N/A	**Batangas** - Supervisor (June 2024); Rank & File (February 2024) **Bulacan** - Supervisor (December 2026); Rank & File (July 2027) **Teresa** - Supervisor (January 2024); Rank & File (October 2023) **Norzagaray** - Supervisor (December 2022 - for CBA negotiation);	**Hedcor:** September 19, 2028 **Visayan Electric:** Dec 31, 2026 **Cotabato Light:** June 30, 2024 **Davao Light:** June 16, 2026 **SFELAPCO;** May 9, 2024

				2024** PVC - Sep 20, 2026			Rank & File (February 2025) RCMI - Supervisor (May 2024); Rank & File (December 2023)	

**Data for SPPC, WMPC, and SFELAPCO is as of February 28, 2023.*
***new CBA is under registration with a 3-year validity*

In addition to mandated statutory benefits (such as holiday pay, service incentive leave, maternity leave, paternity leave, and 13th-month pay), the Company provides benefits to its employees in the following areas: healthcare, annual leave, loans and financial assistance applicable to a variety of uses, retirement benefits to qualified employees, and productivity bonuses. Salaries and benefits are reviewed regularly and adjusted to retain current employees and attract new talent. The Company currently has no stock option plans available to its employees. As of February 29, 2024, the Company does not anticipate any increase in manpower within the next 12 months unless new development projects and acquisitions materially require an increase.

The Company's employees are not unionized. The Company's employees have neither been on strike nor have threatened to strike for the past three years.

(xv) Major Risk/s Involved in Business of AEV and its Subsidiaries

Part of the governance of Risk Management is the regular review of the Risk Management Plans of all its business units. This is being conducted at least twice a year but all Business Units are encouraged to do a review as soon as there are major changes in the Group's operating environment. Outputs of this exercise are utilized to create a consolidated Top Risk at the Group-wide level which is reported to the Senior Management and the Board Risk and Reputation Committee.

1. Cyber and Information Security Risk

The escalating frequency of information security breaches, impacting both information and operational technologies globally and locally, necessitates classifying cyber and information security risk as a top priority for the Company. As the technological landscape undergoes continuous evolution, the Aboitiz Group has redefined this risk to encompass the potential harm or damage inflicted upon the organization's financial performance, operational continuity, and reputational standing. This risk arises when digital information, computer systems, and networks are exposed to diverse threats and vulnerabilities, ultimately leading to breaches compromising the confidentiality, integrity, and/or availability of information.

To mitigate this critical risk, the company has implemented various technical controls, including firewalls, Virtual Private Networks (VPNs), patch and vulnerability management solutions, endpoint protection, and internal threat detection and discovery systems. These measures aim to identify, safeguard, and detect vulnerabilities within critical systems. Additionally, the growing reliance on third-party service providers associated with cloud storage is addressed through robust third-party management practices and thorough due diligence processes.

2. People Risk (Previously Talent Risk)

As the Aboitiz Group progresses with the Great Transformation, it has correspondingly revised its definition of human capital risk. This risk now encompasses the potential failure to attract, retain, and develop individuals with the capabilities and behaviors essential to supporting the organization's strategic direction.

Strategic workforce planning (SWP) and succession management continue to be core activities to mitigate people risk. In 2023, the Aboitiz Core Capabilities framework and its corresponding competence level baselines were developed. Additionally, benefits, compensation packages, engagement initiatives, coaching and mentoring programs, and health and wellness offerings are continuously reviewed, enhanced, and aligned with our Great Transformation 2025 Culture Pillar to attract and retain key talent.

3. Portfolio Risk

As AEV further develops its role as an investment and portfolio management company, managing portfolio risk has become a key focus. This risk encompasses the potential fluctuations in the value of the AEV investment portfolio due to various uncertainties, including systemic risks (e.g., global geopolitical unrest impacting supply chains and commodity prices), industry-specific risks faced by individual business units (SBUs), regulatory risks, and reinvestment risks.

One aspect of portfolio risk concerns the potential impact of systemic events. For example, geopolitical tensions can disrupt global supply chains, increase fuel and commodity prices, raise logistics costs, and influence interest rates. While Aboitiz businesses have demonstrated resilience to current geopolitical tensions, with limited direct exposure to the Israel conflict, the Company remains vigilant of potential systemic impacts from escalating regional tensions.

Beyond systemic risks, portfolio risk can also stem from implementation risk (the ability of businesses to execute strategic initiatives, investments, or projects) and material risks specific to individual SBUs within their respective industries.

To mitigate these risks, AEV employs several strategies. First, the Company conducts regular environmental scans to identify emerging threats and opportunities. Second, it fosters open communication and information exchange across business units, facilitating swift and coordinated responses to evolving risks. Finally, AEV has been diversifying its portfolio, ensuring a balanced mix of power and non-power businesses to enhance portfolio resilience.

4. Implementation Risk

Recognizing the importance of effective execution alongside strategic planning, AEV has identified Implementation Risk as a new focus area. This arises from potential shortcomings in executing investment and portfolio management strategies, leading to missed opportunities for value creation, underperformance of investments, or unmet business goals.

To mitigate this risk, AEV fosters collaboration with individual businesses when evaluating large CAPEX projects and when developing long-term strategies. Additionally, for investments in unfamiliar sectors, AEV explores options such as utilizing consultants or establishing strategic partnerships to bridge knowledge and experience gaps.

Furthermore, to bolster project execution capabilities, AEV encourages its SBUs to continuously improve their project management skills, thereby reducing the likelihood of delays, cost overruns, or substandard execution.

5. Climate Transition Risk

AEV is cognizant of the sustained increase in the public's awareness on climate change issues in recent years. Likewise, set-backs in global carbon emission reduction goals (e.g. from post COVID economic reopening and the Russia-Ukraine conflict) will undoubtedly call for a quicker and more cohesive global response to climate change. Together with its business units, the Company continuously monitors developments in this space as the transition to a lower carbon economy can potentially accelerate climate action globally. Climate transition risks can impact not only the Company's financial and business performance but its reputation as well.

The Company's Business Units are already crafting their respective transition roadmaps to ensure long-term strategies are recalibrated and business viability is maintained. Aside from strengthening its ESG practices, the Aboitiz Group has been working to increase its understanding of energy transition mechanisms (ETM) and carbon offset markets to ensure that it not only manages risks but also positions itself well to maximize related opportunities. Likewise, The Aboitiz Group continues to work proactively with key stakeholders (including lenders, insurers, suppliers, and regulators) to manage relationships, understand critical business impacts brought about by new climate related policies and implement mitigating measures. In addition, the

Aboitiz Group will continue to enter into partnerships to provide access to transition-related expertise and technology. Lastly, while the country is still developing its climate and low carbon economy transition policies, the Company continues its nature based solutions that can potentially help the business mitigate climate transition and physical risk.

6. Regulatory Risks

The Aboitiz Group's diverse operations across various industries and jurisdictions naturally expose it to a complex regulatory landscape. Any compliance breach, regardless of size, can jeopardize the Group's reputation, attract heightened scrutiny, and negatively impact operations and financial performance. Therefore, dedicated teams covering Risk Management, Corporate External Relations, and Legal monitor regulatory changes and developments. This ensures not only compliance but also enables business unit adaptation as needed.

Data privacy regulations have particular relevance in today's information age, where the Aboitiz Group's expanding businesses, growing customer data collection, and adoption of emerging technologies like artificial intelligence necessitate staying abreast of regulatory mandates and expectations. This fosters continuous improvement in data privacy awareness and practices across the group, safeguarding the vast amount of personal data entrusted by its customers.

Beyond simple compliance, AEV recognizes the importance of fostering positive relationships and open dialogue with its regulators. The Company actively participates in consultative processes and public discussions to explore the necessity, propriety, and relevance of specific regulations to current business practices and technological advancements. This collaborative approach ensures both full compliance and positions AEV as an integral part of the policy-shaping ecosystem, advocating for regulations beneficial to the Aboitiz Group and its diverse businesses.

7. Disaster Risk

The increasing global surface temperatures and resulting extreme weather events, highlighted as a risk in global risk reports, pose a threat to the Aboitiz Group's properties, projects, and financial performance. Recognizing this growing concern, the Group continuously enhances its Business Continuity Management (BCM) program. Existing scenarios and plans are regularly reviewed, evaluated, and updated through drills and post-exercise analysis, ensuring their continued effectiveness.

Furthermore, risk treatment plans incorporate climate adaptation strategies. This includes investments in infrastructure resilience, such as reinforcing existing structures, and considering relocation to less vulnerable locations. Additionally, the Aboitiz Group reassesses its business interruption insurance coverage to account for the evolving risk landscape.

8. Emerging Risks

The growth and profitability of the Company may be influenced by major political and economic The Company operates in a dynamic risk landscape, shaped by often unpredictable national and global events. Emerging risks are characterized by high uncertainty and potentially significant consequences but may be challenging to fully assess their likelihood and impact. These risks can potentially disrupt the Company's businesses, operations, financial health, and future prospects.

To address this challenge, the Risk Management Team and subject matter experts collaborate to proactively identify and monitor emerging risks across various domains: political, economic, social, technological, environmental, and legal/compliance (PESTEL). This collaborative effort ensures comprehensive risk identification and analysis. The Company regularly shares these insights with sub-units for their own analysis and monitoring, and they are also discussed with the Risk Management Council and the Board Risk and Reputation Management Committee.

The Company continues to reassess the effectiveness of its framework while at the same time supporting the creation of concise yet easily digestible reports on key risks that have significantly shaped the global risk climate for the year.

Although not identified as top risks for the Company in 2023, the Company continues to monitor the following risks (1) Financial Risk and (2) Reputational Risk.

STRATEGIC BUSINESS UNITS

I. POWER

Overview of the Business

AEV's power Business Unit, AboitizPower, is a publicly-listed company incorporated on, and has been in business since, February 13, 1998. AboitizPower was incorporated as a holding company for the Aboitiz Group's investments in electricity generation and distribution. Ownership in AboitizPower was opened to the public through an initial public offering of its common shares in the PSE on July 16, 2007. Through its Subsidiaries and Affiliates, AboitizPower has become a leader in the Philippine power industry with dominant presence in power generation, distribution, and retail electricity supply. As of February 29, 2024, AboitizPower had a market capitalization of ₱267 bn, with a common share price of ₱37.00 per share.

AboitizPower hasfour SBUs: (a) Power Generation, where AboitizPower is among the largest in the country, in terms of overall installed capacity[11], (b) Power Distribution, where AboitizPower is the second largest distribution utility, in terms of captive customer connections and energy sales[12], (c) Retail Electricity Services (RES), where the combined RES segment of AboitizPower has the second highest number of customers and the largest in terms of contract capacity in megawatts (MW) and total retail market share[13], and (d) Distributed Energy. AboitizPower, which has the largest portfolio of renewable capacity in the country to date, is a pioneer in building and operating of run-of-river hydropower plants in the country. The company continues to pursue energy projects to help ensure the Philippines' energy system is secure and is able to reliably support aggregate demand.

Business Development

AboitizPower through its Subsidiaries, Joint Ventures, and Associates, is a leading player in the Philippine power industry with interests in privately-owned power generation companies, RES services, and distribution utilities throughout the Philippines.

AboitizPower's portfolio of power generating assets strategically consists of renewable and non-renewable power plants. AboitizPower's baseload coal and geothermal plants and intermediate and peaking hydropower, solar, and oil-based power plants enable the company to address the country's growing demands. Most of AboitizPower's plants are also capable of providing ancillary services, which is critical in stabilizing grid operations. AboitizPower has an installed capacity which is equivalent to a 19.18% market share of the national grid's installed generating capacity.[14] As of February 29, 2024, AboitizPower had a total of 5,322 MW net sellable capacity, of which 3,962 MW is the portion attributable to the company. AboitizPower continues to grow its portfolio of generation assets with renewables and selective baseload builds AboitizPower's renewable investments are held primarily through its wholly-owned Subsidiary, Aboitiz Renewables, Inc. (ARI), along with ARI's Subsidiaries and Joint Ventures.

AboitizPower also owns interests in nine Distribution Utilities in Luzon, Visayas, and Mindanao, including Visayan Electric Company, Inc. (Visayan Electric) and Davao Light & Power Company (Davao Light), the second and third largest distribution utilities in the Philippines, respectively in terms of customer size and annual sales. AboitizPower's Subsidiaries engaged in the distribution of electricity sold a total of 8,203,148 MWh during in 2023.

AboitizPower's power generation business supplies power to various customers under power supply contracts, ancillary service procurement agreements (ASPA), and for trading in the Wholesale

[11] Based on Resolution 03-2023 published by the Energy Regulatory Commission on April 5, 2023
[12] Based on DOE's Distribution Development Plan 2021-2030
[13] ERC Competitive Retail Electricity Market Monthly Statistical Data as of July 2023
[14] Based on Energy Regulatory Commission (ERC) Grid Limit Resolution

Electricity Spot Market (WESM). The power distribution business is engaged in the distribution and sale of electricity to end-users, and the RES and Others segment includes retail electricity sales to various off-takers that are considered eligible contestable customers ("Contestable Customers") and provision of electricity-related services, such as installation of electrical equipment. AboitizPower's Subsidiaries engaged in the supply of retail electricity sold a total of 6.27 Terawatt hours (TWh) in 2023.

On December 16, 2021, JERA Asia acquired a 27% stake in AboitizPower, which consisted of a 25.01% stake from AEV and a 1.99% stake from ACO.

As of February 29, 2024, AEV owned 52.97% of the outstanding capital stock of AboitizPower, 27.57% was owned by JERA Asia, and 1.09% was owned by AboitizPower directors, officers, and other related parties, while the remainder was owned by the public.

Neither AboitizPower nor any of its Subsidiaries has ever been the subject of any bankruptcy, receivership or similar proceedings.

History and Milestones

The Aboitiz Group's involvement in the power industry began when members of the Aboitiz family acquired a 20% ownership interest in Visayan Electric in the early 1900s. The Aboitiz Group's direct and active involvement in the power distribution industry can be traced to the 1930s, when ACO acquired Ormoc Electric Light Company and its accompanying ice plant, Jolo Power Company, and Cotabato Light and Power Company (Cotabato Light). In July 1946, the Aboitiz Group further strengthened its position in power distribution in the Southern Philippines when it acquired Davao Light, which is now the third largest privately-owned distribution utility in the Philippines in terms of customers and annual gigawatt hour (GWh) sales.

In December 1978, ACO divested its ownership interests in Ormoc Electric Light Company and Jolo Power Company and focused on the more lucrative franchises held by Cotabato Light, Davao Light, and Visayan Electric.

In response to the Philippines' pressing need for adequate power supply, the Aboitiz Group ventured into power generation, becoming a pioneer and industry leader in hydroelectric energy. In 1978, the Aboitiz Group incorporated Hydro Electric Development Corporation (HEDC). HEDC carried out feasibility studies (including hydrological and geological studies), hydroelectric power installation and maintenance, and also developed hydroelectric projects in and around Davao City. On June 26, 1990, the Aboitiz Group also incorporated Northern Mini-Hydro Corporation (now Cleanergy, Inc.), which focused on the development of mini-hydroelectric projects in Benguet province in Northern Luzon. By 1990, HEDC and Cleanergy had commissioned and were operating 14 plants with a combined installed capacity of 36 MW. In 1996, the Aboitiz Group led the consortium that entered into a Build-Operate-Transfer (BOT) agreement with National Power Corporation (NPC) to develop and operate the 70-MW Bakun AC hydroelectric plant (the "Bakun AC Hydro Plant") in Ilocos Sur.

The table below sets out milestones in AboitizPower's development since 1998:

Year	Milestones
1998	Incorporated as a holding company for the Aboitiz Group's investments in power generation and distribution.
2005	Consolidated its investments in mini-hydroelectric plants in a single company by transferring all of HEDC's and Cleanergy's mini hydroelectric assets to Hedcor, Inc. (Hedcor).
2007	Entered into a share swap agreement with AEV in exchange for AEV's ownership interest in the following distribution utilities: i. An effective 55% equity interest in Visayan Electric; ii. A 100% equity interest in each of Davao Light and Cotabato Light; iii. An effective 64% ownership interest in Subic Enerzone Corporation (Subic Enerzone); and; iv. An effective 44% ownership interest in San Fernando Electric Light & Power Company (SFELAPCO).
	As part of the reorganization of the power-related assets of the Aboitiz Group, the company: i. Acquired 100% interest in Mactan Enerzone Corporation (Mactan Enerzone) and 60% interest in Balamban Enerzone Corporation (Balamban Enerzone) from AboitizLand; and

	ii. Consolidated its ownership interests in Subic Enerzone by acquiring the combined 25% interest in Subic Enerzone held by AEV, SFELAPCO, Okeelanta Corporation, and Pampanga Sugar Development Corporation. These acquisitions were made through a Share Swap Agreement, which involved the issuance of the AboitizPower's 170,940,307 common shares issued at the IPO price of ₱5.80 per share in exchange for the foregoing equity interests in Mactan Enerzone, Balamban Enerzone, and Subic Enerzone.
	Together with its partner, Statkraft Norfund Power Invest AS of Norway, through SN Aboitiz Power-Magat, Inc. (SN AboitizPower-Magat), acquired possession and control of the Magat Plant following its successful bid in an auction by the Power Sector Assets and Liabilities Management Corporation (PSALM).
	Formed Abovant Holdings, Inc. (Abovant) with the Vivant Group as the investment vehicle for the construction and operation of a coal-fired power plant in Toledo City, Cebu (the "Cebu Coal Project"). Abovant entered into a Memorandum of Agreement (MOA) with Global Business Power Corporation (Global Power) of the Metrobank group for the acquisition of a 44% equity interest in Cebu Energy Development Corporation (Cebu Energy).
	Therma Power, Inc. (TPI) entered into a MOA with Taiwan Cogeneration International Corporation (TCIC) for the Subic Coal Project, an independent coal-fired power plant in the Subic Bay Freeport Zone. Redondo Peninsula Energy, Inc. (RP Energy) was incorporated as the project company.
	Acquired 50% of East Asia Utilities Corporation (EAUC) from El Paso Philippines Energy Company, Inc. and 60% of Cebu Private Power Corporation (CPPC).
	Purchased 34% equity ownership in STEAG State Power, Inc. (SPI) from Evonik Steag GmbH in August 2007.
	Purchased Team Philippines Industrial Power II Corporation Industrial Power II Corp.'s 20% equity in Subic Enerzone.
2008	SN Aboitiz Power–Benguet submitted the highest bid for the Ambuklao-Binga Hydroelectric Power Complex.
	Acquired Tsuneishi Holdings (Cebu), Inc. (THC)'s 40% equity ownership in Balamban Enerzone, bringing AboitizPower's total equity in Balamban Enerzone to 100%.
2009	AP Renewables, Inc. (APRI) acquired the 234-MW Tiwi geothermal power facility in Albay and the 449.8 MW Makiling-Banahaw geothermal power facility in Laguna (collectively referred to as the "Tiwi-MakBan Geothermal Facilities").
	Therma Luzon, Inc. (TLI) became the Independent Power Producer Administrator (IPPA) for the 700-MW contracted capacity of the Pagbilao Coal-Fired Power Plant (the "Pagbilao Plant"), becoming the first IPPA of the country.
2010	Therma Marine, Inc. (TMI), acquired ownership over Mobile 1 ("Power Barge 118") and Mobile 2 ("Power Barge 117") from PSALM.
2011	Meralco PowerGen Corporation (MPGC), Taiwan Cogeneration International Corporation (TCIC), and Therma Power, Inc. (TPI) entered into a Shareholders' Agreement to formalize their participation in Redondo Peninsula Energy Corporation (RP Energy). MPGC took the controlling interest in RP Energy, while TCIC and TPI maintained the remaining stake equally.
	Therma Mobile, Inc. (TMO) acquired four barge-mounted floating power plants and their operating facilities from Duracom Mobile Power Corporation and EAUC. In the same year, the barges underwent rehabilitation and started commercial operations in 2013.
2013	Aboitiz Energy Solutions, Inc. (AESI) won 40 strips of energy corresponding to 40 MW capacity of Unified Leyte Geothermal Power Plant (ULGPP). The contract between AESI with PSALM with respect to the ULGPP capacity was terminated on October 26, 2019.
2014	TPI entered into a joint venture agreement with TPEC Holdings Corporation to form Pagbilao Energy Corporation (PEC) to develop, construct, and operate the 400 MW coal-fired Pagbilao Unit 3.
	Therma Power-Visayas, Inc. (TPVI) was declared the highest bidder for the privatization of the Naga Power Plant Complex (NPPC). SPC Power Corporation (SPC), the other bidder, exercised its right-to-top under the Naga Power Plant Land-Based Gas Turbine Land Lease Agreement, and PSALM declared SPC as the winning bidder. After protracted legal proceedings, TPVI accepted the turn-over for the NPPC plant on July 16, 2018.
	Acquired 100% of Lima Enerzone Corporation (Lima Enerzone) from Lima Land, Inc., then a wholly-owned Subsidiary of Aboitiz Land, Inc.
	TPI entered into a Shareholders' Agreement with Vivant Group, for the latter's acquisition of 20% issued and outstanding shares in Therma Visayas, Inc. (TVI).
2015	ARI formed a Joint Venture, San Carlos Sun Power, Inc. (SacaSun), with SunEdison Philippines to explore solar energy projects. In 2017, AboitizPower International completed the acquisition of SacaSun from SunEdison Philippines, and ownership of SacaSun was consolidated in AboitizPower.
	Therma South, Inc. (TSI) commenced full commercial operations of its Unit 1.
2016	TSI commenced full commercial operations of its Unit 2.
	TPI acquired an 82.8% beneficial ownership interest in GNPower Mariveles Coal Plant Ltd. Co. (now:

	GNPower Mariveles Energy Center Ltd. Co. or GMEC) and a 50% beneficial ownership interest in GNPower Dinginin Ltd. Co. (GNPD).
	Through TPI, acquired the remaining 50% interest in EAUC from El Paso Philippines.
2017	AboitizPower International completed its acquisition of SunEdison Philippines, and consolidates ownership of Sacasun.
2018	Aseagas permanently ceased operations of its 8.8-MW biomass plant in Lian, Batangas.
	TPVI accepted the turnover of the Naga Power Plant Complex from PSALM.
	Pagbilao Unit 3 began commercial operations.
	TVI commenced commercial operations of its Unit 1.
2019	TMO signed a PSA with Meralco, after the facility went into preservation mode on February 5, 2019.
	TMO re-registered again with Independent Electricity Market Operator of the Philippines Inc. (IEMOP) on April 26, 2019.
	Acquired a 49% voting stake and a 60% economic stake in AA Thermal.
	TVI commenced commercial operations of its Unit 2
2020	TPVI started commercial operations.
	Announced two battery projects – the TMI Hybrid Battery Energy Storage System ("TMI BESS") and SN AboitizPower-Magat Battery Energy Storage System ("Magat BESS"). TMI BESS is located in Maco, Compostela Valley, has a storage capacity of 49 MWh, and is intended to be used for ancillary services. The facility commenced partial commercial operation last November 2022. The Magat BESS Project is for the construction of a 24 MW battery energy storage unit located in Ramon, Isabela.
2021	PV Sinag Power, Inc. (PV Sinag), a wholly-owned of ARI, awarded the Engineering, Procurement, and Construction (EPC) contract for the construction of its 94-megawatt peak (MWp) solar power project in Cayanga, Bugallon, Pangasinan to JGC Philippines, Inc. This is the AboitizPower's second solar facility.
2022	The SN Aboitiz Power Group signed construction and financing agreements for the Magat BESS project.
	PV Sinag awarded the EPC contract for the construction of its 159-MWp Laoag and Laoag 2 solar power project in Barangay Laoag, Aguilar, Pangasinan to SUMEC Complete Equipment and Engineering Co., Ltd. and Hansei Corporation. This is AboitizPower's second solar venture in the province of Pangasinan.
	Acquired an additional 35.4% equity stake in STEAG.
	ARI entered into a joint venture agreement with Mainstream Renewable Power (Mainstream) for a 90-MW onshore wind project in Libmanan, Camarines Sur.
2023	ARI entered into a JVA with Vena Energy (Vena) for a 102-MW wind power project in Rizal and Laguna
	ARI entered into a JVA with Vena and Vivant Energy Corporation (VEC) for a 206-MW wind power project in San Isidro, Northern Samar.
2024	Signed a Share Purchase Agreement with STEAG GmbH (STEAG) for the acquisition of an additional 15.6% equity stake in SPI
	Through its subsidiary, Therma NatGas Power Inc. (Therma NatGas), entered into an Investment Agreement with Meralco PowerGen Corporation and acquired a 40% equity interest in Chromite Gas Holdings, Inc.

AboitizPower is currently involved in the distributed generation business through APX1 and APX2, and is expanding its renewable energy portfolio under its Cleanergy brand. AboitizPower's Cleanergy portfolio includes its geothermal, run-of-river hydro, and large hydropower facilities.

As of February 29, 2024, AboitizPower had 928 MW of attributable net sellable capacity, through its partners, under its Cleanergy brand. The company is pushing for a balanced mix strategy – maximizing Cleanergy while taking advantage of the reliability and cost efficiency of thermal power plants.

Neither AboitizPower nor any of its Subsidiaries has been the subject of any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

(i) Principal Products and Services

GENERATION OF ELECTRICITY

AboitizPower's power generation portfolio includes interests in both renewable and non-renewable generation plants. As of December 31, 2023, the power generation business accounted for 106% of earning contributions from AboitizPower's business segments. AboitizPower conducts its power generation activities through the Subsidiaries and Affiliates listed in the table below.

The table below summarizes the Generation Companies' operating results as of the periods indicated:

Generation Companies	Energy Sold		Revenue			
	2023	2022	2021	2023	2022	2021
	(in GWh)			(in mn Pesos)		
APRI	3,206	3,316	2,787	16,754	18,797	11,405
SacaSun	82	63	61	724	477	311
Hedcor	155	137	149	864	834	758
LHC	259	315	238	868	1,002	687
Hedcor Sibulan	271	262	251	1,477	1,408	1,858
Hedcor Tudaya	39	39	40	228	232	234
Hedcor Sabangan	44	49	55	262	289	325
Hedcor Bukidnon	354	386	271	2,080	2,265	1,827
SN Aboitiz Power-Magat	2,404	3,472	2,195	10,207	15,194	7,352
SN AboitizPower-Benguet	1,803	1,937	2,120	8,686	10,762	7,412
TLI	6,351	6,322	7,979	40,231	41,293	33,447
TSI	1,987	1,739	1,891	13,530	14,604	11,173
TVI	2,543	2,192	2,434	15,295	15,049	10,686
Cebu Energy	1,949	1,957	2,028	12,165	14,259	8,984
STEAG Power	1,445	1,574	1,845	8,822	8,932	3,918
GMEC	4,675	3,778	2,703	30,901	36,128	19,676
GNPD*	10,448	6,537	N/A	58,164	54,403	54,403
WMPC	851	784	802	1,499	1,793	1,596
SPPC	0	0	0	0	0	0
CPPC	31	93	381	660	1,060	1,275
EAUC	225	408	363	985	1,214	963
TMI	534	920	1,253	776	1,435	1,276
TMO	1,023	1,139	1,367	2,993	2,158	1,293
TPVI	12	34	29	270	418	367
Davao Light** (decommissioned)	0	0	0	Revenue Neutral	Revenue Neutral	Revenue Neutral
Cotabato Light**	0	0	0	Revenue Neutral	Revenue Neutral	Revenue Neutral

**GNPD Unit 1 began running and serving its PSAs from its own generation on January 25, 2022, subject to completion of certain tests and works by the EPC contractor. Meanwhile, GNPD Unit 2 synchronized on April 2, 2022.*

*** Plants are operated as stand-by plants and are revenue neutral, with costs for operating each plant recovered by Davao Light and Cotabato Light, as the case may be, as approved by ERC. The Davao Light plant has been decommissioned since November 2018.*

Renewables

Aboitiz Renewables, Inc.

As of February 29, 2024, AboitizPower's renewable energy portfolio in operation consisted of net sellable capacity of approximately 944.3 MW, divided into 46.80 MW of solar, 595.5 MW of hydro, and 290 MW of geothermal, and 12 MW of battery storage.

AboitizPower's investments and interests in various renewable energy projects, including geothermal, large hydro, run-of-river hydro, and solar projects, are held primarily through its wholly-owned Subsidiary, ARI and its Subsidiary Generation Companies. ARI was incorporated on January 19, 1995.

In 2021, AboitizPower disclosed its ten-year energy transition strategy of achieving, by 2030, a balanced 50:50 portfolio between thermal and renewable energy. As of end-2023, ARI has over 1,000 MW of ongoing and disclosed renewable energy projects. The growth of ARI's portfolio plays an important role in achieving AboitizPower's energy transition strategy which aims to assist in the decarbonization of the Philippine energy market while supporting the country's economic growth.

ARI Milestones and Outlook

- Established a pipeline of over 3 gigawatts (GW) of renewable energy projects in development;

- SN Aboitiz Power Group's first energy storage project, the 24-MW Magat battery energy storage system (BESS), completed construction in July 2023 and concluded testing and commissioning with the grid operator in December 2023. It started commercial operations in January 2024.
- The 94-MWp Cayanga Solar project in Bugallon, Pangasinan synchronized in October 2023 and is already providing power to the grid;
- Ongoing construction of the 159-MWp Laoag Solar project in Aguilar, Pangasinan, with expected completion in the second quarter of 2024;
- On-going construction of the 17-MW Tiwi binary power plant, expected to be completed in the first quarter of 2024;
- Marking AboitizPower's first foray into wind energy, entered into a JVA with Mainstream Renewable Power to build a 52-MWp onshore wind project in Libmanan, Camarines Sur, which won in the second Green Energy Auction by the Department of Energy in July 2023;
- Entered into a JVA with Singapore-based company, Vena, to invest in Vena's greenfield 102 MW Wind Power Project in between Rizal and Laguna;
- Entered into a JVA with Vena and Vivant Energy Corporation to develop, construct, and operate another 206 MW Wind Power Project in San Isidro, Northern Samar, Visayas;
- Completed make-up well drilling campaign for APRI Makban and Tiwi geothermal facilities, with 12 make-up wells completed, delivering a total incremental steam contribution of 94 MW;
- Started construction for the 44 MWp Solar Plant in Armenia, Tarlac, and 173 MWp Solar Plant in Calatrava, Negros Occidental which are expected to be completed by the end of 2024 to early 2025; and
- Expected groundbreaking on the 212-MWp Solar Plant in Olongapo, Zambales which is targeted to be completed in 2025.

AboitizPower, through and/or with ARI, owns equity interests in the following renewable Generation Companies, among others:

Generation Company	Percentage of Ownership	Plant Name (Location)	Type of Plant	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Offtakers
APRI	100%	Tiwi – Makban (Luzon)	Geothermal	290	290	WESM/ Bilaterals
Hedcor	100%	Benguet 1-11 (Luzon) La Trinidad, Bineng 3, Ampohaw, FLS, Labay, Lon-oy, Irisan 1 and 3, and Sal-angan	Run-of-river hydro	52.7	52.7	FIT/ Bilaterals
		Davao 1-5 (Mindanao) Talomo 1, 2, 2A, 2B, and 3	Run-of-river hydro	4.5	4.5	Distribution Utility
Hedcor Bukidnon	100%	Manolo Fortich (Mindanao)	Run-of-river hydro	68.8	68.8	FIT
Hedcor Sabangan	100%	Sabangan (Luzon)	Run-of-river hydro	14	14	FIT
Hedcor Sibulan	100%	Sibulan (A, B and Tudaya A) (Mindanao)	Run-of-river hydro	49.1	49.1	Distribution utility
Hedcor Tudaya	100%	Tudaya (B) (Mindanao)	Run-of-river hydro	7	7	FIT
LHC	100%	Bakun (Ilocos Sur, Luzon)	Run-of-river hydro	74.8	74.8	NPC (2026)
SacaSun	100%	SacaSun (Visayas)	Solar	46.8	46.8	FIT
SN Aboitiz Power-Benguet	60%**	Ambuklao (Benguet, Luzon)	Large Hydroelectric	112.5	56.3	WESM/ ASPA/ Electric Cooperatives
		Binga (Luzon)	Large Hydroelectric	140	70	WESM/ASPA
SN Aboitiz Power-Magat	60%**	Magat (Luzon)	Large Hydroelectric	388	194	WESM/ ASPA
		Maris Main Canal 1	Run-of-river hydro	8.5	4.3	FIT

		(Luzon)				
		Magat BESS (Luzon)	Battery energy storage	24	12	WESM
			Total	**1,280.7***	**944.3***	

Notes:
** Sum figures will differ due to rounding effect.*
***The 60% equity is owned by MORE.*

Run-of-River Hydros

In 2023, the Hedcor Group, composed of Hedcor, Hedcor Sibulan, Inc. (Hedcor Sibulan), Hedcor Tudaya, Inc. (Hedcor Tudaya), Hedcor Sabangan, Inc. (Hedcor Sabangan), Hedcor Bukidnon, Inc. (Hedcor Bukidnon), and Luzon Hydro Corporation (LHC), had a total generated gross of 1,110 GWh of Cleanergy across the Philippines. This is lower than the generated gross of renewable energy in 2022 of 1,148 GWh, or an decrease of 3.45% in 2023 compared to 8.27% in 2022. The Hedcor Group achieved this level of generation as a result of minimized outages. Table below shows the generation for each entity:

Generation Company	Generated Net Generation (in MWh)		% Change
	2023	2022	
Hedcor	156,924,233	141,908,629	9.57%
Hedcor Sabangan	45,226,930	50,048,873	-10.66%
LHC	234,691,870	288,045,580	-22.73%
Hedcor Bukidnon	391,593,156	386,849,840	1.21%
Hedcor Sibulan	242,271,902	241,618,667	0.27%
Hedcor Tudaya,	38,929,131	39,452,803	-1.35%
TOTAL	**1,109,637,222**	**1,147,924,392**	**-3.45%**

The 3% decrease in KWh generation in 2023 compared to 2022 is attributed to low water inflow across all hydropower plants of the Hedcor Group. This is in contrast to 2022 where there were abnormally high water inflows across all plants which compensated for the kWh loss of FLS and Ampohaw hydroelectric power plants (HEPPS) of Hedcor, which were affected by the July 22, 2022 earthquake. Ampohaw HEPP was synchronized to the grid in September 2022 and FLS HEPP on September 5, 2023.

The Hedcor Group controls and monitors its 22 Run-of-River plants via its National Operations Control Center which was inaugurated in 2022. The Hedcor Group is also an ISO Certified with Quality, Environmental, Asset Management, Information Security and Business Continuity Management System Certification, aligning its process and systems with international standards.

Large Hydros

AboitizPower's dedication to sustainable energy solutions is further exemplified in two significant large hydropower plants in Northern Luzon: SN Aboitiz Power-Magat, Inc. (SN Aboitiz Power-Magat) and SN Aboitiz Power-Benguet, Inc. (SN Aboitiz Power-Benguet).

SN Aboitiz Power-Magat, Inc. (SN Aboitiz Power-Magat)

SN Aboitiz Power-Magat operates two large hydroelectric power plants (HEPPs) in the Philippines. Incorporated on November 29, 2005, SN Aboitiz Power-Magat owns and manages the Magat Plant, located at the border of Ramon, Isabela Province, and Alfonso Lista, Ifugao Province, boasting a nameplate capacity of 360 MW. Additionally, it operates the Maris Main Canal 1 HEPP, situated in Brgy. Ambatali in Ramon, Isabela, with a capacity of 8.5 MW. The Maris Plant,

consisting of two generator units each with a capacity of 4.25 MW, was completed in November 2017. The Magat Plant, which commenced operations in 1983 and was acquired by SN Aboitiz Power-Magat in April 2007, holds significance as a peaking plant due to its ability to swiftly respond to high electricity demand. SN Aboitiz Power-Magat's ownership structure includes a 60% stake held by MORE, with the remaining 40% owned by SN Power Philippines Inc., a subsidiary of Scatec, a Norwegian hydropower company.

The company supplies electricity to the Luzon grid, selling a substantial portion of its capacity to the National Grid Corporation of the Philippines (NGCP) and the spot market through the Wholesale Electricity Spot Market (WESM). Furthermore, SN Aboitiz Power-Magat holds accredited status as a provider of ancillary services to enhance grid stability.

The Magat Plant underwent a capacity enhancement, certified by the Energy Regulatory Commission (ERC) in April 2019, allowing for a new Maximum Stable Load (Pmax) of 388 MW, up from its original 360 MW. In the same year, SN Aboitiz Power-Magat ventured into non-hydro renewable energy with a floating photovoltaic project and has plans to expand its renewable energy portfolio with a floating solar project and a BESS project, both in advanced stages of development.

SN Aboitiz Power-Benguet, Inc. (SN Aboitiz Power-Benguet)

SN Aboitiz Power-Benguet, Inc. (SN Aboitiz Power-Benguet), on the other hand, operates the Ambuklao-Binga Hydroelectric Power Complex in Benguet Province. Established on March 12, 2007, SN Aboitiz Power-Benguet owns and manages the Ambuklao Plant with a capacity of 105 MW and the Binga Plant with a capacity of 140 MW, located in Brgy. Tinongdan, Itogon. These plants were rehabilitated and upgraded to enhance their capacities, with Ambuklao's capacity increased from 75 MW to 105 MW and Binga's from 125 MW to 140 MW. SN Aboitiz Power-Benguet's ownership structure comprises a 60% stake held by MORE and 40% held by SN Power. The Ambuklao and Binga Plants contribute significantly to the Luzon grid's stability, selling their generated electricity and ancillary services to the national transmission system.

Geothermal

AP Renewables Inc. (APRI)

APRI, a wholly-owned Subsidiary of ARI, is one of the leading renewable power companies in the country. It owns the 234 MW Tiwi geothermal power facility in Albay and the 449.8 MW Makiling-Banahaw geothermal power facility in Laguna (the “Tiwi-MakBan Geothermal Facilities”) located in Albay, Laguna, and Batangas. These geothermal facilities were acquired by APRI from PSALM in July 2008 and were formally turned over to APRI on May 25, 2009.

Solar

Maaraw San Carlos Holdings, Inc. (Maaraw San Carlos) and San Carlos Sun Power Inc. (SacaSun)

SacaSun owns and operates the 59-megawatt peak (MWp) solar photovoltaic (PV) power generation plant located in the San Carlos Ecozone, Barangay Punao, San Carlos City, Negros Occidental (the "SacaSun Plant"). The project was inaugurated on April 19, 2016.

SacaSun was incorporated on July 25, 2014, initially as a Joint Venture between ARI and SunEdison Philippines. On December 4, 2017, AboitizPower acquired 100% effective equity ownership in SacaSun.

Maaraw San Carlos is the holding company of SacaSun. It was incorporated on April 24, 2015, and is held by AboitizPower, through its wholly-owned Subsidiaries, ARI and AboitizPower International.

PV Sinag Power, Inc. (PV Sinag)

PV Sinag is the project company for the construction of the 94 MWp Cayanga-Bungallon solar project located in Cayanga, Bugallon, Pangasinan. The total project cost is estimated at ₱4.5 bn and will be funded through project finance and equity contributions. The project is expected to commence commercial operations by the first quarter of 2024, in line with PV Sinag's PSA with a retail customer.

PV Sinag was incorporated on October 1, 2013, and is wholly-owned by ARI.

Aboitiz Power Distributed Energy, Inc. (APX1) and Aboitiz Power Distributed Renewables Inc. (APX2)

APX1 and APX2 (collectively, "APX") are the project companies engaged in the business of operating rooftop PV solar systems in the distributed energy space. APX1 and APX2 are wholly-owned Subsidiaries of AboitizPower through ARI. APX1 and APX2 were incorporated in November 2016 and May 2002, respectively.

APX1 is a registered Philippine Economic Zone Authority (PEZA) company intended to serve customers operating within PEZA zones.

As of February 29, 2024, APX had appropriately 4.183 MWp of rooftop solar projects, operating under a Power Purchase Agreement, a turnkey solution for customers, or about to start construction or installation.

CELL Power Energy Corporation (CPEC)

CPEC is the project company engaged in the development of several energy storage systems (ESS) projects to provide ancillary services to grids across the country.

CPEC was incorporated on February 9, 2010 as Olongapo Energy Corporation, and is a wholly-owned Subsidiary of AboitizPower.

Cornerstone Energy Development, Inc. (CEDI)

On October 13, 2022, AboitizPower, through ARI, signed a joint venture agreement with global renewable energy company Mainstream Renewable Power (Mainstream) to build a 90- MW onshore wind project in Libmanan, Camarines Sur.

4 Barracuda Energy Corporation (4 Barracuda)

On August 03, 2023, ARI signed a joint venture agreement with Singapore-based company, Vena Energy, to invest in Vena Energy's greenfield 102- MW Wind Power Project in Rizal and Laguna.

Aura Energy Holdings, Inc.

On September 27, 2023, ARI signed a joint venture agreement with Vena Energy, and Vivant Energy Corporation to develop, construct, and operate a the 206MW San Isidro Wind Power Project in San Isidro, Northern Samar, Visayas.

Renewables Pipeline

SN Aboitiz Power-Generation, Inc. (SN Aboitiz Power-Gen)

SN Aboitiz Power-Gen implements the SN Aboitiz Power Group's Business Development Program, which aims to grow SN Aboitiz Power Group's renewable energy portfolio by looking at potential power projects in the Philippines, primarily within its current host communities in Northern Luzon. SN Aboitiz Power-Gen was incorporated on March 10, 2011.

On the hydropower front, SN Aboitiz Power-Gen continued to develop and execute pertinent activities for the proposed 390-MW Alimit hydropower complex in Ifugao, which consists of the 120-MW Alimit HEPP, the 250-MW Alimit Pumped Storage Facility, and the 20-MW Olilicon HEPP. As the Philippine ancillary services market evolves, SN Aboitiz Power-Gen will continue to evaluate its development strategy for these projects.

SN Aboitiz Power-Gen is likewise venturing into the commercial floating solar front through the Magat Floating Solar Project, proposed to be located in Ramon, Isabela. This 67-MW project is currently in the Feasibility Phase. The project has received the SEOC from the DOE and endorsement to the NGCP for the conduct of a System Impact Study. Securing other endorsements and agreements are in progress.

SN Aboitiz Power-Gen continues to explore and assess other greenfield and brownfield opportunities, not only in the fields of hydropower and floating solar, but also in the field of energy storage, ground-mounted solar, and wind power.

As of February 29, 2024, 60% equity interest in the company is owned by MORE, with the remaining 40% owned by SN Power Philippines.

Non-Renewable Energy

Therma Power, Inc. (TPI)

AboitizPower's investments and interests in various non-renewable energy projects are held primarily through its wholly-owned Subsidiary, TPI and its Subsidiary power generation companies. TPI was incorporated on October 26, 2007. As of February 29, 2024, AboitizPower, by itself, through and/or with TPI, owned equity interests in the following thermal plants:

Generation Company	Percentage Ownership	Plant Name (Location)	Project Type	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Off-takers
Coal Group						
TLI	100%	Pagbilao (Luzon)	Coal-fired	700	700	Bilaterals/ASPA
PEC	50%	Pagbilao 3 (Luzon)	Coal-fired	388.4	194.2	Bilaterals
TSI	100%	TSI Plant (Mindanao)	Coal-fired	272.6	272.6	Bilaterals/WESM
TVI	80%	TVI Plant (Visayas)	CFB	300	240	Bilaterals/WESM
Cebu Energy	26.4%	Cebu Energy (Visayas)	CFB	216	57	Bilaterals/WESM
GMEC	78.32%	Mariveles Project (Luzon)	Coal-fired	632	495	Bilaterals/WESM
GNPD	70.00%	GN Power Dinginin Ltd. Co.	Coal-fired	1,336	935.2	Bilaterals/WESM
SPI**	69.4%***	STEAG Power Plant (Mindanao)	Coal-fired	210	145.7	NPC (2031)
Oil Group						
EAUC	100%	EAUC Plant (Visayas)	Bunker-C fired	43.5	43.5	Bilaterals
SPPC**	20%	SPPC Plant (Mindanao)	Bunker-C fired	55	11	N/A
TMI	100%	Power Barge Mobile 1	Barge-mounted	96	96	Bilaterals/ASPA

		(Mindanao)				
		Power Barge Mobile 2 (Mindanao)	Barge-mounted	96	96	Bilaterals/ASPA
TMO	100%	Power Barges Mobile 3-6 (Luzon)	Barge-mounted	210	210	WESM/ASPA
TPVI	100%	TPVI Plant (Visayas)	Bunker-C fired	33	33	WESM
WMPC**	20%	WMPC Plant (Mindanao)	Bunker-C fired	100	20	Bilaterals
Cotabato Light**	99.94%	Bunker Cotabato (Mindanao)	Bunker-C fired	4.45	4.45	N/A
			Total	**4,757***	**3,554***	

** Sum figures will differ due to rounding effect*
*** Directly owned by AboitizPower*
**** On February 21, 2024, AboitizPower signed a share purchase agreement with STEAG for the acquisition of an additional 15.6% interest in SPI. Upon completion of this transaction, AboitizPower will be the legal and beneficial owner of an 85% equity interest in SPI.*

Oil Group

Therma Marine, Inc. (TMI)

TMI, a wholly-owned Subsidiary of TPI, owns and operates Mobile 1 (previously known as PB 118) and Mobile 2 (previously known as PB 117), which have a total generating capacity of 200 MW. Mobile 1 is currently moored at Barangay San Roque, Maco, Davao De Oro, while Mobile 2 is moored at Barangay Sta. Ana, Nasipit, Agusan del Norte. The company was incorporated on November 12, 2008.

On November 28, 2022, TMI commissioned its BESS as an auxiliary to Mobile 1. This is the first Hybrid Diesel-Battery Energy Storage System and one of the BESS projects of AboitizPower. Located in Barangay San Roque, Maco, Davao De Oro, Mobile 1's BESS has a storage capacity of 49 MW and is intended to provide Ancillary Services to the Mindanao Grid.

Therma Mobile, Inc. (TMO)

TMO, a wholly-owned Subsidiary of TPI, operates four barge-mounted power plants located at the Navotas Fish Port, Manila, which it acquired on May 27, 2011. The barge-mounted power plants have an installed capacity of 241 MW. TMO operates with a net available capacity of 165-MW. The company was incorporated on October 20, 2008 and is currently an ancillary service provider.

East Asia Utilities Corporation (EAUC)

EAUC was incorporated on February 18, 1993. EAUC started its commercial operations on December 25, 1997 and full commercial operations on May 25, 1998.

EAUC, a wholly-owned Subsidiary of TPI, owns, operates, and maintains a Bunker-C fired power plant with a rated capacity of 49.600 MW located in Mactan Economic Processing Zone (MEPZ 1), Lapu-Lapu City, Cebu. EAUC serves its capacity to MEPZ 1 and the WESM.

Therma Power-Visayas, Inc. (TPVI)

TPVI, a wholly-owned Subsidiary of TPI, is the company that was awarded the winning bid for the privatization of the 25.3-hectare Naga Power Plant Complex (NPPC) located at Naga City, Cebu. The company was incorporated on October 8, 2007.

On July 16, 2018, TPVI embarked on the rehabilitation of the 44.580-MW (rated capacity) diesel plant. On August 7, 2020, TPVI commenced commercial operations and was first dispatched based on an offer into the WESM on August 26, 2020.

Cebu Private Power Corporation (CPPC)

CPPC is a joint venture between AboitizPower and the Vivant Group. The company was incorporated on July 13, 1994. As of February 29, 2024, AboitizPower beneficially owns 60% interest in CPPC.

CPPC owned and operated a 70.590-MW (rated capacity) Bunker C-fired power plant located in Ermita, Cebu City, one of the largest diesel-powered plants on the island of Cebu, under a BOT scheme. In 2023, CPPC's BOT contract was concluded with the transfer of assets upon the expiration of the contract term.

Coal Group

Therma Luzon, Inc. (TLI)

TLI, a wholly-owned Subsidiary of TPI, was the first IPPA in the country, and assumed the role of the registered trader of the contracted capacity of the 700-MW net (2x350 MW net contracted capacity) coal-fired power plant located in Pagbilao, Quezon (the "Pagbilao Plant"). TLI was incorporated on October 20, 2008.

As the IPPA, TLI is responsible for procuring the fuel requirements of, and selling the electricity generated by, the Pagbilao Plant. The Pagbilao Plant is currently owned and operated by TeaM Energy Corporation (TeaM Energy). Under the IPPA agreement, TLI has the right to receive the transfer of Pagbilao Unit 1 and Unit 2 at the end of the Energy Conversion Agreement. Over the years, TLI's capacity was contracted to various cooperatives, private distribution utilities, directly connected customers, and to affiliate RES. TLI was granted a RES license on August 12, 2020, which is valid until August 11, 2025.

Pagbilao Energy Corporation (PEC)

PEC owns and operates the 400-MW (net) Unit 3 coal-fired power plant (Pagbilao Unit 3) within the Pagbilao Power Station, located in Pagbilao, Quezon. PEC is a Joint Venture between AboitizPower and TeaM Energy, through their respective Subsidiaries, TPI and TPEC Holdings Corporation. Pagbilao Unit 3 is not covered by either TLI's IPPAA with PSALM or TeaM Energy's BOT contract with NPC, and commenced operations in March 2018.

Through TPI, AboitizPower had 50% equity interest in PEC, while TPEC Holdings Corporation owned the remaining 50% as of February 29, 2024.

The output of Pagbilao Unit 3 is sold to TLI and TPEC.

Therma South, Inc. (TSI)

TSI, a wholly-owned Subsidiary of TPI, owns and operates the 300-MW installed capacity (2x150MW) circulating fluidized bed (CFB) coal-fired power plant located in Davao City and Sta. Cruz, Davao del Sur. TSI was incorporated on November 18, 2008. Commercial operations for Unit 1 and Unit 2 began in September 2015 and February 2016, respectively.

TSI contributes to the continuing growing power requirements of Mindanao by providing stable and cost-effective base load power. TSI supplies power to various private distribution utilities and energy cooperatives. TSI seeks to sustain the positive impact it has brought to its host communities through various educational, livelihood, and enterprise development programs, benefitting children, students, small and medium enterprise owners, and its employees.

Therma Visayas, Inc. (TVI)

TVI owns and operates the 300-MW (net) (2x150 MW net) CFB coal-fired power plant located in Toledo City, Cebu. Commercial operations for Unit 1 and Unit 2 began in April and August 2019, respectively.

As of February 29, 2024, AboitizPower, through TPI, effectively owns an 80% equity interest in TVI, with the remaining 20% being held by the Vivant Group.

TVI supplies power to distribution utilities and also provides ancillary services.

Abovant Holdings, Inc. (Abovant) and Cebu Energy Development Corporation (Cebu Energy)

Abovant is a Joint Venture between AboitizPower and the Vivant Group as the holding company for shares in Cebu Energy. The company was incorporated on November 28, 2007.

Cebu Energy was incorporated on December 5, 2008 by Abovant and Global Formosa Power Holdings, Inc. (Global Formosa), a Joint Venture between Global Business Power Corporation and Flat World Limited. The company owns the 3x82-MW CFB coal-fired power plant situated within the Toledo Power Complex in Barangay Daanlungsod, Toledo City, Cebu. The company provides power to the province of Cebu and its neighboring province, Bohol. Likewise, Cebu Energy has an existing ASPA with NGCP to help maintain a reliable electric grid system.

As of February 29, 2024, Abovant had a 44% equity interest in Cebu Energy, while Global Formosa owned the remaining 56%. Consequently, AboitizPower, through TPI, holds a 26.4% effective ownership interest in Cebu Energy.

Redondo Peninsula Energy, Inc. (RP Energy)

RP Energy was incorporated on May 30, 2007 to construct, own, and operate the 2x300-MW (net) coal-fired power plant located in the Redondo Peninsula of Subic Bay within the Subic Bay Freeport Zone (SBFZ), Subic, Zambales.

RP Energy was originally a Joint Venture between AboitizPower and TCIC. MPGC acquired a majority interest in RP Energy by virtue of a share purchase agreement with TPI on July 22, 2011. As of February 29, 2024, AboitizPower, through TPI, and TCIC each retained a 25% stake in RP Energy.

STEAG State Power Inc. (SPI)

Incorporated in December 19, 1995, SPI is the owner and operator of a 210 MW (net) coal-fired power plant located in PHIVIDEC Industrial Estate in Misamis Oriental, Northern Mindanao. The STEAG Power Plant consisting of two units was built under a BOT arrangement and started commercial operations on November 15, 2006. It has a 25-year PPA with NPC backed by a Performance Undertaking issued by the Philippine government. PSALM acceded to the PPA under the Accession Undertaking.

SPI holds valid COCs from the ERC, including those for the following self-generation facilities: (i) 400kW diesel generator; and (ii) 1.25MW diesel generator. From time to time, SPI's power plant units are required to be in economic shutdown by PSALM, in accordance with its Power Purchase Agreement (PPA). For the year 2023, the power plant units were not required to be in economic shutdown.

As of January 31, 2024, AboitizPower holds 69.4% effective equity interest in SPI. This includes the 35.4% interest that AboitizPower acquired from STEAG GmbH (STEAG) in September 2022, which was completed in January 2024. STEAG and La Filipina Uy Gongco Corporation (LFUGC) hold the remaining 15.6% and 15% equity, respectively, in SPI.

AA Thermal, Inc.

On May 2, 2019, AboitizPower completed its acquisition of 49% voting stake and 60% economic stake in AA Thermal, AC Energy and Infrastructure Inc.'s (formerly AC Energy, Inc, ACEIC) thermal platform in the Philippines.

The AA Thermal platform holds indirect limited partnership interests in each of GMEC and GNPD, where AboitizPower, through TPI, already holds direct partnership interests.

GNPower Mariveles Energy Center Ltd. Co. (GMEC)

GMEC, formerly known as GNPower Mariveles Coal Plant Ltd. Co., is a private limited partnership organized and registered with the SEC on May 13, 2007 engaged in the operation, and ownership of an approximately 2x345 MW (gross) coal-fired power plant (the "GMEC Facility") in Mariveles, Bataan. As of February 29, 2024, AboitizPower had a 78.3% effective partnership interest in GMEC.

The GMEC Facility is one of the newest, lowest-cost power generation facilities in the Philippines that fully complies with the most stringent local (DENR) and international (World Bank and Equator Principles) environmental and emission standards

The equity owners of GMEC are: (i) TPI; (ii) AC Energy and Infrastructure Corporation (formerly: AC Energy, Inc.) ("ACEIC"); and iii) Power Partners Ltd. Co. ("Power Partners").

GNPower Dinginin Ltd. Co. (GNPD)

GNPD is a private limited partnership organized registered with the SEC on May 21, 2014 engaged in the operation and ownership of a 2x668 MW (net) supercritical coal-fired power plant and a private port facility located in Mariveles, Bataan. As of February 29, 2024, AboitizPower owned a 70% effective partnership interest in GNPD.

Other Generation Assets

As of February 29, 2024, Cotabato Light maintained a stand-by maximum capacity of 9.641-MW Bunker C-fired power plant capable of supplying approximately 12.79% of its requirements.

Future Projects

AboitizPower continues to assess the feasibility of new power generation projects focusing on addressing the needs of the market, namely: (1) providing reliable supply, at a (2) reasonable cost, and with (3) minimal impact on the environment and communities. Other factors taken into consideration include the proposed project's land use requirements, access to a power grid, energy yield analysis, fuel supply arrangements, availability of water, local requirements for permits and licenses, acceptability of the project to the communities and people it will affect, ability of the project to generate electricity at a competitive cost, and the existence of potential purchasers of the electricity generated. For the development of a new power project, the company, its partners, and its suppliers are required to obtain all national and local permits and approvals before the commencement of construction and commercial operations, including those related to the project site, construction, environment, land use planning/zoning, operations licenses, and similar approvals.

DISTRIBUTION OF ELECTRICITY

The Aboitiz Group has more than 85 years of experience in the Philippine power distribution sector.

With ownership interests in nine Distribution Utilities, the company believes that it is currently one of the largest electricity distributors in the Philippines. AboitizPower's Distribution Utilities collectively supply electricity to franchise areas covering a total of 18 cities and municipalities and five economic zones across Luzon, Visayas, and Mindanao.

In 2020, the wholly-owned Distribution Utilities and Visayan Electric completed a rebranding initiative to modernize the look and feel of the brands and visually show their relation to AboitizPower.

The Distribution Utilities' earnings contribution to AboitizPower's business segments in 2023 was equivalent to 12.24%. The Distribution Utilities had a total customer base of 1,169,606 as of end 2023. This was 1,137,402 as of end 2022, and 1,106,783 as of end 2021.

The table below summarizes the key operating statistics of the Distribution Utilities for each of the past three years:

Company	Electricity Sold (MWh)			Peak Demand (MW)			No. of Customers		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Davao Light	2,842,932	2,699,306	2,597,592	510	472	459	482,427	470,868	458,498
Cotabato Light	203,930	189,763	178,535	38	35	34	50,499	49,05	47,098
Visayan Electric	3,548,720	3,175,656	3,144,768	615	588	554	501,080	486,414	477,732
SFELAPCO	810,311	786,935	716,888	198	151	147	130,148	126,313	118,806
Subic Enerzone	287,300	282,997	267,047	57	55	50	3,674	3,615	3,581
Mactan Enerzone	88,600	100,881	107,541	20	21	21	90	86	87
Balamban Enerzone	95,937	87,813	85,813	26	25	25	28	27	28
Lima Enerzone	315,178	317,602	296,780	58	56	56	1,621	999	940
Malvar Enerzone	10,238	9,481	1,458	6	5	1.28	49	25	13
Total	**8,203,148**	**7,650,434**	**7,396,423**	**1,528**	**1,407**	**1,347**	**1,169,606**	**1,137,402**	**1,106,783**

Visayan Electric Company, Inc. (Visayan Electric)

Visayan Electric is the second largest privately-owned distribution utility in the Philippines in terms of customer size and annual MWh sales. The company supplies electricity to a region covering 674 square kilometers (sq. km.) on the island of Cebu with a population of approximately 1.7 mn. Visayan Electric has 19 power substations and one mobile substation that serve the electrical power needs of various cities, municipalities, and barangays in the island and province of Cebu.

As of end 2023, Visayan Electric has energized 100% of the barangays, and electrified 99.77% of all households within its franchise area. It has also completed the extension of its distribution facilities, which will allow it to serve all the customers within the franchise. Visayan Electric's goal of 100% total electrification, including household electrification, is targeted for completion within 18 months from March 2024 upon release of funding from the DOE.

Visayan Electric's total systems loss was at 6.39% as of year-end 2023. This included a feeder loss of 4.80%, which is below the government-mandated feeder loss cap for 2023 of 5.50%.

As of February 29, 2024, AboitizPower directly held a 55.26% equity interest in Visayan Electric. 34.81% is owned by the Vivant Group.

Davao Light & Power Company, Inc. (Davao Light)

Davao Light is the third largest privately-owned electric distribution utility in the country in terms of customer size and annual kWh sales. Its franchise area covers two cities and three municipalities in the Davao region, with a population of approximately 2.23 mn and a total area of 3,561 sq. kms. The company has energized 99.334% of the households within its franchise area.

Davao Light was incorporated on October 11, 1929, and was acquired by the Aboitiz Group in 1946. The company's original 50-year franchise, covering Davao City, was granted in November 1930 by the Philippine Legislature. Pursuant to RA No. 11515 which lapsed into law on December 26, 2020, Davao Light's franchise was extended for an additional 25 years from 2025, or until 2050.

As of year-end 2023, Davao Light's total systems loss was at 8.82%. This included a feeder loss of 5.05%, which is below the government-mandated feeder loss cap for 2022 of 5.50%.

As of February 29, 2024, AboitizPower directly owned a 99.94% equity interest in Davao Light.

Cotabato Light and Power Company (Cotabato Light)

Cotabato Light supplies electricity to Cotabato City and portions of the municipalities of Sultan Kudarat, and Datu Odin Sinsuat, Maguindanao del Norte, with its franchise covering a land area of 191.20 sq. kms. Incorporated in April 1938, Cotabato Light's original 25-year franchise was granted by the Philippine Legislature through RA No. 3341 in June 1939. The most recent renewal of the franchise was in June 2014 for a period of 25 years, or until 2039.

Cotabato Light also maintains a standby 9.641-MW Bunker-C-Fired diesel power plant capable of supplying approximately 12.79% of its franchise area requirements. This plant can supply electricity in cases of supply problems with its power suppliers or NGCP and for the voltage stability when necessary, which is a benefit available to Cotabato Light's customers.

Cotabato Light's total systems loss as of year-end 2023 was at 6.77%. This included the distribution feeder loss of 5.41% which is below the government-mandated feeder loss cap in 2023 of 5.50%. Cotabato Light is continuously innovating its strategies and processes to further reduce its distribution feeder loss to 5%.

As of February 29, 2024, AboitizPower directly owned a 99.94% equity interest in Cotabato Light.

San Fernando Electric Light & Power Co., Inc. (SFELAPCO)

SFELAPCO was incorporated on May 17, 1927 and was granted a municipal franchise in 1927. The most recent renewal of its franchise was in March 2010 for a period of 25 years.

SFELAPCO's franchise in the City of San Fernando, Pampanga covers an area of 78.514 sq. kms. And the municipality of Floridablanca and Brgys. Talang and Ligaya, Municipality of Guagua, Pampanga with an estimated area of 175.5 sq. kms. For 2022, SFELAPCO has a total of 276.2 MVA of substation capacity with a peak load of 151 MW including its 69kv customers.

SFELAPCO's total systems loss as of year-end 2023 was 4.85%. This included a feeder loss of 3.86%, which is below the government-mandated feeder loss cap for 2023 of 5.50%.

As of February 29, 2024, AboitizPower had an effective equity interest of 43.727% in SFELAPCO.

Subic Enerzone Corporation (Subic Enerzone)

On June 3, 2003, Subic Enerzone was incorporated as a Joint Venture owned by a consortium including Davao Light, AEV, and SFELAPCO, among others, to undertake management and operation of the SBFZ power distribution utility.

Subic Enerzone serves a total of 3,403 customers, consisting of 107 industrial locators, 1,298 commercial locators, 1,901 residential customers, 97 streetlights and 24 industrial locators under RES.

Subic Enerzone's total systems loss as of year-end 2023 was 4.35%. This included a feeder loss of 1.49%, which is below the government-mandated feeder loss cap in 2023 of 5.50%.

As of February 29, 2024, AboitizPower owned, directly and indirectly through Davao Light, a 99.98% equity interest in Subic Enerzone.

Mactan Enerzone Corporation (Mactan Enerzone)

Mactan Enerzone was incorporated in February 2007 when AboitizLand spun off the power distribution system of its Mactan Export Processing Zone II (MEPZ II) project. The MEPZ II project, which was launched in 1995, was operated by AboitizLand under a BOT agreement with the Mactan-Cebu International Airport Authority (MCIAA).

Mactan Enerzone serves a total of 42 captive industrial locators, 33 captive commercial locators, and 11 industrial locators under RES, and four industrial locators under GEOP.

Mactan Enerzone's total system loss as of year-end 2023 was 1.24%. This included a feeder loss of 0.6%, which is below the government-mandated feeder loss cap for 2023 of 5.50%.

As of February 29, 2024, AboitizPower owned a 100% equity interest in Mactan Enerzone.

Balamban Enerzone Corporation (Balamban Enerzone)

Balamban Enerzone was incorporated in February 2007 when CIPDI, a Joint Venture between AboitizLand and THC, spun off the power distribution system of the West Cebu Industrial Park – Special Economic Zone (WCIP-SEZ). WCIP-SEZ is a special economic zone for light and heavy industries located in Balamban, Cebu.

Balamban Enerzone serves a total of ten captive industrial customers, 12 captive commercial customers, and six contestable industrial customers.

Balamban Enerzone's total systems loss as of year-end 2023 was 0.51%. This included a feeder loss of 0.2%, which is below the government-mandated feeder loss cap for 2023 of 5.50%.

As of February 29, 2024, AboitizPower directly owned a 100% equity interest in Balamban Enerzone.

Lima Enerzone Corporation (Lima Enerzone)

Lima Enerzone was incorporated as Lima Utilities Corporation on June 5, 1997 to serve and provide locators within the Lima Technology Center (LTC) with a reliable and stable power supply.

Lima Enerzone serves a total of 113 captive industrial locators, 19 captive commercial locators, 1,452 captive residential customers, nine streetlights, and 28 industrial locators under RES.

As of year-end 2023, Lima Enerzone's total systems loss was 2.79%. This included a feeder loss of 1.11%, which is below the government-mandated feeder loss cap for 2023 of 5.50%.

As of February 29, 2024, AboitizPower directly owned a 100% equity interest in Lima Enerzone.

Malvar Enerzone Corporation (Malvar Enerzone)

Malvar Enerzone was incorporated on June 9, 2017 to serve and provide locators within the Light Industry & Science Park IV (LISP IV) in Malvar, Batangas. Malvar Enerzone will manage the operation and maintenance of the power distribution of LISP IV for 25 years. LISP IV has two 50MVA transformers to provide reliable and quality power to locators, which are mostly from manufacturers and exporters. Malvar Enerzone served a total of 11 captive industrial locators, 19 captive commercial locators, four streetlights, and one industrial locator under RES.

As of end 2023, Malvar Enerzone's total system loss was 3.55%. This included a feeder loss of 0.68%, which is below the government-mandated feeder loss cap for 2023 of 5.50%.

As of February 29, 2024, AboitizPower directly owned a 100% equity interest in Malvar Enerzone.

RETAIL ELECTRICITY AND OTHER RELATED SERVICES (RETAIL ELECTRICITY SUPPLY BUSINESS)

One of the objectives of electricity reform in the Philippines is to ensure the competitive supply of electricity at the retail level. With the start of commercial operations of Open Access, large-scale customers are allowed to source electricity from RES licensed by the ERC. Adventenergy, AESI, and Prism Energy are also registered under the Renewable Energy Market and were granted operating permits by the DOE, valid for five years, allowing them to participate in the GEOP.

Aboitiz Energy Solutions, Inc. (AESI)

AESI is engaged in the business of a retail energy supplier and energy consolidator. It was granted a license to act as a RES that is valid until October 28, 2028. The company was incorporated on August 11, 1998. As of February 29, 2024, AboitizPower owned a 100% equity interest in AESI.

AESI served 42 customers at the start of commercial operations of Open Access on June 26, 2013. In 2023, AESI supplied retail electricity to a total of 147 customers, with total energy consumption of 1,796.23 mn kWh.

Adventenergy, Inc. (Adventenergy)

Adventenergy is engaged in the business of a retail energy supplier and energy coordinator. It was granted a license to act as a RES that is valid until December 17, 2023. The company was incorporated on August 14, 2008. As of February 29, 2024, AboitizPower owned a 100% equity interest in Adventenergy.

Adventenergy differentiates itself from competition by sourcing most of its electricity requirements from renewable sources. As a result, an increasing number of companies are opting to source a part, if not the majority, of their electricity supply from Adventenergy as an environmental initiative. Currently, Adventenergy serves retail customers within and outside economic zones.

In 2023, Adventenergy supplied retail electricity to 290 customers with a total consumption of 2,537.97 mn kWh. With Adventenergy's participation in the GEOP, it has supplied 12 qualified end-users with a total consumption of 4,415 mn kWh in 2023.

Prism Energy, Inc. (Prism Energy)

Prism Energy was incorporated in March 2009 as a Joint Venture between AboitizPower and Vivant Corporation. It was granted a license to act as a RES valid until November 21, 2023.

Prism Energy is envisioned to serve Contestable Customers in the Visayas region. As a RES, Prism Energy provides its customers with contract options for electricity supply that is based on their operating requirements. In 2023, Prism Energy supplied retail electricity to 21 customers with a total energy consumption of 57.92 mn kWh.

As of February 29, 2024, AboitizPower directly owned a 60% equity interest in Prism Energy.

SN Aboitiz Power – Res, Inc. (SN Aboitiz Power – Res)

SN Aboitiz Power-RES caters and offers energy supply and solutions tailored to the needs and preferences of customers under the Retail Competition and Open Access (RCOA) market. Starting February 2021, the RCOA market has lowered its threshold to Phase III, allowing electricity end-users with an average peak demand of at least 500kW to source their electricity requirements from their RES of choice.

SN Aboitiz Power-RES is the retail arm of the SN Aboitiz Power Group. It caters to Contestable Customers and electricity consumers using an average of at least 500 KW in the last twelve

months across all industries under Open Access. It offers energy supply packages tailored to its customers' needs and preferences.

As of February 29, 2024, MORE owned a 60% equity interest in SN Aboitiz Power-RES, with the remaining 40% owned by SN Power Philippines.

Mazzaraty Energy Corporation (Mazzaraty)

Mazzaraty was incorporated on June 19, 2014 as a joint venture among Aboitiz Power, Pasudeco Corporation, L&R Development, Inc., and Alfecon Realty, Inc. It was granted a license to act as a RES that is valid until June 18, 2023. Mazzaraty's RES contracts with its customers expired in 2021. The company was unable to supply electricity to customers in 2022 due to high coal prices.

As of February 29, 2024, AboitizPower owned 44.87% of Mazzaraty.

(ii) Sales

The operations of AboitizPower and its Subsidiaries and Affiliates are based only in the Philippines.

Comparative amounts of revenue, profitability and identifiable assets are as follow:

	2023	2022	2021
Gross Income	₱207,100	₱193,994	₱134,359
Operating Income	31,785	29,803	28,210
Total Assets	**₱487,023**	**₱477,594**	**₱427,416**

Note: Values are in Million Pesos. Operating income is operating revenue net of operating expenses.

Comparative amounts of revenue contribution and corresponding percentages to total revenue by business group are as follows:

	2023		2022		2021	
Power Generation	**₱137,376**	**57%**	₱137,480	59%	₱97,337	59%
Power Distribution	**54,735**	**23%**	58,951	25%	45,628	28%
Retail Electricity Supply	**46,396**	**19%**	19,875	9%	19,875	12%
Services	**2,187**	**1%**	17,042	7%	1,033	1%
Total Revenue	**₱240,694**	**100%**	233,348	100%	163,874	100%
Less: Eliminations	**-33,594**		-39,355		-29,514	
Net Revenue	**₱207,100**		₱193,994		₱134,359	

Note: Values are in Million Pesos.

(iii) Distribution Methods of the Product or Services

POWER GENERATION BUSINESS

The AboitizPower's Generation Companies sell their capacities and energy through bilateral PSAs with private distribution utilities, electric cooperatives, RES, other large end-users, and through the WESM. The company has Subsidiaries and Affiliates that sell ancillary services through ASPAs with NGCP. The majority of AboitizPower's Generation Companies have transmission service agreements with NGCP for transmission of electricity to the grid.

DISTRIBUTION UTILITIES BUSINESS

Ancillary Services are necessary to help ensure a reliable and stable grid, which co-exist with the energy market or WESM. NGCP signs ASPAs with AS-certified generators to fulfill specific ancillary service requirements per grid. Currently, SN Aboitiz Power-Magat, SN Aboitiz Power-Benguet, TMI, TMO, TLI, APRI, Cebu Energy, and WMPC have ASPAs with NGCP. In Luzon, SN Aboitiz Power Group, TMO, TLI, and APRI provide various ancillary services such as regulating reserves, voltage support, contingency reserves, and reactive power support. In the Visayas, AboitizPower through Cebu Energy

delivers contingency ancillary service. Meanwhile, TMI fulfills both contingency and dispatchable reserves requirements in Mindanao. Additionally, the DOE has mandated a Competitive Selection Process (CSP) for Ancillary Services procurement nationwide, aiming for transparency and efficiency. AboitizPower plans to actively participate in meeting the critical AS requirements across all grids.

The Hedcor Tudaya Hydro 2, Hedcor Irisan Hydro 1, Hedcor Sabangan, Hedcor Manolo Fortich 1 and 2, and Hedcor La Trinidad Hydro plants, all operating commercially, have received approval for inclusion in the Feed-in Tariff (FIT) system.

In the absence of WESM in Mindanao, Tudaya Hydro 2, and Manolo Fortich Hydro 1 and 2 have entered into Renewable Energy Supply Agreement (RESA) with their host distribution utilities or electric cooperatives.

AboitizPower's Distribution Utilities have exclusive distribution franchises in the areas where they operate. Each Distribution Utility has a distribution network consisting of a widespread network of predominantly overhead lines and substations. Customers are classified according to voltage levels based on their electricity consumption and demand. Large industrial and commercial consumers receive electricity at distribution voltages of 13.8 kV, 23 kV, 34.5 kV, and 69 kV, while smaller industrial, commercial, and residential customers receive electricity at 240 V or 480 V.

With the exception of Malvar Enerzone, all of AboitizPower's Distribution Utilities have entered into transmission service contracts with NGCP for the use of NGCP's transmission facilities to receive power from PSALM to their respective independent power producers to their respective customers. All customers that connect to the Distribution Utilities' distribution lines are required to pay a tariff approved by ERC.

RETAIL ELECTRICITY SUPPLY BUSINESS

AboitizPower's wholly-owned RES companies, Adventenergy and AESI, have existing electricity supply contracts to ensure continuous supply of power to their customers. Adventenergy and AESI maintain a portfolio of supply contracts from renewable and non-renewable sources to secure reliable and affordable electricity for their customers. These electricity supply contracts involve a mix of fixed rates and indexed electricity fees that are updated year on year to ensure that supply is maintained at competitive rates. Prism Energy primarily serves contestable customers under the Visayan Electric franchise.

In addition, APRI and TLI were also granted RES licenses in 2020 and became registered members of the Renewable Energy Market last July 6, 2021. They were granted operating permits by the DOE, valid for five years, allowing them to participate in GEOP as well.

(iv) New Products/Services

On March 1, 2024, AboitizPower, indirectly through its wholly-owned Subsidiary, Therma NatGas Power, Inc. (TNGP) entered into an investment agreement with Meralco Powergen Corporation (MGen) to acquire a 40% equity interest in Chromite Gas Holdings, Inc. With TNGP's investment in Chromite Gas, Chromite Gas becomes 60% and 40% legally and beneficially owned by MGen and TNGP, respectively. Chromite Gas intends to acquire a 67% equity interest in each of the 1,278 MW Ilijan power plant, the 1,320 MW combined cycle power facility, currently under construction, and the LNG import and regasification terminal owned by Linseed Field Corporation.

Other than the foregoing and other ongoing Greenfield and/or rehabilitation projects undertaken by AboitizPower's Generation Companies, AboitizPower and its Subsidiaries do not have any publicly announced new products or services as of March 1, 2024.

(v) Competition

POWER GENERATION BUSINESS

AboitizPower's power generation business confronts significant competition in both developing new

facilities and acquiring existing plants. The competition extends to securing financing, meeting renewable energy demands, and navigating market volatility, particularly with coal prices. Despite pandemic challenges, consumption has rebounded, presenting opportunities for AboitizPower to capitalize on higher spot prices by ensuring plant availability. As the Philippines' energy needs grow, multinational and local competitors are increasingly exploring power generation projects, with AboitizPower strategically aiming to expand its renewable energy assets to 50% by the decade's end. Notable competitors include TeaM Energy, EGCO, Korea Electric Power Corporation, and Filipino-owned companies like AC Energy, Alsons Power Group, DMCI Holdings, FDC Utilities, First Gen Corporation, Meralco PowerGen Corporation, and SMC Global Power.

RETAIL ELECTRICITY SUPPLY BUSINESS

Based on ERC's Competitive Selection Retail Electricity Market (CREM) Monthly Statistical Data as of July 2023, there are 47 RES companies and 29 Local RES companies participating in the Open Access markets in Luzon and Visayas. AboitizPower and Subsidiaries have the largest market share at 31.56%, with a contracted capacity of 1,299.55 MW. The Meralco Group, through its local RES and affiliate RES companies, has the second-largest market share at 28.54%, with contracted capacity of 1,175.80 MW as of July 2023. The San Miguel Group has the third largest market share at 11.32%, with a contracted capacity of 466.09 MW.

The increase in the number of power plants, the number of RES companies, and volatile oil and coal prices have also increased the level of competition in the Open Access market. RES companies have resorted to both aggressive pricing and contractual concessions.

AboitizPower believes that its portfolio, consisting of different types of energy sources with a mix of renewables and non-renewables, allows it to be flexible in both pricing and reliability of supply, thus enhancing its competitiveness and allowing it to become the market leader in 2023.

DISTRIBUTION UTILITIES BUSINESS

Each of AboitizPower's Distribution Utilities currently have franchises to distribute electricity in the areas covered by its franchises.

(vi) Sources of Raw Materials and Supplies

POWER GENERATION BUSINESS

The Generation Companies produce energy using the following fuel types based on attributable net selling capacity: 13.2% hydropower, 7% geothermal, 1% solar, 67.8% coal, and 12% oil. In 2023, renewable fuel sources comprised 21% of attributable net selling capacity, while thermal accounted for 79%.

AboitizPower currently manages and operates 22 hydropower plants that supply the country with over 278 MW of clean and renewable energy. As a leading hydropower operator in the Philippines, Hedcor helps communities and businesses sustainably reach a better and greener tomorrow through power generation that is least disruptive to the environment.

APRI's steam requirement for its geothermal power generation continues to be supplied by PGPC. The terms of the steam supply are governed by a Geothermal Resources Supply and Services Agreement. Under the agreement, the price of steam is based on 50% of the Marketing Clearing Prices starting September 26, 2021. Prior to this date, the price of steam was ultimately indexed to the Newcastle Coal Index and the Japanese Public Utilities coal price. APRI and PGPC signed a new agreement on August 24, 2018 under which PGPC will drill 12 new production wells with a minimum of 50 MW aggregated individual well capacity by 2023. This was completed in April 2023.

Oil-fired plants use heavy fuel oil and automotive diesel oil to generate electricity. WMPC sources heavy fuel oil from Northern Star Energy Corporation. Each of EAUC, CPPC, TMI, TMO, and TPVI secured its heavy fuel oil requirements from Pilipinas Shell, Marine Fuels Philippines, and/or SL Harbor Bulk Terminal Corporation. The fuel prices under these agreements are pegged to the Mean of Platts

Singapore index.

Both Coal-fired and Oil-fired power plants require automotive diesel oil during startup. These are all purchased from Chevron Philippines, Inc. under a term contract and are pegged to the Means of Platts Singapore index.

TLI for Pagbilao Unit 3, TVI, and TSI have long-term coal supply contracts until 2025 for the majority of their annual requirements. Likewise, GNPD, GMEC, and Cebu Energy also have long-term coal supply agreements.

TLI for Pagbilao Units 1 and 2, and SPI are presently undergoing multiple testings of new coal supply sources with lower calorific value to improve fuel cost prices. Long-term contracts will be entered into within the year upon completion of said tests.

POWER DISTRIBUTION BUSINESS

AboitizPower's power generation business relies on bilateral agreements for the purchase of electricity by its Distribution Utilities from affiliated Generation Companies, subject to approval by the Energy Regulatory Commission (ERC) and limitations on purchasing no more than 50% of their requirements from affiliated entities. Long-term power supply needs are addressed through Power Supply Contracts (PSCs), Electric Power Purchase Agreements (EPPAs), and Power Sales Agreements (PSAs) with various suppliers. For example, Davao Light secured agreements with TSI, San Miguel Consolidated Power Corporation (SMCPC), Hedcor Sibulan, TMI, and FDC Misamis Power Corporation to meet demand and renewable energy standards. Similarly, Visayan Electric established contracts with Cebu Energy, GCGI, and TVI for long-term supply. Subic Enerzone and Lima Enerzone conducted Competitive Selection Processes (CSPs) to minimize exposure to the Wholesale Electricity Spot Market (WESM), awarding contracts to Masinloc Power Partners Co. Ltd. (MPPCL) and TLI, respectively. Distribution Utilities' PPAs are governed by ERC regulations, covering aspects such as electricity amount, pricing, and contract duration.

Transmission Charges

AboitizPower's Distribution Utilities have existing Transmission Service Agreements (TSAs) with the NGCP for the use of the latter's transmission facilities in the distribution of electric power from the Grid to its customers, which are valid until the dates specified below:

Distribution Utility	Valid until
Lima Enerzone	July 25, 2027
Cotabato Light	August 25, 2028
SFELAPCO	December 25, 2023*
Davao Light	January 25, 2024*
Visayan Electric	January 25, 2024*
Mactan Enerzone	January 25, 2025
Balamban Enerzone	January 25, 2025
Malvar Enerzone	December 25, 2025

* Prior to the expiry of their TSAs, Mactan Enerzone, SFELAPCO, Davao Light, and Visayan Electric have already applied and submitted the requirements for renewal.

The Distribution Utilities have negotiated agreements with the NGCP in connection with the security deposit to secure their obligations to the NGCP under the TSAs.

(vii) Major Customers

POWER GENERATION BUSINESS

As of February 29, 2024, out of the total electricity sold by AboitizPower's Generation Companies, approximately 82% was covered by bilateral contracts with, among others, private distribution

utilities, electric cooperatives, and industrial and commercial companies. The remaining, approximately 18%, was sold by the Generation Companies through the WESM.

RETAIL ELECTRICITY SUPPLY BUSINESS

As of February 29, 2024, AboitizPower's RES business had approximately 491 Contestable Customers under RCOA and seven end-users under GEOP with active contracts. These customers come from a wide number of industries, including property development, meat processing, semiconductors, steel, and cement. AboitizPower thus believes that this diversity will insulate its RES business from downturns in any one industry.

POWER DISTRIBUTION UTILITIES

AboitizPower's Distribution Utilities have wide and diverse customer bases. As such, AboitizPower believes that loss of any one customer is not expected to have a material adverse impact on the company. The Distribution Utilities' customers are categorized into four principal categories:

(a) *Industrial customers.* Industrial customers generally consist of large-scale consumers of electricity within a franchise area, such as factories, plantations, and shopping malls;
(b) *Residential customers.* Residential customers are those who are supplied electricity for use in a structure utilized for residential purposes;
I *Commercial customers.* Commercial customers include service-oriented businesses, universities, and hospitals; and
(d) *Other customers.* Customers not falling under any of the above categories.

Government accounts for various government offices and facilities are categorized as either commercial or industrial depending on their load. Each Distribution Utility monitors government accounts separately and further classifies them to local government accounts, national government accounts, or special government accounts like military camps. Streetlights have a different rate category and are thus monitored independently.

(viii) Transactions with and/or Dependence on Related Parties

AboitizPower and its Subsidiaries, in their regular conduct of business, have entered into transactions with Associates and other related parties principally consisting of professional and technical services, power sales and purchases, advances, various guarantees, construction contracts, aviation services, and rental fees. These are made on an arm's-length basis as of the time of the transactions.

Details of the significant account balances of the foregoing related party transactions of the Group can be found in the accompanying consolidated financial statements of AboitizPower.

(ix) Patents, Copyrights and Franchises

AboitizPower and its Subsidiaries have secured all material permits required to operate its businesses. These are further discussed below.

POWER GENERATION BUSINESS

Power generation is not considered a public utility operation under RA No. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA). Thus, a franchise is not needed for generation companies to engage in the business of power generation. Nonetheless, no person or entity may engage in the generation of electricity unless such person or entity has secured a Certificate of Compliance (COC) from ERC to operate a generation facility and has complied with the standards, requirements, and other terms and conditions set forth in the said COC.

In its operations, a Generation Company is required to comply with technical, financial and environmental standards. Further, a Generation Company shall ensure that its facilities connected to the Grid meet the technical design and operation criteria of the Philippine Grid Code, Philippine Distribution Code, and Philippine Electrical Code.

Cotabato Light has its own generation facilities and is required under the EPIRA to obtain a COC. Davao Light's generation facility was decommissioned last November 26, 2018.

For IPPAs such as TLI, the COCs issued to the Independent Power Producers (IPPs) of the relevant generation facilities are deemed issued in favor of the IPPAs. As such, the IPPAs are also bound to comply with the provisions of the Philippine Grid Code, Philippine Distribution Code, WESM rules, and applicable rules and regulations of ERC.

AboitizPower's HEPPs are required to obtain a water permit from NWRB for the water flow used to run their respective hydroelectric facilities. The permit specifies the source of the water, the allowable water volume, and the terms and conditions of its use. The water permit continues to be valid as long as the water is beneficially used.

AboitizPower, its Subsidiaries, and Affiliates are in various stages of development of several projects. Some of these projects have been awarded Renewable Energy Service contracts by the DOE.

The Generation Companies and Cotabato Light, a Distribution Utility, possess COCs for their power generation plants, details of which are enumerated in the attached **Annex "H**".

DISTRIBUTION UTILITIES BUSINESS

Under the EPIRA, the business of electricity distribution is a regulated public utility business that requires a franchise that can be granted only by Congress. In addition to the legislative franchise, a CPCN from ERC is also required to operate as a public utility. However, distribution utilities operating within economic zones are not required to obtain a franchise from Congress, but must be duly registered with PEZA in order to operate within the economic zone.

All distribution utilities are required to submit to the ERC a statement of their compliance with the technical specifications prescribed in the Philippine Distribution Code, which provides the rules and regulations for the operation and maintenance of distribution systems, and the performance standards set out in the implementing rules of the EPIRA.

Shown below are the respective expiration periods of the Distribution Utilities' legislative franchises:

Distribution Utility	Franchise	Term	Expiry
Visayan Electric	RA No. 9339	25 years from effectivity of RA No. 9339. RA No. 9339 was approved on September 1, 2005.	Valid until September 24, 2030
	ERC Certificate No. CPCN-09-01 (ERC Decision dated January 26, 2009, ERC Case No. 2008-095 MC).	25 years, or from September 24, 2005 to September 24, 2030	
Davao Light	RA No. 8960	25 years from effectivity of RA No. 8960, or from September 7, 2000	September 7, 2025
	ERC CPCN Decision dated February 26, 2002, ERC Case No. 2001-792	25 years, or from September 7, 2000 to September 7, 2025	September 7, 2025
	RA No. 11515	5 years from expiration of the term granted under RA No. 8960, or from September 7, 2025 to September 7, 2050 (Lapsed into law on December 26, 2020)	Valid until September 7, 2050

Cotabato Light	RA No. 10637	25 years from the effectivity of RA No. 10637, as amended. RA No. 10637 was approved on June 16, 2014.	Valid until June 16, 2039
	ERC Certificate No. CPCN-14-001 (ERC Decision dated December 9, 2019, ERC Case No. 2013-063 MC)	25 years, or from June 17, 2014 or until June 16, 2039	
SFELAPCO	RA No. 9967	25 years from effectivity of RA No. 9967 (Lapsed into law on February 6, 2010)	Valid until March 23, 2035
	ERC Certificate No. CPCN-10-01 (ERC Decision dated August 31, 2010, ERC Case No. 2010-029 MC)	25 years, or from March 24, 2010 to March 23, 2035	
Subic Enerzone	Distribution Management Service Agreement (DMSA) between Subic Enerzone and Joint Venture of AEV- Davao Light	Notarized on May 15, 2003. Term of the DMSA is 25 years.	Valid until May 15, 2028.

Mactan Enerzone, Balamban Enerzone, Lima Enerzone, and Malvar Enerzone which operate the power distribution utilities in MEPZ II, WCIP, LTC, and LISP IV respectively, are duly registered with PEZA as Ecozone Utilities Enterprises.

RETAIL ELECTRICITY SUPPLY BUSINESS

Like power generation, the business of supplying electricity is not considered a public utility operation under the EPIRA, but is considered a business affected with public interest. As such, the EPIRA requires all suppliers of electricity to end-users in the contestable market, other than distribution utilities within their franchise areas, to obtain a license from ERC. With the implementation of Open Access in 2013, AboitizPower's RES Subsidiaries and Generation Companies with RES licenses, AESI, Adventenergy, APRI, SN Aboitiz Power – Magat, SN Aboitiz Power – RES, Prism Energy, and TLI, have all obtained separate licenses to act as RES.

Trademarks

AboitizPower and its Subsidiaries own, or have pending applications for the registration of, intellectual property rights for various trademarks associated with their corporate names and logos. Please refer to **Annex "G-2"** to see trademark application that AboitizPower and its Subsidiaries have secured or have pending application with Philippine Intellectual Property Office (Philippine IPO) and intellectual property office abroad.

(x) Government Approval

The discussion on the need for any government approval for any principal products or services of the company and its Subsidiaries, including COCs obtained by the Generation Companies and franchises obtained by the Distribution Utilities, is included in item (ix) Patents, Copyrights and Franchises.

(xi) Effect of Existing or Probable Governmental Regulations

AboitizPower and its Subsidiaries are subject to the laws generally applicable to all Philippine corporations, such as corporation law, securities law, tax laws, data privacy law, and the Local Government Code. All Philippine corporations are also subject to labor laws and social legislation, including RA No. 11199 or the Social Security Act of 2018, RA No. 10606 or the National Health

Insurance Act of 2013, RA No. 11223 or the Universal Health Care Act, RA No. 9679 or the Home Development Mutual Fund Law of 2009, The Philippine Labor Code and its implementing rules, and other labor-related laws, regulations, and DOLE mandated work-related programs.

The Aboitiz Group closely monitors its compliance with the laws and government regulations affecting its businesses. For a detailed discussion on the regulatory framework of the power industry, please refer to page 79 of AboitizPower's Information Statement on Existing or Probable Governmental Regulations.

(xii) Amount Spent on Research and Development Activities

AboitizPower and its Subsidiaries do not allot specific amounts or fixed percentages for research and development. All research and development activities are done by AboitizPower's Subsidiaries and Affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

(xiii) Costs and Effects of Compliance with Environmental Laws

AboitizPower's generation and distribution operations are subject to extensive, evolving, and increasingly stringent safety, health, and environmental laws and regulations. These laws and regulations address concerns relating to: (a) air quality and greenhouse gas (GHG) emissions; (b) wastewater discharges; (c) the generation, handling, storage, transportation, treatment and disposal of toxic or hazardous chemicals, materials, and wastes; (d) workplace condition (e) and employee's exposure to hazardous substances.

Standard laws and regulations that govern business operations include the Clean Air Act (RA No. 8749), Ecological Solid Waste Management Act (RA No. 9003), Clean Water Act (RA No. 9275), Toxic Substances and Hazardous and Nuclear Wastes Control Act (RA No. 6969), Philippine Environmental Impact Statement System (PD No. 1586), and Occupational Safety and Health Standards (RA No. 11058). The RE Law also added new and evolving measures that must be complied with. These laws usher in new opportunities for the AboitizPower and set competitive challenges for the businesses covered. Additional regulations such as DOE's Energy Regulation No. 1-94 ("ER 1-94") require companies to allocate funds for the benefit of host communities for the protection of the natural environment and for the benefit of the people living within the area. Further, funds are set for the management of carbon sinks and watershed areas through a nationwide reforestation program.

AboitizPower and its Subsidiaries have allocated budgets for environmental expenditures covering costs for waste disposal, remediation, pollution control, environmental initiatives and programs that support climate strategies along with its impact. All facilities are in compliance with regulatory requirements, thus noting zero spending for remediation costs.

AboitizPower and its Subsidiaries remain committed to align with international best practices in all power plants and distribution utilities consistent with its Safety, Health, and Environment Policy. This is exemplified with the attainment of 93% ISO certification for the management systems of Quality, Environment, Occupational Health and Safety. AboitizPower Subsidiaries under the Oil and Coal Business Units were recertified in 2022. Meanwhile, the AboitizPower Distribution Utilities, except for Malvar Enerzone, have maintained their certifications on ISO 9001:2015 Quality Management System, ISO 45001:2018 and ISO 14001:2015 Environmental Management System.

In 2023, continuous improvement in managing environmental impacts is evident, as seen in its increased total environmental management expenses at ₱109.1 mn and environment-related capital expenditure (CAPEX) of ₱22.6 mn. This consists of ₱50.3 mn for the Renewables Group, ₱62.3 mn for the Thermal Group, ₱19.2 mn for the Distribution Utilities. The distribution of the total expenses are as follows: (i) 49% for Internal Initiatives and Programs including compliance monitoring; (ii) 28% for External Initiatives; (iii) 19% for Waste Disposal; and (iv) the remaining 4% is other expenses such as permits and rentals. As the company is keen on ensuring compliance with Hazardous Waste Management regulations, a significant portion of the spending was on the renovation of waste holding facility, sound disposal of asbestos-containing material as well as the testing and disposal of polychlorinated biphenyls (PCB)-containing oils and equipment. The Coal Business Unit invested in

purchasing contingency instruments to ensure continuity of real-time emissions monitoring in cases of unplanned unavailability of the Continuous Emissions Monitoring Systems (CEMS).

AboitizPower goes beyond mere compliance with environmental regulations by actively supporting various environmental initiatives. The company participated in programs such as Adopt an Estero/Waterbody and donated Continuous Ambient Air Monitoring Systems to the Environmental Management Bureau of the DENR. In 2023 alone, AboitizPower engaged in 45 environmental activities, contributing to the planting of 353,975 trees across approximately 3,100 hectares with the assistance of nearly 2,447 volunteers. Additionally, the company organized and conducted 61 coastal and river clean-up efforts, resulting in the collection of approximately 30,855 kilograms of waste and the mobilization of 3,374 volunteers.

Moreover, AboitizPower is committed to biodiversity conservation through initiatives like Davao Light's E-HINLO, Visayan Electric's Adopt Guadalupe River, Adopt Tigas River, Hedcor's Project Eagle Patroller, Therma Visayas' Coastal Resource Management Program, Therma Power Visayas' Adopt Pangdan River, Therma South's Adopt Macaring and Inawayan Creeks, and SN AboitizPower-Benguet's Adopt Agno-Ambalaga River. To promote responsible water use, SN AboitizPower-Benguet has implemented effluent reuse from its Sewage Treatment Plant as part of its water stewardship efforts.

AboitizPower and its Subsidiaries received a total of 34 awards, certifications, and citations in 2023 concerning Safety, Health, and Environmental Services (SHES). To highlight a few: (1) ECOalition Award for Therma South and Therma Visayas, (2) Gawad Kaligtasan at Kalusugan for SNAP Benguet (3) Gawad Kalasag National and Regional Champion for SN AboitizPower-Magat (4) National Awards (KAPAKANAN)-Kaagapay sa Pag-aalaga sa Kalikasan Natin Award for Therma Marine 2. These accolades underscore the dedication of AboitizPower and its Subsidiaries to upholding the highest standards of safety, health, environmental stewardship, and sustainability.

In 2023, AboitizPower and its Subsidiaries did not incur any major sanctions for violation of environmental standards and laws. AboitizPower continues to be cognizant of new opportunities to comply with regulatory requirements and improvement of systems to promote safety and prevent adverse impacts to the environment or affected ecosystems.

(xiv) Employees

At the parent company level, AboitizPower had a total of 610 employees as of February 29, 2024. These include executives, managers, supervisory, and rank-and-file staff employees. There is no existing Collective Bargaining Agreement (CBA) covering AboitizPower employees.

The following table provides a breakdown of total employee headcount on a per business group basis, according to employees' function, as of February 29, 2024:

Business Group	Number of Employees					Unionized Employees	Expiry of CBA
	Total	Executives	Managers	Supervisors	Rank & File		
Aboitiz Power	610	115	145	121	229	0	N/A
Generation Companies							
Run-of-River Hydros	453	15	28	56	354	74	September 19, 2028 (Hedcor)
Large Hydros	236	23	50	87	76	0	N/A
Geothermal	311	12	33	65	201	0	N/A
Solar	6	0	0	2	4	0	N/A
Oil	364	8	29	81	246	0	N/A
Coal*	1,364	38	81	321	924	0	N/A
RES	5	0	0	1	4	0	N/A
Distribution Utilities*	922	16	67	147	692	330	December 31, 2026 (Visayan Electric) June 30,

							2024 (Cotabato Light) June 16, 2026 (Davao Light) May 9, 2024 (SFELAPCO)
Total No. of Employees	**4,271**	**227**	**433**	**881**	**2,730**	**404**	

**Data for SPPC and WMPC (Oil Group) is as of February 28, 2023.*

AboitizPower does not anticipate any significant increase in manpower within the next 12 months unless new development projects and acquisitions would materially require an increase.

(xv) Major Risk/s Involved in the Business

An integral part of AboitizPower's Enterprise Risk Management (ERM) efforts is to anticipate, understand, and address the risks that the company may encounter in its businesses.

Risk management is integrated in the AboitizPower strategic and operational planning and decision-making processes to support intelligent risk-taking. Management and operating teams identify and assess the risk areas that may impact the company's strategic objectives and day-to-day business operations. In addition, the company develops key risk treatment plans to address the drivers of the company's top risks, as well as emerging risks that may also significantly impact its business and stakeholders. The risk management processes, which include ESG focus areas, business continuity management, and risk transfer strategies, are also embedded in the organizational planning and risk management processes. BCM, risk transfer, and financing are the other pillars of the ERM approach that are actively being implemented and continuously developed by AboitizPower.

Risk management planning in Aboitiz Power is an iterative process that is conducted at least semi-annually for strategic risks. Most of the top or strategic risks that are captured at the corporate or AboitizPower level originated from risks reported by the corporate support and business units. The AboitizPower business units review operational risks and implement mitigation measures as part of day-to-day operations. At the end of every review period, strategic and emerging risks are reported to the highest management committee and the Board Risk and Reputation Management Committee.

Following the completion of the 2023 year-end strategic risk consolidation at AboitizPower, the following top or strategic risks have been identified and reported to the senior management executives:

1. Cyber and Information Security

AboitizPower acknowledges the risks associated with global information security breaches, the rising frequency of industry driven cyber attacks, and the growing complexities posed by digital transformations. Management also recognizes the imperative to address information security threats to both prevent targeted and non-targeted attacks which can adversely disrupt business operations and customer services and result in serious impacts to the Company's bottom line and reputation.

In 2023, AboitizPower took significant steps to enhance its protection protocols, aiming to secure both its OT and IT environments from potential cyber threats. Specifically, within the realm of OT, the Power Generation and Distribution Utilities Business Groups of the company have initiated and are in the process of finalizing the implementation of a standardized, company-wide OT Security Minimum Standard. These initiatives reflect a dedicated effort to establish consistent and robust security measures across the organization's operational technology infrastructure.

AboitizPower aligns with the Aboitiz Group-wide Cyber Security Program, specific governance frameworks, standards, training and culture-building, and OT Security projects. Its Information Security Management System (ISMS) discipline is a central component of AbotizPower's Cybersecurity strategy and will continue to be embedded in all three fundamental pillars of Information and

Operational Systems Security, namely, People, Process, and Technology. By embedding cybersecurity principles within these pillars, AboitizPower aims to fortify its defenses and ensure a holistic and resilient cybersecurity framework.

Further, AboitizPower has achieved successful implementation of various security measures. These include the deployment of Continuous Threat Detection (CTD), network segmentation, firewalls, critical endpoint protection, and Secure Remote Access (SRA), among other security measures. These proactive steps underscore the organization's dedication to maintaining a resilient cybersecurity posture and safeguarding its systems and data against emerging threats in the digital landscape. A cyber risk quantification study is under way to improve the company's in depth understanding of the potential consequences of a cyber attack.

In pursuit of attaining Level 4 in Cyber Security Maturity and fostering an information security risk-aware culture, the company has implemented robust Business Continuity Plans (BCPs) specifically designed for potential loss-of-technology scenarios. These plans are not only established but are also subjected to annual testing, thorough reviews, and continuous improvement processes. Simultaneously, a comprehensive Cyber-Security Incident Management Plan is in progress, highlighting the organization's commitment to effectively respond to cyber threats.

Cyber and Information Security risks will remain a critical item in the agenda of the company's Board Risk and Reputation Management Committee in years to come. This strategic focus underscores the organization's proactive stance in managing and mitigating risks associated with digitization and information security.

2. Regulatory

The electric power industry is characterized by a constantly evolving regulatory environment. Any shortcoming in regulatory compliance poses negative consequences in both the net income and reputation of each Business Unit and the Group. Further, the company's results of operations and cash flow could be adversely affected by the inability to predict, influence, or respond appropriately to changes in law or regulations, including any inability or delay in obtaining expected or contracted increases in electricity tariff rates or tariff adjustments for increased expenses, or any inability or delay in obtaining or renewing permits for any facilities, could adversely impact results of operations and cash flow. The company's business could also be adversely affected by any changes in laws or regulations, or changes in the application or interpretation of laws or regulations in jurisdictions where power projects are located, could adversely affect the company's business, including, but not limited to:

(a) adverse changes in tax laws including misinterpretation of statutory incentives granted to developers;
(b) changes in the timing of tariff increases or in the calculation of tariff incentives;
(c) change in existing subsidies and other changes in the regulatory determinations under the relevant concessions or grants;
(d) other changes related to licensing or permitting which increase capital or operating costs or otherwise affect the ability to conduct business affecting both the generation and distribution utility business;
(e) other changes that have retroactive effect and/or take account of revenues previously received and expose power projects to additional compliance costs or interfere with AboitizPower's existing financial and business planning; or
(f) other changes in the performance-based regulations affecting the return of capital investments which will impact prospectively.

Any of the above events may result in lower margins for the affected businesses, which could adversely affect AboitizPower's business competitiveness.

For renewable assets, pricing is fixed by regulatory arrangements which operate instead of, or in addition to, contractual arrangements. To the extent that operating costs rise above the level approved in the tariff, the Business Units that are subject to regulated tariffs would bear the risk. During the life of a project, the relevant government authority may unilaterally impose additional

restrictions on the project's tariff rates, subject to the regulatory frameworks applicable in each jurisdiction. Future tariffs may not permit the project to maintain current operating margins, which could have a material adverse effect on the Business Unit or the Group, financial condition, results of operations and prospects. Withholding of adjustment in feed-in-tariff rates for qualified plants under the portfolio of AboitizPower are risks that are being monitored and addressed through active stakeholder engagement with similarly situated developers and the ERC.

Regulatory issues related to the delivery of transmission assets owned by the NGCP in order to dispatch capacity from newly commissioned plants of AboitizPower are also being managed. AboitizPower continues to work with NGCP to minimize delay in the delivery of transmission assets as new plants begin commercial operations.

To anticipate and proactively respond to changes in regulations, the Regulatory Affairs and External Relations teams of AboitizPower constantly collaborates with the DOE and the ERC to work towards a sound and sustainable regulatory and policy environment. Similarly, the AboitizPower SHES Team keeps abreast with environmental laws and coordinates with DENR on matters pertaining to environmental compliance.

These teams, among others, actively participate in consultative processes and public consultations to provide feedback and positions on proposed laws and regulations. The company's participation likewise ensures that its interpretation of such laws and regulations is aligned with the regulators. This is done in cooperation with organized power industry groups such as the Philippine Independent Power Producers Association (PIPPA) and Philippine Electric Plant Owners Association (PEPOA). Regular dialogues are conducted with host communities, media, non-government organizations, and the academe, to educate and update various groups about the power industry.

3. Operations

The loss of, and/or damage to, facilities caused by natural calamities such as earthquakes, typhoons, and floods may result in significant business interruptions within AboitizPower. Interruptions may also be caused by other factors such as critical equipment breakdown, Information Technology (IT) and OT security breaches, fires and explosions, hazardous waste spills, workplace injuries and fatalities, terrorism, and other serious risks.

Planned maintenance and overall outage management of AboitizPower's generation facilities and its critical equipment and OT infrastructure and systems are governed by asset management standards based on global best practices. All of AboitizPower's operational generation facilities have achieved asset management certifications based on ISO 55001:2014 standard. Recently commissioned plants will also be lined up for certification.

On the other hand, distribution network availability and reliability targets have consistently been aligned with the performance-based standards set by the ERC.

All of the company's Business Units have also achieved OSHAS 18001 certification, a British standard which is focused on controlling occupational health and safety hazards. AboitizPower companies are also transitioning to the ISO 45001 standard to drive a risk-based culture with more proactive approaches toward mitigating risks before they happen. To further reinforce industrial fire safety, an annual in-house training program on Fixed Fire Fighting Systems of the U.S. National Fire Protection Association is conducted for operations, maintenance, and safety personnel.

The Business Units at AboitizPower regularly undertake a comprehensive development, review, updating, implementation, testing, and improvement of their BCPs. This dynamic approach ensures that the plans remain relevant to current business conditions and effectively address the uncertainties and challenges faced by the Company. Some of these key enhancements include: (a) site-specific threat assessment; (b) typhoon preparedness; (c) regular emergency drills and simulation exercises on various scenarios related to other natural and man-made calamities; and (d) post-event evaluations to ensure that employees are able to respond effectively and safely as planned.

As part of its continuous improvement efforts, AboitizPower is exploring the expansion of business continuity strategies on a geographic regional scale. This approach seeks to enhance coordination among several plants, fostering a more synchronized and efficient response to potential disruptions as aligned to the DOE Energy Resilience Plan.

Furthermore, to elevate the existing BCM framework and practices, AboitizPower has transitioned from a scenario-based approach to an impact-based approach. This shift aims to achieve organizational resilience by prioritizing the understanding and management of potential impacts on the business, ensuring a more comprehensive, adaptive and robust response to a variety of disruptive events.

AboitizPower has established group insurance programs that leverage the company's portfolio of generation and distribution assets, supported by robust risk modeling and quantification techniques, which are subjected to regular periodic reviews. The company is committed to ensuring that its Business Units have the most suitable insurance solutions in place, striking the optimal balance between retaining and transferring risks while effectively managing the Total Cost of Insurable Risk. As such, the company procures business interruption insurance to safeguard against potential losses in gross profits resulting from significant damage to critical plant assets. The company is undertaking a major initiative to explore alternative risk transfer strategies. This includes efforts to optimize loss indemnity and risk retention, aligning with the company's goal to enhance the efficiency and effectiveness of its risk management practices. By proactively managing risk through insurance solutions and exploring innovative risk transfer strategies, AboitizPower aims to strengthen its resilience against potential financial losses and disruptions, thereby ensuring the continuity and sustainability of its operation while preserving business competitiveness.

4. Sustainability

Investments are at risk if these are not able to sustain a viable economic return due to a combination of technology, regulatory, and/or market changes. Among these changes, ESG strategies continue to be the trend in the global community where investors are seeking to mitigate exposure to fossil-based fuel and diversifying portfolios to expand renewable energy capacity. In the event that future laws or contracts are enacted imposing restrictions on operations and refinancing, particularly in relation to power plants utilizing fossil fuels, certain capital expenditures or operating expenses or financing costs may not be fully recoverable.

The growing multi-sectoral negative action against coal has led many financial institutions to restrict investments in coal businesses and projects. The following are important considerations to the company's existing portfolio and strategic project pipeline, where coal concentration will significantly be reduced by the year 2030:

a. Difficulty in insurance procurement or renewal, where insurers' policy on coal underwriting and investing are also aligned with the same global trends on sustainability and ESG issues. While insurers are still willing to cover coal plants, the resulting impact is significantly higher premium rates for coal insurance year on year. Inability to fill up 100% capacity due to the reluctance or withdrawal of some insurance markets to insure coal plants has prompted the Company to resort to alternative risk transfer strategies. Other noteworthy risk drivers are the hardening of the insurance market aggravated by economic uncertainties, natural catastrophe losses, and the current global geopolitical tensions;
b. Financing and refinancing risks in terms of the company's inability to borrow money to fund future projects due to current investments in coal. While banks are still willing to lend, the cost of project financing will be less competitive;
c. Withdrawal of technical support by critical contractors and suppliers from construction and/or maintenance thermal power plants in line with global trends on sustainability; and
d. Sourcing of fuel (coal and oil) due to global price volatility because of supply and demand fundamental affected by pressure on the continued operation of mines.

The Philippines is a party to the 2015 Paris Agreement signed by almost 200 nations. The Paris Agreement aims to keep the increase in global average temperature to well below 2°C above pre-industrial levels and to limit the increase to 1.5°C, since this would substantially reduce the risks and

effects of climate change. As a party to the agreement, the Philippines may impose more stringent regulations, particularly on coal-fired power plant emissions, requiring expensive pollution controls on coal-fired power plants, among other measures. These measures may significantly increase costs of coal-fired power plants and, at the same time, increase the cost competitiveness of renewable energy.

Recently promulgated implementing rules and regulations by the DOE on "Renewable Portfolio Standards" also mandate electric power industry participants (such as generation companies, distribution utilities and electric cooperatives) to source or produce a portion of their electricity requirements from eligible renewable energy resources and undertake CSPs in sourcing renewable energy. Although unlikely, a significant portion of the captive market may shift away from coal and other hydrocarbon fuels, which may expose the coal-fired power plants of the company to stranded-asset risk (i.e., hazard of an asset suffering from an unanticipated write-down, devaluation, or conversion to liability).

AboitizPower is cognizant of the regulatory and market drivers in the shift towards green and sustainable business transformations. AboitizPower and its Subsidiaries are guided by its sustainability framework that looks into environmental, social and governance risks including climate-related risks of its value chains. Its strategy has long considered environmental sustainability as one of its key pillars and, to date, together with its partners, the Company is the largest private renewable energy operator in the Country with around 1,459 MW in installed capacity as of year end 2023.

AboitizPower's growth strategy remains aligned with the energy trilemma – balancing the three pillars of energy security, energy equity, and environmental sustainability. Over the last decade, the growth in energy demand has necessitated a focus on energy security and energy equity - the provision of reliable, and affordable energy for a growing economy. Having addressed energy security and energy equity via the presence of sufficient baseload capacity, AboitizPower has begun to shift focus back to environmental sustainability, and rebalancing its energy portfolio. This transition is included in the company's sustainability agenda, with the company targeting a mix of 50% thermal and 50% renewable energy capacity by 2030 from its current mix of 74% thermal (which are conventional or combustion power plants such as coal or fuel fired plants), and 26% renewable (which do not rely on fossil fuels).

Further, to properly assess the potential and extent of the above-mentioned risks, AEV and AboitizPower signed up to become the first Philippine supporters of the international Task Force on Climate-Related Financial Disclosures ("TCFD") in early 2020. This is a voluntary commitment to adopt a defined governance structure on identifying and addressing physical and transition risks associated with climate change, as well uncovering opportunities, and improving disclosures to provide clear and reliable information to stakeholders. Under SEC Memorandum Circular No. 4, series of 2019 on the Sustainability Reporting Guidelines for Publicly-Listed Companies ("PLCs"), there is a three-year period under which PLCs can comply, which includes the adoption of the TCFD reporting template.

As a validation to AboitizPower's ESG commitment to risk and crisis management, in the 2023 S&P Global Corporate Sustainability Assessment, AboitizPower was ranked seventh in the global ranking for risk and crisis management performance among 256 rated global companies and highest ranked among rated Philippine companies within the same industry. Good risk management is one of the ways AboitizPower is supporting its ESG performance in particular in the area of governance.

5. Financial

In the course of its operations, AboitizPower and its Subsidiaries are exposed to the following financial risks:

a. Interest rate risks resulting from the increasing cost to borrow money as a result of inflation; and
b. Foreign exchange (forex) risks in terms of forex fluctuations that may significantly affect its foreign currency-denominated placements, transactions, and borrowings. This risk is currently driven by the global economic recession and geopolitical conflict, given the impact it has on general currency markets; and the amount of natural hedge flows which may decline.

These risks constrain any expansion and growth projects. Furthermore, defaulting on existing loans and other financial obligations will consequently put the Company's reputation at risk.

To address these risks, the company carries out regular monitoring of the company's cash position and at the same time maintains good working relationships with the banks and financing institutions. AboitizPower is implementing the Group's Financial Risk Management Framework, which is a collaboration of the Group Risk and Treasury teams and designed to ensure a consistent approach in identifying, assessing, quantifying, and mitigating financial risks across the Group.

Other risks identified by AboitizPower include: Talent; Project Delivery; and Emerging Risks. A more detailed discussion on these risks can be found on page 97 of AboitizPower's Information Statement.

II. FINANCIAL SERVICES

Overview of the Business

Union Bank of the Philippines (UnionBank, or the "Bank"), originally known as Union Savings and Mortgage Bank, was incorporated in the Philippines on August 16, 1968. On January 12, 1982, it was given the license to operate as a commercial bank. UnionBank's common shares were listed on the PSE in June 1992 and shortly after, it was granted the license to operate as a universal bank on July 15, 1992. As of December 31, 2023, UnionBank's principal shareholders were AEV, the Social Security System of the Philippines (a government owned and controlled corporation that provides social security to workers in the private sector), and Insular Life Assurance Company, Ltd. (one of the leading and largest Filipino-owned life insurance companies in the Philippines).

UnionBank was among the first Philippine banks to embrace technological innovations to empower its customers. It embraces the future of banking and is committed to becoming the Philippines' leading digitally-transformed bank to best serve the growing needs of Filipinos everywhere. It distinguishes itself through technology and innovation, unique branch sales and service culture, and centralized backroom operations. The Bank leverages technology and its agile culture to meet the customers' changing and diverse needs and continuously enhance customer experience. Its unique branch sales and service culture ensure efficient and quality service as well as mitigates operational risk. The Bank's distinct centralized backroom operations enable it to provide responsive, scalable, and secure transaction processing.

UnionBank's core businesses are retail banking, consumer finance (comprising credit card services, mortgage and auto loans, personal and salary loans), corporate banking, commercial banking (comprising middle-market banking), SME banking, cash management, trust banking, treasury products distribution, funding and trading (involving management of UnionBank's liquidity and funding requirements and handling of transactions in the financial markets covering foreign exchange, fixed income trading and investments, and derivatives). In addition, UnionBank has a private banking unit which offers estate planning solutions and a global and diversified multi-asset fund to its high-net-worth and ultra-high-net-worth clients through its partnership with Lombard Odier & Co. (a Swiss global wealth asset manager), and various life insurance products through its bancassurance partnership with Insular Life. As of December 31, 2023, UnionBank and its Subsidiaries had 385 branches across the Philippines and a network of 602 ATMs.

As of December 31, 2023, UnionBank's key Subsidiaries and Affiliates include:

(i) City Savings Bank, Inc., (CSB), a thrift bank that has ownership interests in various financial institutions together with UBP Investments Corporation (UIC), including: a) First Agro Industrial Rural (FAIR) Bank, b) Bangko Kabayan Private Development Bank (Bangko Kabayan), c) Progressive Bank, Inc. (PBI), and d) Petnet. Inc.(PETNET);

(ii) UIC a holding company with the following Subsidiaries: a) First Union Plans, Inc. (FUPI), b) First Union Direct Corporation (FUDC), and c) First Union Insurance and Financial Agencies (FUIFAI);

(iii) UBX PH, the Bank's innovation and technology company with ownerships in a holding company UBX Private Limited and Shiptek Solutions Corporation;

(iv) UnionDigital, the Bank's digital banking arm licensed by the BSP and started commercial operations on July 18, 2022; and

(v) UnionBank Investment Management and Trust Corporation (UBIMTC), in November 2023, UBP received from the BSP the Certificate of Authority to operate as a stand-alone trust corporation. UBIMTC is a wholly owned subsidiary of UnionBank.

On June 23, 2021, the Bank issued a seven-year US Dollar-denominated Social Bond (the "Social Bond") amounting to US$150 mn with the International Finance Corporation (IFC) as sole investor. The proceeds of the Social Bond were allocated exclusively to qualified micro, small, and medium enterprises (MSME) loans that are screened against IFC's eligibility criteria and exclusion list. The issuance of the Social Bonds is part of the Bank's recognition and commitments to the United Nations Sustainable Development Goals, particularly on employment, the objective of Decent Work and Economic Growth. The social bonds carry an interest rate of 1.15% and are unsecured.

In July 2021, the BSP granted a digital banking license to UnionDigital. It is the only digital bank established by a universal bank among the six licensees approved by the BSP. UnionDigital was incorporated in November 2021 and started commercial operations on July 18, 2022. It is UnionBank's foray to penetrate the larger untapped retail segment in the country in a purely digital and cost-effective manner.

On October 24, 2021, the BSP approved the amendment to UnionBank's Articles of Incorporation whereby the authorized capital stock increased from ₱23.1 bn to ₱35.3 bn, divided into 2.5 billion common shares at par value of ₱10.00 and 100 million preferred shares at par value of ₱100.00. UnionBank, likewise, obtained BSP approval for the payment of 25% stock dividends, to comply with the required 25% subscription of the increase in authorized capital stock.

In December 2021, the Bank entered into a Share and Business Transfer Agreement with the subsidiaries of Citigroup Inc. ("Citi") to acquire Citi's consumer banking in the Philippines. The transaction includes Citi's credit card, personal loans, wealth management, and retail deposit businesses. The acquisition also includes Citi's real estate interests in relation to Citibank Square in Eastwood City located in Bagumbayan, Quezon City, three full-service bank branches, and five wealth centers. UnionBank's acquisition of Citi was approved by the BSP on July 18, 2022, and UnionBank became the legal owner of the business beginning August 1, 2022. The deal brought in almost 1 million new customers and ₱98.1 bn in total assets, ₱68.5 bn in loans and ₱67.1 bn in deposits. The acquisition is expected to accelerate UnionBank's objective of becoming a "Great Retail Bank" given Citi's market leadership in the credit cards, personal loans, and wealth management business segments. As of December 2023, the acquired Citi business has ₱96.6 bn in loans reflecting a 22.8% growth vs. previous year. The full-year impact of Citi contributed ₱17.2 bn in Net Revenues in 2023 compared to the 5-month Net Revenue share of ₱1.7 bn in 2022.

In May 2022, UnionBank raised ₱40 bn through a stock rights offering, with approximately 617.2 million common shares priced at ₱64.81 per share. The proceeds from the offering were deployed to partially fund the acquisition of the Citi consumer banking business.

On June 2, 2022, UnionBank successfully issued the first-ever digital peso bonds in the Philippines, raising an aggregate of ₱11 bn under its ₱39.0 bn bond program. UnionBank is the pilot user of PDTC's Proof of Concept Digital Registry & Digital Depository that uses Distributed Ledger or Blockchain Technology for registry and depository operations. The bonds, which have a tenor of 1.5 years and a fixed rate of 3.25% per annum, are listed on the PDEx for trading in the PDEx Fixed Income Market.

On November 25, 2022, UnionBank raised US$358 mn from a three-year syndicated loan with 15 lenders. Due to positive market feedback, the size was raised from the original launch size of US$150 mn. The proceeds will be used to refinance UnionBank's maturing US$ loans and existing US$ bonds, and fund its general corporate purposes.

UnionBank announced another stock rights offering in December 2022 for approximately 210.97 million shares for ₱56.88 each. The proceeds amounting to approximately ₱12 bn are mainly for the expansion of the Bank's loan portfolio and for infusion into its digital banking arm, UnionDigital. The new shares were listed on the PSE on February 6, 2023.

In February 2023, UnionBank approved the increase in its authorized capital stock from ₱35,307,852,380.00 to ₱60,307,852,380.00. The proposed increase will be used to support growth and for general corporate purposes. The increase was approve by both the BSP in August 2023 and the SEC in December 2023, respectively.

In July 2023, the SEC authorized the tripartite merger between the Bank's Subsidiaries, Bangko Kabayan, FAIR Bank, and PBI, with Bangko Kabayan being the surviving entity.

In October 2023, UnionBank completed the increase of its Peso-Denominated Bonds Program increasing the Program size to ₱ 50 bn. UnionBank's Bonds Program was initially established on April 26, 2019 with an original size of ₱ 39 bn. In November 2023, UnionBank issued its 1.5-year Senior Fixed Rate Series F Bonds due 2025 and 3-year Senior Fixed Rate Series G Bonds due 2026 in the aggregate principal amount of ₱1 billion, with an oversubscription option. The public offer period ended on November 29, 2023.

In November 2023, the BSP issued the certificate of authority for UnionBank Investment Management and Trust Corporation (UBIMTC) to operate as a stand-alone trust corporation. UBIMTC is a wholly owned subsidiary of UnionBank.

In January 2024, UnionBank announced another stock rights offering amounting to ₱10.0 bn. The net proceeds will be used to fund the capital infusion to UnionDigital, projected retail loan availments, and/or for general corporate purposes.

As of the year ended December 31, 2023, UnionBank registered consolidated net profit of ₱9.2 bn, total consolidated resources of ₱1.145 trillion, total loan portfolio of ₱526 bn, and total deposits was ₱713 bn.

For the period ended December 31, 2023, Tier 1 capital adequacy ratio was 13.0% while total capital adequacy ratio was 15.7%. Tier 1 capital adequacy ratio is determined by dividing total qualifying Tier 1 capital by total risk-weighted assets. Total capital adequacy ratio is determined by dividing total qualifying Tier 1 and Tier 2 capital by total risk-weighted assets. Both Tier 1 and total capital adequacy ratios are computed using Basel 3 standards adopted by the BSP.

(i) Products and Services

UnionBank offers a broad range of products and services, which include deposit and related services, consumer finance (comprising credit card services, mortgage and auto loans, and personal/salary loans), corporate banking, commercial banking (comprising middle-market banking), micro, small and medium-sized enterprises (MSME) banking, cash management, trust and investment services, treasury products distribution, funding and trading (involving management of UnionBank's liquidity and funding requirements and handling of transactions in the financial markets covering foreign exchange, fixed income trading and investments, and derivatives).

In addition, UnionBank has a private banking unit that offers estate planning solutions and a global and diversified multi-asset fund to its high-net-worth and ultra-high-net-worth clients through its partnership with Lombard Odier & Co., a Swiss global wealth asset manager, and various life insurance products through its bancassurance partnership with Insular Life.

CitySavings offers salary loans to public school teachers under the DepEd's Automatic Payroll Deduction System (APDS) and to other government employees. The guidelines for the grant of salary loans to public school teachers are set out in a memorandum of agreement between the DepEd and City Savings. In 2016, CitySavings launched its Pensionado loans for GSIS and SSS pensioners. In 2019, CitySavings entered the motorcycle financing market through its acquisition of PR Savings Bank and it has substantially expanded its motorcycle loan business. It has also expanded its salary loan clientele

to include employees of state and private schools, companies and government institutions. CitySavings' other thrift and rural bank subsidiaries also offer basic deposit and lending services which range from individual to MSME loans. On the other hand, PETNET, more widely known by its retail brand name PERA HUB, offers a variety of cash-based services including remittance, currency exchange and bills payment.

UnionBank spun out UBX in 2018 to drive financial inclusion and business growth for underserved and unbanked communities by offering fintech capabilities and ecosystem investments. UBX is the Philippines' leading Open Finance platform, offering the most extensive range of financial services and solutions with a fully-onboarded network of the biggest and most reputable financial institutions and service providers, lenders, and payment channels in the country.

UBX has over 200 financial institutions and thousands of agents in its ecosystems. UBX has built award-winning and globally-recognized agnostic, open and interoperable platforms that serve as the future backbone of Open Finance in the Philippines. To date, UBX has over 230,000 business-to-business (B2B) Customers that serve millions of their own customers daily.

UnionDigital Bank, Inc. (Union Digital) is the digital bank subsidiary of UnionBank. It distinguishes itself as the sole digital bank in the country initiated by a private universal bank, holding a license from the BSP. It represents UnionBank's strategic approach to integrate the vast segments of unbanked and underbanked individuals within the financial system. As a crucial part of the Aboitiz Group, UnionDigital leverages the group's ecosystem and expertise, fostering collaborations that drive towards a vision of a financially inclusive nation. This effort also aligns with UnionBank's expansion goals, promoting inclusive growth and prosperity within the Filipino community.

UBIMTC is a wholly owned subsidiary of UnionBank and is one of the few trust departments of local banks to have been spun-off to a stand-alone corporation. Considering its roots as a trust department, the group has been in the trust business for more than 43 years and has been offering since then, a wide range of trust and investment management solutions catering to both individual and institutional clients. As a full-service trust corporation, UBIMTC offers bespoke trust and investment solutions such as trusteed accounts, investment management services, escrow agency, custodianship, and other fiduciary services.

In addition to this, UBIMTC manages nine Unit Investment Trust Funds (UITF) to address the fast-growing investment needs of its retail customers. The funds are geared towards long-term capital appreciation and are largely invested in fixed income securities issued by the Philippine government and local corporations, as well as in equity securities of companies listed on the PSE.

(ii) Distribution Methods

UnionBank primarily services its clientele through its well-trained relationship managers, as well as its strong digital footprint, including its website (*www.unionbankph.com*), its mobile/online banking apps, customer service chatbot, and various digital platforms. Its digital channels are complemented by strategically-located branch networks, partner outlets, ATMs, as well as a Customer Engagement Group that takes up voice and non-voice customer service-related concerns.

Relationship Managers	UnionBank's salesforce is trained to have expertise regarding the Bank's solutions-based financial services and are equipped with tools (e.g., MAX 5.0) that allow them to service clients remotely and enhance productivity. UnionBank's Relationship Managers and Financial Advisors are also licensed by the Insurance Commission to provide customers with bancassurance products.
Branch Network	As of December 31, 2023, UnionBank has 198 branches strategically located within and outside Metro Manila to maximize visibility and expand customer reach. This includes UnionBank's digital and paperless branches called Arks which allow for straight-through processing of transactions over-the-counter or via self-service machines, and at the same time, houses branch ambassadors for product discovery and advisory services.

	UnionBank also increased its presence nationwide through its subsidiaries' physical network which consisted of 149 branches of CitySavings across the country, 38 combined branches of Bangko Kabayan, FAIRBank, and Progressive Bank (tripartite merger occurred in July 2023) and over 3,000 locations of PETNET nationwide. In addition, UnionBank has three mobile banking kiosks, also called "Bank on Wheels," which are vans equipped with 5G communication facilities to serve areas where branch access is limited by natural disasters, pandemics or geography, and/or high volume of ATM transactions are needed for a specific period. In 2020, UnionBank introduced agency banking cash deposit capability through its partnership with 7-Eleven and ECPay among others. As of December 31, 2023, UnionBank had more than 11,000 partner agents.
ATM Networks	As of December 31, 2023, UnionBank had 493 ATMS and CitySavings had 109 ATMs for a total of 602 ATMs, which are further categorized as 437 onsite and 165 off-site ATMs. UnionBank and its subsidiaries' network supplements its branch network in providing 24-hour banking services to its customers. UnionBank's interconnection with the Bancnet ATM consortium, allows its cardholders to access thousands of ATMs nationwide. In addition, UnionBank's ATM card functions as a VISA or Mastercard debit card that allows electronic purchase and payment transactions.
Call Center	UnionBank's Customer Engagement Group, which is responsible for retail customer relationship and consumer finance relationship and care, manages UnionBank's 24-hour call center, which caters to deposit and card product queries, among others. The call center utilizes a mix of voice and non-voice platforms (email, website, social media, etc.) as customer touch points. In handling customer complaints, it adheres to certain service-level agreements such as feedback or resolution of ATM-related concerns within five banking days and redelivery of card within Metro Manila after five days. Customer complaint handling is continuously improved through resolution tracking. UnionBank is currently enhancing other enabling channels capable of digital self-servicing and extended reach. The Customer Engagement Group is composed of the following units; (1) 24x7 Inbound Voice Customer Service; (2) Digital Engagement; (3) Business Support; (4) Quality Assurance and Training; and (5) Performance Management Support.
Customer Service Chatbot	UnionBank's *"Rafa"* is the country's first banking chatbot that delivers instant 24/7 customer service. *Rafa* is accessible through Facebook messenger. It can answer customer queries on, among others, the nearest ATM and branch, providing the latest foreign exchange rate of up to ten currencies, assisting customers who are exploring auto loans, and giving customers options to choose the credit card that best suits them. It is also capable of assisting in processing account opening and loan applications. UnionBank believes that *Rafa* provides a more personal and conversational customer experience compared to the interactive voice response or auto reply forms.
Mobile and E-Banking	UnionBank Online, launched in August 2017, is the online and mobile banking platform for UnionBank's retail customers. It is designed with an omni-channel user experience wherein the same look and feel applies to different touchpoints (websites and mobile applications),

	operating systems (Android or IOS) and device types. UnionBank Online enables UnionBank's customers to perform account management and banking transactions such as account opening, deposit checks, fund transfer, bill payment without visiting a branch or contacting UnionBank's call center. Customers may log in through fingerprint authentication, apart from password login. Customers can use UnionBank Online to send money to over 10,000 cash outlets nationwide and deposit checks simply by taking a photo with the application. It also enables real-time account opening via a digital application and thus facilitates customer onboarding process. UnionBank was the first Philippine universal bank to introduce such a function in the Philippines in 2019. UnionBank also introduced the upgraded version of its cash management platform for corporates called "The Portal". It is a fully featured application which enables, among others, single sign-on for customers with multi-org access, real-time fund transfers and setting up business approval steps. It helps customers' merchant acquisition, account management and lending activities. UnionBank also launched a cash management platform for MSME clients called MSME Business Banking in 2021. Its features include digital account opening for savings and checking account, mobile check deposit, local and international fund transfers, bills payment, payment gateway, and many more to help MSMEs manage financial operations. UnionBank also launched "UPAY" in 2021, an integrated payment acceptance hub for SME customers to support collection of funds through various payment channels including UnionBank Online, Gcash and GrabPay, over the counter, and debit and credit cards. In addition, UnionBank has launched "E-commerce Payment Gateway" with API connectivity via websites and mobile applications to enable merchants to accept major credit cards and alternative payment methods to support their customers' buying behavior and to deliver a cross-channel experience. Recurring customers could experience faster and more convenient payments by securely tokenizing payment credentials.
EON	EON was the first electronic money product in the Philippines with a "selfie banking" feature which employs facial recognition for account opening. UnionBank has merged the EON digital accounts into UnionDigital's system and EON account holders have become customers of UnionDigital. The EON brand was first launched in 1999, and then re-launched in 2017 by UnionBank as its first digital bank account specially designed for tech savvy customers, mostly e-gig practitioners and e-commerce entrepreneurs.
UnionDigital	UnionDigital, the Bank's new digital banking arm, aims to provide low-cost digital banking services and make banking accessible to unbanked and underserved Filipinos. Its mobile app serves as a one-stop fully fledged platform offering community-based financial services. UnionDigital utilizes data analytics and machine learning in order to enhance cybersecurity and risk management.
UBX	UBX owns and operates four key digital platforms. First, "i2i" whose name refers to "island-to-island, institution-to-institution, individual-to-individual" is a fast-growing agency banking network and banking as a service solution provider that connects rural banks and non-banking financial institutions to each other and to the nation's financial networks while providing a digital transformation package for these

	institutions including core banking technology and digital banking channels, powered by blockchain technologies; Second, "Sentro," a homegrown eCommerce shop builder in the Philippines, with pre-integrated payment gateway and delivery services, is an online business-to-business marketplace for the MSME ecosystem, with business solutions to include BUX; Third, "BUX," is a fast-growing payment gateway for e-commerce in the Philippines, and an all-in-one payment platform which enables end-to-end payments. Merchants of all sizes can accept various forms of payments including over-the-counter, online banking, cash on delivery, e-wallets, installments as well as debit and credit cards. BUX has launched universal QR payments enabling merchants to accept payment with a scan from their customers' mobile devices. BUx also enables merchants to offer options of payment by installment and buy-now-pay-later. BUX was awarded "Best Digital Payment Facilitator – Philippines for 2021" by Global Brands Magazine. Lastly, "SeekCap" is a digital lending marketplace for MSMEs in the Philippines that offers fast and affordable financing options including same-day approvals and leverages blockchain technology. SeekCap studies customer behavior patterns by using alternative data such as digital platform usage and geographical metadata, making it possible for MSME borrowers to qualify for loans compared to just looking at traditional credit factors. UBX also invested in Shiptek Solutions Corporation to embed financial solutions into its shipping and logistics platform, XLOG. UBX also owns and operates a number of other digital platforms and fintech products including the below, among others. These are relatively new products and UnionBank is building momentum on their usage: "xpanse," an open finance platform that enables banks, fintechs and startups to build new financial solutions through APIs and enables customer-controlled data sharing across hundreds of member institutions in the Philippines. "Vinne," a money management mobile application powered by blockchain technologies, giving access to decentralized finance applications; "Assured," an innovative embeddable insurance platform which business partners can embed into their platforms through APIs and embeddable user experience, and thus make their products accessible to consumers who have been previously underserved. Through Assured, insurance options are presented as a value-added feature in everyday experiences such as online shopping. Offerings are context-based. Examples of offerings include personal accident insurance at bill payment, item loss and delivery failure protection on e-commerce platforms, and insurance coverage embedded to MSMEs' activities such as inventory management and payroll processing. UBX partners with insurtechs and selected companies to increase insurance penetration rate; and "AKIN," a next-generation blockchain-based identity verification solution. In the AKIN management system, verified digital identities

	are shared across the platform for smoother and frictionless transactions such as leasing, loaning, and banking.
Other Platforms and Digital Channels	UnionBank's thrust for digital transformation prompted it to launch digital platforms and channels intended to deliver several products/services to various customer segments. UnionBank launched "GlobalLinker," a virtual B2B community and network platform for SMEs, and UnionBank has partnered with Lazada by signing a memorandum of agreement on March 10, 2022, according to which the sellers at "GlobalLinker" and Lazada will be able to sell products at the other site, respectively. UnionBank also launched "Financial Supply Chain", a blockchain-powered platform for supply chain financing and transactions, for corporate clients and their ecosystem of suppliers and dealers. UnionBank established the "Bonds.PH" application which facilitates blockchain-enabled distribution of sovereign retail treasury bonds in the Philippines. CitySavings also utilizes its own app for its Department of Education teacher community called "Loan Ranger Mobile" for account management and grant of reloans to accelerate the onboarding of teachers for faster turnaround and growth of loans. This complements the salesforce who are focused on searching for new leads and expanding in new regions.

(iii) Competition

The Bank faces competition in all its principal areas of business. Philippine domestic and foreign banks are the Bank's main competitors, followed by finance companies, mutual funds and investment banks. Currently, the industry is dominated by the four largest universal banks, each with over ₱2 trillion in assets: BDO Unibank, Inc. (BDO), Land Bank of the Philippines (LBP), Bank of the Philippine Islands (BPI) and Metropolitan Bank and Trust Co (MBT). These banks have greater financial and other capital resources, and greater market share than UnionBank. Moreover, as a publicly-listed bank, UnionBank also monitors its performance against the ten largest publicly-listed universal banks in the country.

Based on preliminary data of BSP as of December 31, 2023, there were a total of 45 domestic and foreign universal and commercial banks operating in the Philippines, with total assets of ₱25.1 trillion, total loan portfolio (inclusive of Interbank Loans and RRPs) of ₱13.4 trillion, and total deposits of ₱19.0 trillion. Among the universal banks, there are 13 private domestic universal banks, six branches of foreign universal banks and three government-controlled universal banks. On the other hand, the commercial banks comprise three private domestic commercial banks, 18 branches and two subsidiaries of foreign commercial banks. While mergers, acquisitions, and closures reduced the number of industry players, the entry of foreign banks under new and liberalized banking laws and regulations resulted in the growth of the number of universal and commercial banks. Corporate lending remained competitive resulting in even narrower spreads especially under a low interest rate environment. Pockets of growth were, however, seen in the middle corporate market, SMEs, and consumer segments.

According to the Ranking as to Total Assets as of December 31, 2023 published by the BSP, the industry is dominated by the four largest universal banks with over ₱2 trillion in assets, namely BDO Unibank, Inc., Land Bank of the Philippines, Metropolitan Bank and Trust Co. and Bank of the Philippine Islands.

The Bank also faces competition from financial technology firms and non-financial firms. In particular, non-financial firms pose a challenge to Philippine banks by offering digital products such as mobile payments or online services. Financial technology firms utilize software to provide financial services, and disrupt existing financial systems and corporations that rely less on software by offering faster, more convenient, and more efficient ways of transacting. In addition, purely digital financial technology or non-financial firms have no branches and thus have lower costs. The Bank seeks to gain a competitive advantage by continuing to implement its digital transformation strategies.

Amidst this operating environment, UnionBank leverages on its competitive advantages anchored on its use of superior technology, its unique sales and service culture, and centralized backroom operations, as well as its digital transformation roadmap geared towards strengthening its present business by repositioning itself into a digitally-transformed universal bank that achieves scale in a cost-efficient manner, while preparing for a future when embedded or decentralized banking becomes the dominant business model, all anchored on technology as the enabling factor.

As a result, UnionBank has been acknowledged as a leader in delivering superior customer experiences through innovation. UnionBank is among the top in the industry in terms of shareholder value, among the industry's lowest-cost producers, and one of the most profitable in terms of return on equity, return on assets, and absolute income.

(iv) Major Customers

The Financial Services Group's businesses are not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. It has no single customer that is expected to account for 20% or more of the group's total sale of goods and services.

(v) Patents, Copyrights, and Franchises

UnionBank owns, or has pending applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. Please refer to **Annex "G-3"** to see the trademark applications which UnionBank has filed with the Philippine IPO.

(vi) Government Approvals

The BSP, SEC, Philippine Deposit Insurance Corporation (PDIC), PSE, and the BIR are the primary regulatory agencies that issue and enforce rules, regulations and guidelines relevant to the Bank's activities.

UnionBank ensures that its products, services and systems have the necessary regulatory approvals and are in compliance with existing rules prior to launch and continue to be compliant with prescribed rules and regulations.

(vii) Effect of Existing or Probable Governmental Regulations

Keeping abreast of regulations affecting the business

As a banking institution, UnionBank adheres to the provisions of the General Banking Law of 2000 (Republic Act No. 8791), as amended, and the regular issuances by the BSP as embodied in its Manual of Regulations for Banks (MORB). The regulatory issuances of the SEC, PDIC, PSE, PDEx, BIR, and other regulatory bodies are likewise monitored constantly for new developments

Regulations on Digital Banks

The BSP has given digital banks a distinct classification. Digital banks offer financial products and services that are processed end-to-end through a digital platform and/or electronic channels without any physical branch or sub-branch or branch-lite unit offering financial products and services. On December 2, 2020, the BSP issued BSP Circular No. 1105 which provides the guidelines on establishment of digital banks. While digital banks have no physical branch or sub-branch or branch-lite unit, digital banks are required to maintain a principal or head office in the Philippines to serve as the main point of contact for stakeholders, including the BSP and other regulators. Pursuant to the accelerated digitalization in the financial industry, the BSP issued Memorandum No. M-2022-016 on March 22, 2022, which provides the controls and processes supporting the operation, connectivity, and endpoint security of Application Programming Interface (API) and the good practices for API management.

As per existing BSP regulations, digital banks are required a minimum capital of ₱1 bn and are subject to the reportorial requirements under the Basel III risk-based capital as may be prescribed by the BSP. The reserve requirement ratios of digital banks under the MORB are as follows: (a) 8% against for demand deposits, savings deposits (excluding basic deposit accounts), time deposits and deposit substitutes, negotiable CTDs, Peso deposits lodged under due to foreign banks, Peso deposits lodged under due to head office/branches/agencies abroad (Philippine branch of a foreign bank), NOW accounts, long-term non- negotiable tax-exempt CTDs; (b) 3% against bonds; and (c) 0% against basic deposit accounts. Moreover, the equity investment of a digital bank in any single enterprise must be less than 50% of the voting shares in that enterprise.

UnionBank complies with the regulations imposed by the BSP Monetary Board on Digital Banks.

Anti-Money Laundering Laws and Know Your Customer Procedures

UnionBank complies and is consistent with the provisions of Republic Act No. 9160, as amended by Republic Act Nos. 9194, 10167 and 10365, otherwise known as the "Anti-Money Laundering Act of the Philippines," and other pertinent laws, rules, regulations, and circulars issued by the BSP, SEC and other regulatory agencies of the Philippines, including the Anti-Money Laundering Council (AMLC) and the Financial Action Task Force (FATF) on Money Laundering. UBP adheres to the Anti-Money Laundering (AML) laws and regulations that include the Know Your Customer (KYC) rules and customer due diligence at the inception of the bank-client relationship until its termination.

The Bank employs a third-party tool for screening customers during onboarding, subsequently, whenever there are updates to the sanctions and negative files and during periodic account reviews. A real-time transaction screening system is used to clear all transactions that pass through the SWIFT network. In July 2019, the Bank upgraded its AML system through the deployment of an internally developed, highly intuitive, and more flexible transaction monitoring and reporting system. In 2020, an in-house developed screening portal replaced the previous tool to assist in the namescreening of clients against the lists of sanctioned individuals and organizations, and persons convicted of AML predicate crimes, among other negative information.

Customer due diligence remains robust through documentation and upgrading of client information, understanding of client activity, review of customer risk rating, identification of ultimate beneficial owners, and obtaining senior management approval, where warranted.

Finally, on an annual basis, UnionBank, through its Compliance and Corporate Governance Office (CCGO), provides formal AML training to the members of the Board of Directors, Senior Management, and its Branches. In coordination with its HR Group, CCGO deploys the AML e-learning refresher module to all Bank employees; while Operations and Sales personnel are apprised of new BSP requirements during Compliance roadshows held throughout the year.

Capital Adequacy

Per existing BSP regulations, the combined capital accounts of each commercial bank should not be less than an amount equal to 10% of its risk assets. Risk assets consist of total resources after exclusion of cash on hand, due from BSP, loans covered by holdout on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items as determined by the Monetary Board of the BSP.

As of December 31, 2023, 2022, and 2021, the Bank's CAR were at 15.7%, 13.0%, and 18.4%, respectively.

(viii) Costs and Effects of Compliance with Environmental Laws

Compliance with environmental laws increases a company's operational costs, though in most cases the costs are only a small fraction of a firm's total costs. For financial institutions like UnionBank, relevant environmental laws and regulations require the appointment of Pollution Control Officers, Managing Heads, installation of pollution control equipment, and incorporation of sustainable

practices in the Bank's operational processes. Compliance with these requirements has minimal effect on the Bank's operational cost and productivity.

Environmental laws influence the Bank's concept in designing its offices to ensure compliance as provided by relevant regulatory agencies. Compliance with the environmental laws has benefitted the organization in terms of illnesses averted through reduction of airborne particulates, hazardous waste disposal, and water potability. There were no reported incidents of non-compliance with environmental laws and regulations.

In addition, UnionBank has entered into partnerships with Plastic Bank and Humble Sustainability to recycle, upcycle, and recover plastic wastes and non-hazardous wastes as part of the Planet pillar and Inclusive Prosperity focus area of the Bank's sustainability program.

Finally, UnionBank is in the process of renewing its partnership with Globe Telecom to dispose of electronic waste via the One Phone program, where the bank collects old and unused electronic gadgets and equipment so they may be properly handled and avoided being dumped in landfills.

(ix) Major Risk/s Involved in the Business

Risks particular to the Financial Services Group are as follows:

UnionBank's ability to identify, assess, monitor and manage risks inherent in its business is anchored on the quality and timeliness of available industry and internal risk data

UnionBank, through its Enterprise Risk Management Group, monitors all risk exposures which include, among others, credit risk, market risk, operational risk, operational risk, liquidity risk, and IT risk. The effectiveness of UnionBank's risk management, particularly on the management of credit risk which is inherent in its core businesses, is bounded by the quality and timeliness of available data in the Philippines as well as internal risk data in relation to different factors such as, but not limited to, the proposed borrowers' credit history, loan exposures with other financial institutions and other external and market factors affecting overall credit. Insufficient or inaccurate risk and financial data and limitations of UnionBank's risk management systems, if any, may result in UnionBank granting loans that may expose UnionBank to significant credit risk, taking positions that may expose UnionBank to market and liquidity risks, or undertaking business activities that may result in operational, IT and other material risks.

Procedures to identify and assess the aforementioned risks are embedded in the Bank's various processes, including but not limited to, KYC procedures, loans evaluation, and underwriting and due diligence procedures. The group maintains a prudent risk management strategy to ensure its soundness and profitability. Strategies and limits are reviewed regularly and updated to ensure that risks are well-diversified and risk mitigation measures are in place. A system for managing and monitoring risks is in place so that all relevant issues are identified at an early stage and appropriate actions are taken on a timely basis. Risk reporting is done on a regular basis, either monthly or quarterly.

UnionBank may face increasing levels of non-performing loans ("NPLs"), provisions for impairment losses and delinquencies in its credit card portfolio, which may adversely affect UnionBank's business, financial condition, results of operations, and capital adequacy

UnionBank plans to continue to expand its SMEs and consumer loan operations, such as credit card services, mortgage loans, and salary loans. Such expansion plans will increase UnionBank's exposure to SMEs and consumer debt, and volatile economic conditions in the Philippines may adversely affect the future ability of UnionBank's borrowers, including SMEs and individual borrowers, to meet their obligations under their indebtedness and, as a result, UnionBank may experience an increase in the levels of NPLs and provisions for impairment losses in the future.

Volatile economic conditions in the Philippines, including volatile exchange and interest rates, may adversely affect many of UnionBank's customers, causing uncertainty regarding their ability to fulfill

obligations under UnionBank's loans and significantly increasing UnionBank's exposure to credit risk. These and other factors could result in an increased number of NPLs and delinquencies in UnionBank's loan portfolio in the future. Any significant increase in UnionBank's NPLs or delinquencies in UnionBank's loan portfolio would have a material adverse effect on its business, financial condition, results of operations, and capital adequacy.

The aforementioned risk is managed through strategies, policies, and limits that are approved on the Board level and in line with the Bank's risk appetite. The Bank has a well-structured and standardized credit approval process and credit scoring system for each of its business and/or product segments to assess the inherent risks. Business units are held accountable for all the risks and related returns and ensure that decisions are consistent with business objectives and risk tolerance.

UnionBank may be unable to recover the assessed value of its collateral when its borrowers default on their obligations, which may expose UnionBank to significant losses

UnionBank's secured loans have, historically, represented a significant portion of UnionBank's total loans. There can be no assurance that the collateral securing any particular loan will protect UnionBank from suffering a partial or complete loss if the loan becomes non-performing. The recorded values of UnionBank's collateral may not accurately reflect its liquidation value, which is the maximum amount UnionBank is likely to recover from a sale of collateral, less expenses of such sale. There can be no assurance that the realized value of the collateral would be adequate to cover UnionBank's loans.

In addition, some of the valuations in respect of UnionBank's collateral may also be out of date or may not accurately reflect the value of the collateral. In certain instances, where there are no purchasers for a particular type of collateral, there may be significant difficulties in disposing of such collateral at a reasonable price. Any decline in the value of the collateral securing UnionBank's loans, including with respect to any future collateral taken by UnionBank, would mean that its provisions for credit losses may be inadequate and UnionBank may need to increase such provisions. Any increase in UnionBank's provisions for credit losses could adversely affect its business, its financial condition, results of operations, and capital adequacy.

Furthermore, UnionBank may not be able to recover in full the value of any collateral or enforce any guarantee due, in part, to difficulties and delays involved in enforcing such obligations through the Philippine legal system. To foreclose on collateral or enforce a guarantee, banks in the Philippines are required to follow certain procedures specified by Philippine law. These procedures are subject to administrative and bankruptcy law requirements which may be more burdensome than in certain other jurisdictions. The resulting delays can last several years and lead to the deterioration in the physical condition and market value of the collateral, particularly where the collateral is in the form of inventory or receivables. In addition, such collateral may not be insured. These factors have exposed, and may continue to expose, UnionBank to legal liability while in possession of the collateral. These difficulties may significantly reduce UnionBank's ability to realize the value of its collateral and therefore the effectiveness of taking security for the loans it makes. UnionBank initially carries the value of the foreclosed properties at the lower of loan exposure or fair value of the properties at the time of foreclosure. Subsequently, the foreclosed properties are carried at the lower of the amount initially recognized or the fair value less cost to sell. While UnionBank, at each balance sheet date, provides for impairment losses on its foreclosed properties in accordance with PFRS, it may incur further expenses to maintain such properties and to prevent their deterioration. In realizing cash value for such properties, UnionBank may incur further expenses such as legal fees and taxes associated with such realization. There can be no assurance that UnionBank will be able to realize the full value, or any value, of any collateral on its loans. In realizing cash value for such properties, UnionBank may incur further expenses such as legal fees and taxes associated with such realization. There can be no assurance that UnionBank will be able to realize the full value, or any value, of any collateral on its loans.

Lending policies, including on collaterals, are reviewed regularly to align with market developments. Collaterals, both for current and repossessed loans, are appraised periodically.

UnionBank's provisioning policies, which are based on Philippine Financial Reporting Standards expected credit loss standards and on other relevant Philippine regulations, may be more or less stringent than those in other countries

The level of loan loss provisions that UnionBank recognizes are aligned with the PFRS 9 accounting standard. Subjective determinations of significant change in credit risk may increase the variation of application of such policies and affect UnionBank's results of operations. Moreover, regulations of the BSP require that Philippine banks classify loans into several categories corresponding to various levels of credit risk as follows: pass, loans especially mentioned, substandard, doubtful, and loss. These are considered in PFRS 9 expected credit loss stage determination, in addition to BSP Circular No. 941. Generally, the classification of loans depends on a combination of qualitative and quantitative factors, such as the number of months that payment is in arrears. Periodic examination by the BSP of these classifications in the future may also result in changes being made by UnionBank to such classifications and to the factors relevant thereto.

The BSP requirements in certain circumstances may be less or more stringent than those applicable to banks in other countries and may result in particular loans being classified as non-performing later or earlier than would be required in such countries or being classified in a category reflecting a lower or higher degree of risk. As a result, the amount of UnionBank's NPLs, as well as reserves, may be lower or higher than what would be required if UnionBank was located in such countries. Further, if UnionBank changes its provisioning policies to become more in line with international standards or practices or otherwise, UnionBank's results of operations may be adversely affected.

Certain accounting standards, including the PFRS 9 expected credit loss standards, have been adopted by the Bank to obtain unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions with the objective of recognizing lifetime losses on all financial instruments which have experienced a significant increase in credit risk since their initial recognition. These assumptions are reviewed and updated at least monthly.

UnionBank is subject to credit, market and liquidity risk which may have an adverse effect on its credit ratings and it's cost of funds

To the extent any of the instruments and strategies UnionBank uses to manage its exposure to market or credit risk is not effective, UnionBank may not be able to mitigate effectively its risk exposures, in particular to market environments or against particular types of risk. UnionBank's balance sheet growth will be dependent upon economic conditions, as well as upon its determination to securitize, sell, purchase or syndicate particular loans or loan portfolios. UnionBank's trading revenues and interest rate risk exposure are dependent upon its ability to properly identify and mark to market the changes in the value of financial instruments caused by changes in market prices or rates. UnionBank's earnings are dependent upon the effectiveness of its management of migrations in credit quality and risk concentrations, the accuracy of its valuation models and its critical accounting estimates and the adequacy of its allowances for credit losses. To the extent its assessments, assumptions or estimates prove inaccurate or not predictive of actual results, UnionBank could suffer higher than anticipated losses. The successful management of credit, market and operational risk is an important consideration in managing its liquidity risk because it affects the evaluation of its credit ratings by rating agencies. A failure by UnionBank to effectively manage its credit, market and liquidity risk could have a negative effect on its business, financial condition and results of operations.

A downgrade of UnionBank's credit rating could have a negative effect on its business, financial condition and results of operations

In the event of a downgrade of UnionBank by one or more credit rating agencies, UnionBank may have to accept terms that are not as favorable in its transactions with counterparties, including capital raising activities, or may be unable to enter into certain transactions. This could have a negative impact on UnionBank's treasury operations and also adversely affect its financial condition and results of operations. Rating agencies may reduce or indicate their intention to reduce the ratings at any time.

The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in its ratings. Any reduction in UnionBank's ratings (or withdrawal of ratings) may increase its borrowing costs, limit its access to capital markets and adversely affect its ability to sell or market its products, engage in business transactions, particularly longer-term and derivatives transactions, or retain its customers. This, in turn, could reduce UnionBank's liquidity and negatively impact its operating results and financial condition.

III. FOOD MANUFACTURING

Overview of the Business

AEV's integrated agribusiness and food company is operated in the Philippines primarily through Pilmico and its Subsidiaries, and its international feeds business through Pilmico International and its various Subsidiaries and Associates. The Food Group is composed of two segments: (1) Agribusiness and (2) Food and Nutrition. Agribusiness covers feed milling, pet food and specialty nutrition while Food and Nutrition includes flour milling, hog and layers farming, meat slaughter and fabrication and commodity trading.

The Food Group began the international expansion of its business in 2014 through Pilmico International's initial acquisition of a 70% equity interest in Pilmico Vietnam Company Limited (PVN formerly, Pilmico VHF Joint Stock Company and originally, Vin Hoan 1 Feed JSC), one of the largest aqua feeds producers in Vietnam. Pilmico International completed the acquisition of PVN through the additional purchase of a 15% equity stake in 2017 and the remaining 15% equity stake in 2019, making PVN a wholly-owned Subsidiary of Pilmico International.

The investment in PVN allowed the Food Group to gain a foothold in the Vietnamese aqua feeds business, and at the same time, build its reach to other aqua farm customers. This strategic move was also intended to establish a gateway to investments in other ASEAN countries like Thailand, Laos, and Cambodia, allowing the Food Group to expand its core feeds business internationally, and to diversify and gain competence in the aqua feeds product segment (currently not produced in the Philippines). The investment in Vietnam likewise paved the way for additional international investments of the Food Group and it also developed capabilities in aqua feed milling.

The Food Group continued to establish its presence in Vietnam through various acquisitions by Pilmico International: (i) a 100% equity interest in Pilmico Vietnam Trading, a company engaged in the wholesale of food products, beverages, and agricultural and forestry raw materials in October 2016; and (ii) an initial acquisition of a 70% equity interest in Pilmico Animal Nutrition Joint Stock Company (PAN-JSC, formerly Europe Nutrition Joint Stock Company), a joint stock company engaged in the business of producing animal feeds.

The Food Group eventually gained a wider foothold in ASEAN+China with its acquisition of GCMH and its Subsidiaries. In July 2018, Pilmico International initially acquired a 75% equity interest in GCMH, the parent company of the Gold Coin Group and one of Asia's largest multinational agri-business corporations with Subsidiaries operating in Singapore, Indonesia, Malaysia, Vietnam, Thailand, Sri Langka, Myanmar, Pakistan, Brunei, the Philippines, Hong Kong, and China. Pilmico International completed its acquisition of the remaining 25% equity interest in GCMH in May 2019.

In 2019, PAN-JSC was folded into the Gold Coin Group as part of the ongoing integration between the businesses of Pilmico International and the Gold Coin Group and was renamed Gold Coin Feedmill (Binh Duong).

In 2021, GCMH increased its ownership stake in its Malaysia business through the buyout of minority partner, Koperasi Permodalan FELDA Malaysia, in Gold Coin Malaysia Group and Gold Coin Specialities Sdn. Bhd., increasing its stake from 70% to 100%.

In 2022, the Gold Coin Group completed the sale and disposition of its 100% equity interest in Gold Coin Feed Mills (Lanka) Limited (GCFL), a company engaged in the manufacturing and distribution of animal feed products in Sri Lanka. This marks the group's exit from Sri Lanka in accordance with its direction to grow its animal feeds business in other parts of the SouthEast Asia and China markets.

The Food Group believes that the Gold Coin Group enjoys leading positions in key Asian markets, with an established and loyal client base. Combined with the Gold Coin Group, Pilmico International expects to become a comprehensive animal nutrition platform across the Asia-Pacific region, with competitive advantages in terms of developing a stronger and multi-branded platform of animal nutrition and delivering scientifically balanced livestock and aqua feeds, and specialty nutrition products addressing the demands of a wide range of customers.

The Food Group is in continuous pursuit of innovative new products, product variants, and line extensions in the livestock, and aquaculture feeds segments.

(i) Principal Products and Services

Feeds and Flour

Pilmico Foods Corporation

Pilmico, a wholly-owned AEV Subsidiary, is primarily engaged in manufacturing and selling of flour, feeds, and their by-products. These by-products are largely wheat by-products, particularly wheat bran sold under the Pilmico Brand.

Flour Products

Through Pilmico, the Food Group produces premium quality hard wheat flour for bread and soft wheat flour for cookies and crackers. Hard wheat flour brands include: Sun Moon Star, Sunshine, Glowing Sun and Kutitap. Meanwhile, soft wheat flour brands include: Gold Star and Mega Star. The Food Group also produces a leading brand of specialty flours under the Wooden Spoon Brand. Some notable brands under the Food Group's specialty flour include: Wooden Spoon Cake Flour, Wooden Spoon All-Purpose Flour, Wooden Spoon Siopao Flour, and Wooden Spoon Whole Wheat Flour.

Pilmico has a wide network of distributors and dealers located in major cities of Metro Manila, Cebu, Davao, Iloilo, Bacolod, and Cagayan. As of February 29, 2024, it is one of the largest flour manufacturers in the country and is ranked among the top three domestic flour producers based on internal market data.

The Food Group has expanded its flour business internationally. Currently, Pilmico has a representative office in Ho Chi Minh City, Vietnam. Through this representative office, Pilmico established its flour export business, successfully distributing its flour products to Hong Kong, Vietnam, Myanmar, Thailand, Malaysia, and Indonesia. The Food Group expects to take further efforts to strengthen the presence of its flour business in the ASEAN region.

Feeds Products

Feeds products offered by the Food Group include swine, poultry, rabbit, pet food as well as other species including aqua feeds for the different stages of growing pangasius, and tilapia, among others. The Food Group also offers animal healthcare products in the Philippines as part of its objective of becoming a total solutions provider for its feeds customers. It also sell raw materials for feeds through its commodity trading business.

Hog and Layer Farms

Pilmico Animal Nutrition Corporation

The Food Group's hog and layer farms operations are conducted through its Subsidiary, Pilmico Animal Nutrition Corporation (PANC). Pilmico and another wholly-owned Subsidiary, Filagri Holdings, Inc. (Filagri Holdings), owned a 100% equity interest in PANC. PANC operates farms and feed mill plants in Capas, Tarlac.

In January 1999, PANC began commercial operations of its feed mill plant in Capas, Tarlac to cater to the growing demand for feeds in Luzon. Since commencing its swine operations with 4,750 sow level in the second half of 1999, PANC had a 8,399 sow level as of February 29, 2024. PANC plans to increase its sow level to 10,800 by 2024, which is expected to translate to a monthly sales volume of 19,897 heads of market hogs.

In December 2015, PANC started its layer farms operations. The layer farm facility was completed and became fully-operational by December 2016. This layer farm facility can hold up to 173,000 egg-laying chickens that translates to 4 million eggs per month.

To support the growing Luzon commercial feeds volume as well as increased feeds requirements from its growing layer and swine operations, PANC completed the construction of a second feed mill ("Tarlac Feed Mill 2") and a third feed mill ("Tarlac Feed Mill 3"), resulting in an additional 124,800 MT each in feed mill capacity. Tarlac Feed Mill 3 was completed in August 2016.

Agribusiness - International

AEV International Pte. Ltd.

Established on May 5, 2014, AEV International Pte. Ltd. (AEV International) is the holding company of AEV's investments outside the Philippines. It owns 100% of the equity interest in Pilmico International.

Pilmico International Pte. Ltd.

Pilmico International, a company organized under the laws of Singapore, is the project vehicle of AEV's first international investment in the feeds business. It was established in June 2014 as a wholly-owned Subsidiary of the AEV through AEV International.

Pilmico International owns a 100% equity interest in PVN, a 100% equity interest of Pilmico Viet Nam Trading Company Ltd. (PVN Trading), and a 100% equity interest in GCMH, which controls the Gold Coin Group.

Pilmico Vietnam Company

In 2014, AEV began its expansion into the Vietnamese market via the aqua feeds segment through Pilmico International. Pilmico International acquired 70% of the total outstanding shares in PVN (formerly, Pilmico VHF Joint Stock Company and originally, Vin Hoan 1 Feed JSC), one of Vietnam's largest aqua feeds producers. This acquisition allowed the Food Group to expand its feeds business in Vietnam and build its market base internationally. To date, Pilmico International owns 100% equity interest of PVN.

PVN's operations are in Dong Thap Province in Vietnam, approximately 165 kilometers from Ho Chi Minh City. It has a current capacity of 241,000 MT per year. This capacity has supported efforts to build a commercial market in Vietnam and export market, in addition to the long-term supply agreement with Vinh Hoan Corporation.

The investment in PVN allowed the Food Group to gain a foothold in the Vietnamese aqua feeds business, and at the same time, build its reach to other aqua farm customers. This strategic move was also intended to establish a gateway to investments in other ASEAN countries like Thailand, Laos, and Cambodia, allowing the Food Group to expand its core feeds business internationally, and to diversify and gain competence in the aqua feeds product segment currently not produced in the Philippines.

Pilmico Viet Nam Trading Company Ltd.

PVN Trading was incorporated in July 2015 as a limited liability company operating in Vietnam and engaged in the wholesale of food products, beverages, agricultural and forestry raw materials, among others. It is currently the vehicle used for the importation and distribution of the Food Group's products within the Vietnam market.

Pilmico International owns a 100% interest in Pilmico VN Trading.

Gold Coin Management Holdings Private Limited and the Gold Coin Group

GCMH is an investment holding company incorporated under the laws of the British Virgin Islands in January 2000. Headquartered in Singapore, GCMH is the parent company of the Gold Coin Group.

In December 2022, GCMH, together with Glen Arbor Holdings (Singapore) Pte. Ltd. (a Subsidiary of Pilmico International Pte. Ltd.) completed the sale and disposition of its 100% equity interest in Gold Coin Feed Mills (Lanka) Limited (GCFL), a company engaged in the manufacturing and distribution of animal feed products in Sri Lanka. The sale of GCFL to New Anthoney's Farms (PVT) Ltd. marks the Gold Coin Group's exit from Sri Lanka to focus on growing its animal feeds business in other parts of the SouthEast Asia and China markets.

The Gold Coin Group is engaged in animal nutrition and manufacturing of animal feeds and is a leading brand in animal nutrition and, as of February 29, 2024, had more than 21 livestock and aqua feed mills across six countries in the Asia-Pacific with an installed milling capacity of 2.8 million MT per year. As of February 29, 2024, it also had two research facilities in China and Malaysia. In particular, the Gold Coin Group manufactures and sells animal feed and specialty nutrition products, including compound feed, pre-mix and additives for the livestock and aqua sectors in the Asia-Pacific region.

Gold Coin Group's products and services include: (i) livestock feed such as feed for poultry broiler/layer, swine, duck, other birds and fish; (ii) aqua feed or feeds for aquaculture produce such as shrimp and fish; and (iii) specialty nutrition or the premix and specialty concentrate complete feed. In 2018, the group introduced its entry to the young animal for its livestock portfolio, and enhanced nutritional specifications for shrimp feeds, and fish feed to grow its aqua portfolio.

(ii) Distribution Methods

Pilmico and PANC sell their feeds and flour products through a nationwide distribution network of dealers. Pilmico likewise exports its flour products to Hong Kong, Myanmar, and Vietnam. PANC's hog and meat products are sold to "*viajeros*" or small-scale distributors and institutional customers (such as hotels, restaurants, and caterers).

In addition to its existing presence through its representative offices, and through its acquisition of the Gold Coin Group, the Food Group gained access to a comprehensive platform with an extensive distribution and sales network spread across 8 countries in the Asia-Pacific region.

The Gold Coin Group has established relationships with customers, offering a number of brands of livestock and aqua feeds products with quality feed formulation across various key markets. Moreover, in 2018, the Gold Coin Group launched a sales optimization program to introduce a centrally designed sales program to integrate livestock operation, distribution, and sales channels to expand its specialty nutrition and aqua feeds. Taking advantage of this program, the Food Group is developing a stronger and multi-branded one-stop shop animal nutrition platform to address the demands of its customers across the Asia-Pacific region.

In the Philippines, the Farms business has expanded its market reach to end-consumers via *"The Good Meat"* business which offers fresh meat and egg products in both online and physical *"The Good Meat"* stores. As of February 29, 2024, the Food Group is operating five physical The Good Meat stores. The Good Meat's fresh pork offerings are sold in 71 supermarkets across the Philippines, 60 of which carry the *"The Good Meat"* Brand while the remainder are sold as the supermarket's house brand, while its growing Value-Added Meat segment (bacon, sisig, etc) are carried in over 220 supermarkets nationwide.

The Food Group's businesses are not dependent upon a single customer or a few customers such that a loss of any one would have a material adverse effect on the performance of its sales and distribution. The Food Group has no single customer that, based on existing orders, accounts for 20% or more of its total sale of goods and services.

(iii) New Products

International Animal Nutrition

The Gold Coin Group provides nutritional solutions and onsite technical support to customers to optimize aquaculture and farm production across the Asia-Pacific Region. As of February 29, 2024, the group has an existing 18 livestock feed mills in five countries (China, Indonesia, Malaysia, Vietnam, and Brunei); four aqua feed mills in three countries (Indonesia, Malaysia, and Thailand); and offers specialty nutrition across six countries (Malaysia, Vietnam, Philippines, China, Pakistan, and Myanmar). Its production facilities are ISO 22000/HACCP certified.

The Gold Coin Group intends to introduce innovative new products, product variants, and line extensions in the livestock and aquaculture feeds segments. In 2018, the group introduced its entry to the young animal and pet food segment for its livestock portfolio, and enhanced nutritional specifications for shrimp feeds, and fish feed additives for its aquaculture portfolio. The group also relies on technological innovation and feed re-formulation in order to maximize profits. The capabilities of the Gold Coin Group will allow the Food Group to develop a stronger and multi-branded platform of animal nutrition products to address the demands of a wide range of customers across the Asia-Pacific Region.

(iv) Competition

As an integrated food and agri-business company primarily engaged in the manufacture and sale of animal feeds, flour, flour by-products as well as the production of swine and table eggs, the Food Group operates in a competitive industry driven by global raw material prices with an increasing trend on process improvement and digitization. Moreover, with global food demand on the rise brought by rising income from a growing middle class in developing countries, industry growth has been supported by global and domestic expansions by a growing number of agri-business players.

The Food Group's business model is well positioned at the beginning of the food value chain with facilities in the Philippines located in Tarlac (feedmill and farms) and Iligan (flourmill and feedmill). The Food Group products are distributed through external distributors and dealers in major cities throughout the Philippines.

The Food Group believes that it competes through cost leadership and providing a better customer experience.

Pilmico believes that it is among the top three domestic flour, swine, and animal feed producers in the Philippines, which include San Miguel Food and Beverage, Inc. and Universal Robina Corporation for flour, B-MEG, and Unahco for feeds, and Monterey and Robina for farms, all of which leverage on strategic logistic hubs, competitive pricing and dedicated sales support teams to drive growth. The Gold Coin Group's competitors in international feeds include Charoen Pokphand Group, Japfa Comfeed, and CP Indonesia, with Cargill remaining the biggest feed miller in South East Asia with leading market share and capacity in Thailand, Vietnam, and Indonesia.

(v) Sources of Raw Materials

The Food Group, through Pilmico and PANC, imports wheat, soybean meal and other grains mostly from various suppliers in the United States, Canada, and Australia. This exposes the Food Group to risks arising from currency fluctuations and volatile price movements of raw materials.

PVN imports soybean meal from Argentina and the United States, and cassava from Cambodia. Rice bran and other grains are sourced from various suppliers in Vietnam.

The Gold Coin Group requires a wide variety of raw materialsto manufacture its livestock and aqua feeds products, including, but not limited to, corn grains, soya beans and meals, and wheat products.

Efficient sourcing of these materials requires a combination of local and import strategies. To optimize its position as one of the largest animal nutrition providers in the Asia-Pacific Region and take

advantage of the synergies between related parties and Affiliates, the Gold Coin Group instituted a centralized commodity trading team for the Food Group that determines procurement and strategic sourcing activities.

(vi) Major Customers

The Food Group's businesses are not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. The Gold Coin Group has no single customer that, based on existing orders, will account for 20% or more of its total sale of goods and services.

(vii) Transactions with and/or Dependence of Related Parties

Transactions with and/or dependence on related parties are discussed at the holding company level.

Additionally, to unlock cost synergies and efficient sourcing of raw materials within the Food Group, the Gold Coin Group instituted a centralized commodity trading team that is tasked to identify and secure procurement and strategic sourcing activities. Transactions are made at arms-length, fair, and compliant with transfer pricing rules.

(viii) Patents, Copyrights, and Franchises

The Food Group owns, or has pending trademark applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. These are filed or pending at local and international jurisdictions. Please refer to **Annex "G-4"** to see the trademark applications which the Food Group has filed with the Philippine IPO and intellectual property offices abroad.

(ix) Government Approvals

The Food Group secures various government approvals, such as the environmental compliance certificates, development permits, license to sell, business permits, import licenses, etc. as part of the normal course of its business.

(x) Effect of Existing or Probable Governmental Regulations

The laws and regulations that govern the Food Group's business operations in the Philippines include the: (i) Food Safety Act of 2013 (RA No. 10611); (ii) Food and Drug Administration Act of 2009 (RA No. 9711) and the established standards and quality measures by the Food and Drug Administration in relation to the manufacturing and branding of food products to ensure its safe supply; (iii) the Livestock and Poultry Feeds Act and its implementing rules and regulations on the manufacture, importation, labelling, advertising and sale of livestock and poultry feeds; (iv) the Meat Inspection Code of the Philippines (RA No. 9296) establishing measures on quality and safety standards for the slaughter of food animals and the processing, inspection, labelling, packaging, branding and importation of meat (including, but not limited to, pork, beef and chicken meat) and meat products; (v) Consumer Act of the Philippines (RA No. 7394) and the as enforced by the Department of Trade and Industry, and the quality and safety standards with respect to the composition, contents, packaging, labelling and advertising of food products and prohibits the manufacture for sale, offer for sale, distribution, or importation of food products which are not in conformity with applicable consumer product quality or safety standards; (vi) Price Act (RA No. 7581) on matters concerning price controls for basic and prime commodities on select circumstances of calamities and state of public emergency.

The Gold Coin Group, with companies and plant operations across several countries in the Asia-Pacific region, has secured the necessary registrations, permits, and licenses to allow it to do business in the applicable countries.

(xi) Amount Spent on Research and Development

The Food Group remains committed to the continued research and development of its feed, flour, and farm products. This is evidenced by the launch of new product offerings such as aqua feeds, petfood, new and improved shrimp formulation, mash conditioner feeds, pigeon feeds among others. These costs are inherently part of the research and development, nutrition, veterinary, and business development operating costs and amount to less than 1% of the Food Group's revenues.

(xii) Costs and Effects of Compliance with Environmental Laws

The Food Group is working with relevant Environmental regulators with a dedicated Quality, Safety, Health Environment and Process Department for both existing operations and future plans. Compliance to environmental laws is included in key decision points such as investing in new swine farms and new feed mills to include measures and build appropriate facilities that lessen the impact on the environment.

(xiii) Major Risk/s Involved in the Business

Risks particular to the Food Group are as follows:

Ongoing Ukraine war can have several potential impacts on the Food Group, especially on our flour and feed business

Ukraine is a major exporter of wheat and corn, which are essential ingredients for flour and feed production. The conflict may disrupt transportation routes, leading to delays, increased costs, or even a temporary halt in the supply of grains. Millers may face difficulties in sourcing an adequate amount of raw materials. This has translated to price fluctuations in grain markets. Increased demand, reduced supply, and speculation can cause sharp price increases, making it challenging for millers to procure grains at reasonable prices.

To address this risk, the Food Group has diversified sourcing channels by establishing new relationships with multiple suppliers and has strengthened its long-standing relationships with key suppliers. It sources its grains in North America (milling wheat, feed wheat, corn), South America (feed wheat, soybean meal and corn) and Australia. It does not source from Ukraine and Russia. Further, the Food Group stays updated with market information and collaborate closely with suppliers to anticipate potential price fluctuations. The Food Group continues to maintain buffer stock to ensure continuity of production during any disruptions.

In times of geopolitical uncertainty, and accelerating inflation, the value of currencies can fluctuate significantly. Currency devaluation or volatility can impact the cost of imported raw materials and equipment, potentially affecting the profitability of the Food Group.

The Food Group has established currency hedging strategies to minimize exposure to foreign exchange risks and use forwards to hedge currency positions and stabilize costs.

Outbreak of diseases, food safety and foodborne illness concerns could adversely affect the Food Group's financial condition and results of operations

Part of the inherent business risk of swine and poultry farms are animal diseases (e.g., African Swine Fever and Avian Influenza) which can impact demand and supply for certain products of the Food Group. A major outbreak can affect the entire industry, significantly affecting demand and supply. There can only be a certain level of assurance that the Food Group's internal controls and policies will be fully effective in preventing all food safety issues concerning the products it sells, including any occurrences of foodborne illnesses such as Salmonella, E. coli, and Hepatitis A. New illnesses resistant to current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. As part of taking on a proactive approach in managing this risk, the Food Group continually understands changes in the risk profile and context to better understand and manage this risk. This may come in the form of continuous testing

and evaluation of new lab tests or vaccine and medicine programs or new regulatory requirements to comply with.

Being in the food industry, food safety risks brought about by foodborne illness or illnesses related whether or not related to the Food Group's products, could negatively affect sales and reputation. Both could have a material adverse effect on the Food Group's business, financial condition, and results of operations. This risk exists even if it were later determined that the illness was wrongly attributed to its products. Quality assurance and quality control activities play an important role in managing this risk. Part of the Food Group's strategic plans include a robust implementation of quality across suppliers to the market value chain. Four quality areas include: (1) supplier quality; (2) process quality; (3) product quality; and (4) market quality.

(a) Supplier Quality - focuses on the development and implementation of quality supplier accreditation process
(b) Process Quality - focuses on the improvement of existing quality programs and processes such as but not limited to HACCP, Food Defense, and Food Fraud Program
(c) Product Quality - focuses on the implementation of cost of poor quality management and new products development program
(d) Market Quality - focuses on the improvement of existing programs and processes on handling customer complaints, product recall

The Food Group's financial performance may be materially and adversely affected by disruptions in the supply of, or price fluctuations in, major raw materials

Many of the Food Group's products depend on raw materials, most of which are procured from third parties, including purchases of some critical raw materials from both within and outside of the Philippines. These raw materials are subject to price volatility caused by a number of factors including changes in global supply and demand, foreign exchange rate fluctuations, shipping and other transport-related factors, weather conditions, quality of crop and yield and trade and tariff policies, and government regulations and controls. Moreover, the market prices of raw materials may increase significantly if there are material shortages due to, among others, competing usage or drastic changes in weather or natural disasters or shifts in demand from other countries such as China and India.

The ability to pass on higher costs through price increases is also influenced by competitive conditions and pricing methodologies used in the various markets in which the Food Group competes. As such, there is no assurance that all or significant increases in product costs will be passed on to consumers and that any price increases that are passed along to consumers will not have a material adverse effect on price competitiveness.

Key controls to manage this risk include leveraging on volume through strategic and centralized procurement of the Food Group's raw materials requirement. Another is the establishment of neutral positioning when buying raw materials which usually ranges from three weeks to four months. By having a neutral position, the Food Group can somehow mitigate the external factors affecting prices. Finally, focusing on optimizing its Low-Cost Formulation model through the use of substitutes, alternate proteins, and identification of regional/local sources is one of the key strategies that it employs to manage the impact of this risk.

Contributing to the supply chain disruption is the unavailability of supply of raw materials at the required quality and quantity that meet the needs of the Food Group. Ultimately, any shortages in raw materials may lead to delays in the supply of products to the Food Group's customers. Key controls to manage this include setting up multiple suppliers both international and local as backup. Establishing safety stock levels and even raising them on certain occasions to minimize shutdowns.

The business and sales of the Food Group are affected by seasonality

The business and sales of the Food Group are affected by the seasonality of customer purchase patterns. The Food Group's products generally experience increased sales during months leading to major holiday seasons, such as Christmas and Lunar New Year. Moreover, other inputs such as grains may be affected by planting and harvest seasons as well as other weather conditions. As a result,

performance for any one quarter is not necessarily indicative of what is to be expected for any other quarter or for any year and its financial condition and results of operations may fluctuate significantly from quarter to quarter.

To address this risk, the Food Group employs various sales tactical programs by means of promotions and discounts in the form of price, volume and/or cash payment discounts.

The business and prospects of the Food Group may be materially and adversely affected by increased imports of lower-priced products as import duties are decreased or eliminated

The Food Group may face increased competition from less expensive products imported to the Philippines as import duties on those products are decreased or eliminated. In particular, the Philippines is a signatory to several free trade agreements, including the ASEAN Trade in Goods Agreement ("ATIGA") and the ASEAN Free Trade Agreement. With the implementation of ATIGA, the Philippines eliminated intra-ASEAN import duties on 99.56% of its tariff lines including poultry, meat of bovine animals, flour, sausage, prepared or preserved meat, cereals, bread, pastry, cakes, biscuits, fruit juices, coffee, tea or maté, sauces and preparations, ice cream, beer, certain spirits, liqueurs, and spirituous beverages.

The Food Group has already experienced the effects of increased competition as a result of the elimination of these import duties, and expects that competition from imported products will continue to increase. In addition, any reduction in tariffs on imports from other ASEAN countries and from other countries party to a free trade agreement with the Philippines, such as China and Japan, could give rise to increased competition for the Food Group's products.

The Food Group also faces competition from other countries. If the Food Group is unable to compete effectively with lower-priced imports, its market share and sales may decrease, and its business, financial condition, results of operations, and prospects could be materially and adversely affected.

The Food Group leverages on industry associations or groups to lobby for certain barriers to entry in the form of imposition of duties and taxes on these imported goods.

The Food Group engages in derivative and hedging transactions

From time to time, the Food Group enters into various commodity derivative instruments, such as forward purchases, caps and collars for wheat and soybean meal, to manage price risks on strategic commodities. For hedging transactions, if prices decrease, hedging positions may result in mark-to-market losses, which are, in turn, expected to be offset by lower raw material costs. As its hedging transactions are mark-to-market, to the extent that the market price of the raw materials subject to such hedging transactions falls below the fixed price under futures contracts, the Food Group's net income will be lower had it not engaged in such transactions. Consequently, its financial performance could be adversely affected during periods in which prices of raw materials are volatile. A key control to manage this is outlined in the Food Group's Price Risk Management Framework that sets the price-risk decision matrix for any futures pricing of key commodities (i.e., wheat and soybean meal).

Sales of certain products may be adversely affected if the Food Group's relationship with dealers and distributors deteriorate

The products of the Food Group are primarily sold through dealers and distributors. There is no assurance that these dealers and distributors will continue to purchase and distribute the Food Group's products, or that these dealers and distributors can continue to effectively distribute its products without delays or interruptions. In addition, the financial instability of, contractual disputes with, or labor disruptions at its dealers and distributors could disrupt the distribution of its products and adversely affect its business.

The Food Group's dealer network is a key asset for the Food Group and it has taken steps to know more about its customers and their customers. Delivering consistent and quality products to customers is important to building a lasting relationship. Part of the strategic plans include building its own competencies for an ideal distribution center that will handle consolidation, repacking, and

logistics. Another key initiative is to provide a system to support its distributors in managing their customers, payments, fulfillment, and inventory management.

IV. REAL ESTATE

Overview of the Business

Incorporated on June 2, 1964, AboitizLand (formerly Central Visayan Warehousing Co., Inc.) is the real estate arm of the Aboitiz Group. Today, AboitizLand is mainly engaged in the development of real estate projects with a primary focus on residential communities, integrated industrial townships and commercial hubs. On September 1, 2020, the management of the industrial and commercial business units of AboitizLand was transferred to Aboitiz InfraCapital.

AboitizLand currently has 13 residential projects selling three different product types: lot only, house and lot, and condominiums.

AboitizLand's strategy has been to step up mid-market residential launches to capitalize on the growing provincial house and lot mid-market. It expects to grow its well-performing industrial business through the continued acquisition of land in key geographic corridors and the development of complementary recurring revenue businesses and residential communities within these areas. Through this approach, AboitizLand not only looks to expand its industrial footprint but also create thriving townships in the future.

AboitizLand is also capitalizing on the new and upcoming segment of vertical developments in urban zones through its wholly-owned Subsidiary, Point Blue, Inc. (Point Blue) which created the microstudio category in the Philippines. This joint venture looks to build microstudio buildings strategically located near Metro Manila's central business districts.

AboitizLand expects to actively explore complementary services from AEV's utilities, financial services, and infrastructure businesses, as it is doing at the Lima Technology Center.

(i) Products and Services

(a) Residential Business

Aboitiz Land, Inc.

AboitizLand is the real estate arm of the Aboitiz Group and is mainly engaged in the development of real estate projects with a primary focus on residential communities. Since the launch of its first residential development in 1994, AboitizLand's residential estate has now expanded to 13 residential projects selling three particular product types: lot only, house and lot, and condominiums.

In 1994, the Real Estate Group launched *North Town Homes* in Cebu, its first residential subdivision catering to upper-mid to high-end customers through horizontal (lot-only and house-and-lot) developments. Since then, the Real Estate Group has expanded its portfolio to include mid-market residential products. Through AboitizLand, the Real Estate Group has also introduced a number of product concepts to the Cebu real estate market: (i) the New Urbanism concept of live-work-play in the large master-planned community of *Pristina North*; (ii) Zen living, which takes off from the spa lifestyle trend, in *Kishanta*; (iii) the commercial and residential "Urban Village", such as *The Persimmon*; (iv) shophouses as a residential product in *Ajoya*; (v) fully-furnished affordable studio units, such as *The Persimmon Studios*; (vi) Asian Contemporary designed units in *Almiya*; and (vii) inspired by traditional Filipino residences in *Amoa*.

In 2017, the Real Estate Group launched *Seafront Residences*, a 43-hectare beachside community located in San Juan, Batangas, and *Foressa Mountain Town*, a 250-hectare mountain town community located in Balamban, Cebu.

In 2018, AboitizLand launched two additional residential projects in Luzon: *Ajoya Capas*, a 13-hectare community development in Tarlac, and *Ajoya Cabanatuan*, a 20-hectare community development in

Nueva Ecija. The *Ajoya* brand represents AboitizLand's flagship mid-market residential product, featuring modern housing units inspired by contemporary Filipino architecture, and amenities such as a town plaza, a clubhouse, and pocket parks, among others.

In 2019, AboitizLand further strengthened its position in the Luzon region through the launch of two new residential projects: *Ajoya Pampanga*, a 21-hectare development in Mexico, Pampanga, and *The Villages* at Lipa, a 50-hectare development in Batangas to support the industrial township strategy for LIMA Technology Center.

On September 1, 2020, the management of the Industrial and Commercial Business Units of AboitizLand was transferred to Aboitiz InfraCapital.

Additionally, AboitizLand offers property management services to support not only its own business units, but also those of the other companies within the Aboitiz Group. These services cover community security, site and infrastructure maintenance, village activities and policy administration.

AboitizLand is a wholly-owned Subsidiary of AEV.

(ii) Distribution Methods

AboitizLand's residential projects currently target a diverse base of customers, ranging from the middle to upper-income brackets. AboitizLand now also caters to young urban professionals working in and around central business districts given its partnership with E360, Inc. to co-develop microstudio developments since 2019.

AboitizLand's industrial segment aims to serve various locators from different industries and countries with significant interests in the Philippines.

In January 2020, AboitizLand invested in a proprietary mobile application called the AboitizLand Vecino app, the backbone of its digitalized home-buying service. Through the app, vecinos (i.e., residents) are now able to track monthly payments and download Statement of Accounts (SOAs) and receipts in a timelier manner, follow construction progress, make online payments, apply for a housing loan, schedule acceptance and turnovers, as well as reach out to customer service.

In April 2020, AboitizLand launched the Contactless Home Buying service which allowed investors and aspiring buyers to acquire property in a more convenient, safer, and worry-free process.

AboitizLand continues to develop various features to make its systems timelier and more relevant across all aspects of the business. It has added new features such as digitized documentation and digital home loan applications.

(iii) New Products and Services

In September 2019, AboitizLand and Point Blue partnered to co-develop microstudio rental apartments, an innovative new category in the real estate residential sector. Thereafter, AboitizLand acquired full ownership of Point Blue in 2023. These microstudio apartments are leased ready for move-in and all units are equipped with a bed, ample storage space, a desk and chair, roller blinds, air-conditioner, microwave, free high-speed internet, and within walking distance of Metro Manila's central business districts.

In 2022, AboitizLand launched 2 new phases of its existing projects: Foressa Light B in Balamban, Cebu and Meadow Village at the Villages at Lipa in Batangas. AboitizLand has also embarked on several initiatives and partnerships to strengthen operations, including partnerships with precast construction technology providers and online mortgage brokers, and the launching of new customer service and property management platforms.

(iv) Competition

AboitizLand considers Ayala Land and Vista Land as its main competitors in the residential business. They currently enjoy market dominance in the locations where they compete and are considered as brand leaders in the market because of their presence in both primary and secondary cities nationwide. Both competitors target the same market that falls within their sub-brands that cater from the high-end A market to the broad C market. AboitizLand also caters to the same markets depending on the location and type of product that it offers.

In terms of the commercial business, AboitizLand looks to strategically develop commercial spaces that will enhance its current communities. By doing so, AboitizLand aims to maximize the value footprint in these areas while servicing the needs of the community. Furthermore, the continued relevance of AboitizLand's successful track record in traditional retail formats provide a positive outlook for its largest commercial project to date, The Outlets at Lipa. Although relatively new in this segment, it was able to successfully implement new retail formats in locations it already serves. However, traditional big-box retail companies such as SM and Vista Land remain market leaders in the commercial business and are considered as its main competitors in this segment. While SM caters to all market classes, AboitizLand caters to the broad C to the upper B market currently focusing on the latter for its offerings at The Outlets.

Lastly, the industrial parks continue to serve as key hubs for economic activity. With its expertise, AboitizLand looks to further capitalize on these hubs not only by expanding its industrial footprint, but also through the development of recurring revenue businesses and residential communities adjacent to its industrial areas. Through this approach, AboitizLand looks to transform these industrial spaces into thriving townships. Among the national developers in the country, Ayala Land, Vista Land, and Megaworld are the main proponents of township developments. With their years of experience and land banks around the country, they remain AboitizLand's competitors in this segment. Similar to the residential and commercial business, AboitizLand caters to several markets that encompass its township developments. For example, The Villages at Lipa caters to mid – to upper-mid-market residents, *The Outlets* at Lipa serves retail customers, while Lima Technology Center is home to industrial locators and soon, BPO offices.

(v) Sources of Raw Materials

AboitizLand and its Subsidiaries have a broad base of suppliers, both local and foreign. They are not dependent on one or a limited number of suppliers.

(vi) Major Customers

AboitizLand's residential projects currently target a diverse base of customers, ranging from the middle to upper-income bracket. The Group's industrial division serves various locators, with the slight exception of its industrial segment operated through CIPDI, which has commitments to Tsuneishi Holdings Corporation (THC) of Japan.

The Real Estate Group's businesses are not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. It has no single customer that will account for 20% or more of the group's total sale of goods and services.

(vii) Patents, Copyrights, and Franchises

The Real Estate Group owns, or has pending trademark applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. These are filed or pending at local jurisdictions. Please refer to **Annex "G-5"** to see the trademark applications which the Real Estate Group has filed with the Philippine IPO.

(viii) Government Approvals

AboitizLand and its Subsidiaries secure various government approvals such as the environmental compliance certificate, development permits, license to sell, business permits, etc. as part of the normal course of its business.

(ix) Effect of Existing or Probable Governmental Regulations

The laws and regulations that govern the Real Estate Group's business operations include:

(i) The Subdivision and Condominium Buyer's Protective Decree (P.D. 957) which outlines the necessary approvals and permits required for subdivision and condominium development projects. The Housing and Land Use Regulatory Board (HLURB) is the administrative agency of the government which, together with local government units, enforces these decrees and has jurisdiction to regulate the real estate trade and business;

(ii) The Urban Development and Housing Act of 1992 (RA No. 7279), as amended recently by Republic Act No. 10884, requiring developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision area or total subdivision project cost, and at least five percent (5%) of condominium area or project cost, at the option of the developer, within the same city or municipality whenever feasible, and in accordance with the standards set by HLURB and other existing laws. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development;

(iii) The Condominium Act (RA No. 4726), as amended, providing additional regulation on the development and sale of condominium projects. The Condominium Act requires the annotation of the master deed or the declaration of restrictions on the title of the land on which the condominium project shall be located. The declaration of restrictions shall constitute a lien upon each condominium unit in the project, and shall bind all condominium owners in the project; and

(iv) On January 29, 2021, the Anti-Money Laundering Act of 2001, as amended, was further amended by Republic Act No. 11521. Republic Act No. 11521 expanded the scope of the law to include real estate developers and brokers as covered persons. AboitizLand and its relevant subsidiaries engaged in the sale and/or lease of real properties are now considered covered persons under the amended law and are required to register with the AMLC, as well as to report single cash transaction involving an amount in excess of ₱7.5 mn and other suspicious transactions. The relevant Business Units under the Real Estate Group have taken steps to ensure compliance with the rules and regulations of the AMLC.

(x) Major Risk/s Involved in the Business

Risks particular to the Real Estate Group are as follows:

AboitizLand may not be able to lease its properties in a timely manner or collect rent at profitable rates or at all

AboitizLand's ability to sell or lease sites in its development projects could be affected by a number of factors including consumer confidence resulting to slow down on sales, changing customer needs, entry of key players, more aggressive competitors (for pricing, payments, incentives, offers etc.) competition for tenants, changes in market rates, the inability to renew leases, the bankruptcy of tenants, the increase in operating expenditures, and efficiency in collection, property management, tenant relations, and loss of market.

For residential development, strategies and possible solutions are the expansion of digital initiatives in

Sales and Marketing, broadening digital platforms outside existing social media and property listing platforms, offering special discounts to *Vecinos*, improving marketing communication, and more strategic target market segmentation.

AboitizLand may not be able to complete its development projects within budgeted project costs or on time or at all

Property development projects require substantial capital expenditures prior to and during the construction period for, among other things, land acquisition and construction. The construction of property projects may take a year or longer before generating positive net cash flow through sales or pre-sales. As a result, AboitizLand's cash flows and results of operations may be significantly affected by its project development schedules and any changes to those schedules. The schedules of AboitizLand's projects depend on a number of factors, including the performance and efficiency of its third-party contractors and its ability to finance construction. Other factors that could adversely affect AboitizLand's project development schedules include:

(i) natural catastrophes and adverse weather conditions and/or a Pandemic;
(ii) changes in market conditions, economic downturns, and decreases in business and consumer sentiment in general;
(iii) delays in obtaining government approvals and permits;
(iv) changes in relevant regulations and government policies;
(v) relocation of existing residents and/or demolition of existing constructions;
(vi) shortages of materials, equipment, contractors and skilled labor;
(vii) labor disputes;
(viii) construction accidents;
(ix) errors in judgment on the selection and acquisition criteria for potential sites;
(x) Cyber Attacks and/or leaked of personal and sensitive information;
(xi) Internal contractor issues;
(xii) Unforeseen geographic situations; and
(xiii) other unforeseen problems or circumstances

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule and budget may harm AboitizLand's reputation as a property developer or lead to cost overruns or loss of or delay in recognizing revenues and lower margins. If a property project is not completed on time, the purchasers of pre-sold units within the project may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may be entitled to terminate their pre-sale agreements and claim damages. There is no assurance that AboitizLand will not experience any significant delays in the completion or delivery of its projects in the future or that it will not be subject to any liabilities for any such delays.

The occurrence of these risks and the consequence of AboitizLand's ability to develop, will only be highly likely if a project is mis-scoped. In order to mitigate these risks, AboitizLand's project development and operations plans have been and are continuously being updated. By taking lessons learned from older projects, creating standards for processes, implementing policies, and execution of the company's scope of work all the way from the acquisition stage, through the planning, launch, construction, and turn-over stages, AboitizLand is able to mitigate these risks. A consistent review of the company's project risks and management plans at each milestone project point allows the risk treatment plans to be updated in order to keep up with the market and regulatory changes, as well as manage internal stakeholder or third-party engagement, while maintaining project health.

V. INFRASTRUCTURE

Overview of the Business

The infrastructure and infrastructure-related investments of the Aboitiz Group are primarily undertaken through Aboitiz InfraCapital and AEV CRH, the holding company of RCBM.

On March 17, 2015, Apo Agua Infrastructura, Inc. (Apo Agua), a Joint Venture company with J.V. Angeles Construction Company (JVACC), entered into a Joint Venture Agreement (JVA) and Bulk Water

Purchase Agreement (BWPA) with Davao City Water District (DCWD). The Joint Venture includes the construction of both a hydroelectric-powered bulk water treatment facility and the conveyance system needed to deliver treated bulk water to numerous DCWD delivery points in Davao City. The EPC contract with JVACC was executed on February 6, 2018. In July 2022, Apo Agua took over the construction of the Davao City Water District's Bulk Water Supply Project from JVACC in response to the delays in the project's construction timeline, which was aggravated by the pandemic. Apo Agua completed construction of the facilities in the later part of 2023 and it commenced full commercial operations of delivering bulk water to DCWD in February 2024.

On September 15, 2015, the Company and CRH plc through their investment vehicles, AEV CRH and CRH Aboitiz Holdings, Inc. (CRH Aboitiz), completed the acquisition of the Lafarge S.A.'s Philippine assets, which included four Luzon-based cement manufacturing plants located in Bulacan, Rizal, and Batangas; an integrated plant in Iligan, Mindanao; a cement grinding mill in Danao City, Cebu; and associated limestone quarries. CRH plc is a global leader in the manufacture and supply of a diverse range of building materials and products for the modern built environment. It has leadership positions in Europe and North America as well as established strategic positions in numerous countries worldwide.

On August 1, 2017, Aboitiz InfraCapital acquired 100% ownership and took full operational control of LIMA Water Corporation (LIMA Water) from LIMA Land. LIMA Water, with a capacity of 8 million liters per day, is the exclusive water and wastewater services provider in LIMA Estate, the Philippines' largest privately-owned and top-selling industrial park.

On August 3, 2017, Aboitiz InfraCapital signed an agreement to acquire 11% stake in Balibago Waterworks System, Inc. (BWSI) from SFELAPCO. In April 2019, the company increased its ownership stake to 16% through the acquisition of shares from individual shareholders. BWSI is currently operating 68 water distribution franchises across the country.

Aboitiz InfraCapital was granted original proponent status for its unsolicited proposals for the operations, maintenance, and expansion of the new Bohol-Panglao International Airport (BPIA) on September 3, 2018 and the Laguindingan Airport on February 26, 2019, by the Department of Transportation (DOTr) and the Civil Aviation Authority of the Philippines (CAAP), respectively. On November 29, 2019, Aboitiz InfraCapital obtained the approval of the NEDA Board for the Bohol unsolicited proposal, while the Investment Coordination Committee-Cabinet Committee ("ICC-CabCom") approved the proposal for Laguindingan Airport on December 20, 2019.

On December 2, 2022, in accordance with the Revised 2022 Implementing Rules and Regulations of Republic Act No. 6957, as amended, and pursuant to the instructions of DOTr and CAAP, Aboitiz InfraCapital submitted updated unsolicited proposals for BPIA and Laguindingan Airport. The NEDA Board approved the foregoing projects and the parameters, terms, and conditions for negotiation on July 19, 2023 with respect to the Laguindingan Airport and on October 13, 2023 with respect to the BPIA. Results of the negotiations on the Laguindingan Airport project, which concluded on November 17, 2023, were submitted to the NEDA Board for approval and validation on November 24, 2023. As of February 29, 2024, negotiations on the BPIA project are ongoing.

On February 7, 2019, Aboitiz InfraCapital signed a Memorandum of Understanding with the Department of Information and Communications Technology (DICT). In line with the DICT's Department Circular No. 8, Aboitiz InfraCapital received a provisional registration as an Independent Tower Company from the DICT on September 10, 2020.

On September 1, 2020, the management of the Aboitiz Integrated Economic Centers – consisting of LIMA Estate in Batangas, the Mactan Economic Zone II in Lapu-Lapu City, Cebu, and West Cebu Industrial Park in Balamban, Cebu – was transferred to Aboitiz InfraCapital. The estates consist of over 1,000 hectares of industrial-anchored mixed-used estates that are home to almost 200 locators and nearly 100,000 employees. The Aboitiz Integrated Economic Centers have since rebranded to Aboitiz InfraCapital Economic Estates, and individually as LIMA Estate, MEZ2 Estate, and West Cebu Estate.

The Aboitiz InfraCapital Economic Estates has been widely recognized in the Philippines and abroad for its leadership in industrial anchored mixed-use development as well as sustainable industrial

development. On August 3, 2022, the Philippine Green Building Council (PhilGBC) awarded Aboitiz InfraCapital with the 5-Star Building for Ecologically Responsive Design Excellence (BERDE)-District Certification for its LIMA Estate in Batangas–- the first industrial estate and the largest project in the country to achieve this certification. Aboitiz Infra Capital was also awarded the Sustainable Design and Performance Award–- making it the Philippines' official entry to the WorldGBC Asia Pacific Leadership in Green Building Awards for 2022.

On October 7, 2020, Aboitiz InfraCapital launched its small cell sites business to help boost the country's connectivity and network quality. To date, it has deployed more than 350 small cell sites with Globe Telecom and DITO Telecommunity across Cebu, Davao, and Subic. The business was later sold to Unity Digital Infrastructure, Inc., a joint venture described below.

On April 28, 2021, Aboitiz InfraCapital partnered with the leading global private markets firm, Partners Group, acting on behalf of its clients, through its portfolio company Terra Digital Philippines Corporation, to establish a telecommunications infrastructure platform called Unity Digital Infrastructure, Inc. (Unity Digital). Through Unity Digital, Aboitiz InfraCapital and Terra Digital Philippines builds and operates passive telecommunication tower infrastructure across the country. This supports the Government's vision to improve the country's internet connectivity in local communities by increasing the number of cell sites of mobile network operators (MNOs). As of February 29, 2024, Unity Digital has around 1,072 macro towers and 536 small cells poles in key cities nationwide.

On September 7, 2021, Aboitiz InfraCapital was granted original proponent status for its unsolicited proposal to operate and maintain Bicol International Airport. On December 2, 2022, in accordance with the Revised 2022 Implementing Rules and Regulations of Republic Act No. 6957, as amended, and pursuant to the instructions of DOTr and CAAP, Aboitiz InfraCapital submitted an updated unsolicited proposal for the Bicol International Airport. On June 30, 2023, the unsolicited proposal for the Bicol International Airport was elevated to the ICC-CabCom for decision.

On September 2, 2022, Aboitiz InfraCapital entered into a share subscription and transfer agreement with Megawide Construction Corporation (Megawide) and GAIBV Airports International, B.V. (GAIBV) for Aboitiz InfraCapital to acquire a 33 and 1/3% minus 1 share equity ownership interest in GMR-Megawide Cebu Airport Corporation (GMCAC), the developer and operator of the Mactan Cebu International Airport (MCIA). In the same agreement, Megawide and GAIBV issued exchangeable notes for the remaining 66 and 2/3 % plus 1 shares in GMCAC's outstanding capital stock, which will mature on October 30, 2024. This transaction is aligned with Aboitiz InfraCapital's strategic direction to build on its presence in the airport sector.

On October 5, 2022, Aboitiz InfraCapital partnered with EdgeConneX (ECX), a pioneer in global hyperlocal to hyperscale data center solutions based in the United States. The joint venture aims to address the rising data usage in the Philippines by developing a data center platform that will house cloud service providers' IT equipment, enabling them to better support the Philippine market. As of February 29, 2024, the proposed data center business has not yet commenced operations and is still subject to the fulfillment of certain closing conditions.

(i) Products and Services

A. Aboitiz InfraCapital

Incorporated on January 13, 2015, Aboitiz InfraCapital is the investment vehicle of the Aboitiz Group for all infrastructure-related investments. Aboitiz InfraCapital's current portfolio consists of investments in (i) water infrastructure, (ii) digital infrastructure (iii) regional airports, and (iv) and economic estates.

Water Infrastructure

Aboitiz InfraCapital established itself as a provider of water supply, water distribution, wastewater treatment, and water-related infrastructure in the country through its acquisition of equity interests in (i) Apo Agua in 2015, (ii) Lima Water in 2017, and (iii) BWSI in 2017.

Apo Agua Infrastructura, Inc. (Apo Agua)

Incorporated on August 8, 2014, Apo Agua is a Joint Venture between AEV and JVACC. The overall objective of Apo Agua is to provide a sustainable, reliable, and safe supply of bulk water to the DCWD.

On March 17, 2015, Apo Agua entered into a Joint Venture Agreement and Bulk Water Purchase Agreement with DCWD for the Davao City Bulk Water Supply Project (DCBWSP). A unique component of the project is a pioneering innovation that utilizes the "water-energy nexus" concept. The bulk water treatment facility is powered by its own run-of-river hydroelectric power plant. The project is also designed to prevent irreversible and damaging environmental effects such as salt-water intrusion, drying-up of wells, and land subsidence brought about by over-extraction of groundwater.

In February 2024, Apo Agua's bulk water treatment facility commenced full commercial operations and delivery of bulk water to DCWD.

As February 29, 2024, AEV and its wholly-owned Subsidiary, Aboitiz InfraCapital, collectively owned a 70% equity interest in Apo Agua.

LIMA Water Corporation (Lima Water)

LIMA Water was incorporated on May 28, 1999. LIMA Water provides industrial and potable water to over 130 industrial locators at the Lipa, Batangas-based LIMA Estate. LIMA Water has a daily water capacity of 8,800 cubic meters. LIMA Water also operates its own centralized wastewater treatment plant with a capacity of over 20,000 cubic meters to ensure the proper treatment of wastewater generated within the LIMA Estate. On August 1, 2017, Aboitiz InfraCapital acquired and took full operational control of LIMA Water from its Affiliate, AboitizLand.

In 2022, LIMA Water introduced the SMART Water Network technology in LIMA Estate to actively managed non-revenue water (NRW) or leakages in the water distribution system. Having resulted in a significant reduction in NRW in LIMA Estate, the same technology will be implemented in MEZ 2 and West Cebu economic estates in Cebu.

Aboitiz InfraCapital owns a 100% equity interest in LIMA Water.

Balibago Waterworks System, Inc. (BWSI)

BWSI was incorporated on May 20, 1958 with the primary purpose to acquire, establish, develop, manage, and operate an effective waterworks utility system within its franchise area of 900 hectares. Its franchise area includes Barangay Balibago in Angeles City and Barangay Dau in the town of Mabalacat. BWSI is currently operating 75 water distribution franchises across the country.

On August 3, 2017, Aboitiz InfraCapital acquired a minority stake in BWSI previously held by SFELAPCO. Additional purchases of BWSI shares were made by Aboitiz InfraCapital in 2019. As of February 29, 2024, Aboitiz InfraCapital owned a 16% equity interest in BWSI.

Regional Airports

Aboitiz InfraCapital was granted original proponent status by the DOTr for its unsolicited proposal to expand, operate, and maintain the new Bohol-Panglao International Airport on September 3, 2018. Aboitiz InfraCapital believes this international airport located on the island of Panglao has significant growth prospects given Bohol's strong tourism potential, especially with the international market. The new Bohol-Panglao International Airport replaced the old Tagbilaran Airport and was inaugurated on November 28, 2018 with an estimated capacity of 2 mn passengers per annum.

On August 10, 2018, Aboitiz InfraCapital also submitted an unsolicited proposal for the upgrade, expansion, operations and maintenance of the Laguindingan Airport in Misamis Oriental, which is the gateway to the Northern Mindanao Development Corridor. On February 26, 2019, Aboitiz InfraCapital

was granted original proponent status by the CAAP for its unsolicited proposal on Laguindingan Airport. The proposal involves the operations and maintenance, including the much-needed upgrade works, of the Laguindingan Airport. The airport has been operational since 2013 with a design capacity of 1.6 mn passengers per annum. According to CAAP, in 2018, the Laguindingan Airport served more than 2 mn passengers.

On October 7, 2019, Aboitiz InfraCapital submitted an unsolicited proposal to operate and maintain Bicol International Airport located in Daraga, Albay. The new gateway is expected to serve up to 2 mn passengers per year.

On December 2, 2022, in accordance with the Revised 2022 Implementing Rules and Regulations of Republic Act No. 6957, as amended, and pursuant to the instructions of DOTr and CAAP, Aboitiz InfraCapital submitted updated unsolicited proposals for the Bohol-Panglao International Airport and Laguindingan Airport. The NEDA Board approved the foregoing projects and the parameters, terms, and conditions for negotiation on July 19, 2023 with respect to the Laguindingan Airport and on October 13, 2023 with respect to the Bohol-Panglao International Airport. Results of the negotiations on the Laguindingan Airport project, which concluded on November 17, 2023, were submitted to the NEDA Board for approval and validation on November 24, 2023. As of February 29, 2024, negotiations on the Bohol-Panglao International Airport project are ongoing.

The company received original proponent status for its proposal to operate and maintain the Bicol International Airport on September 7, 2021. The newly constructed airport will replace Legazpi Airport. On December 2, 2022, in accordance with the Revised 2022 Implementing Rules and Regulations of Republic Act No. 6957, as amended, and pursuant to the instructions of DOTr and CAAP, Aboitiz InfraCapital submitted an updated unsolicited proposal for the Bicol International Airport. On June 30, 2023, the unsolicited proposal for the Bicol International Airport was elevated to the ICC-CabCom for decision.

On September 2, 2022, Aboitiz InfraCapital entered into a share subscription and transfer agreement with Megawide and GAIBV for Aboitiz InfraCapital to acquire a 33 and 1/3% minus 1 share equity ownership interest in GMCAC, the developer and operator of the MCIA. In the same agreement, Megawide and GAIBV issued exchangeable notes for the remaining 66 and 2/3 % plus 1 shares in GMCAC's outstanding capital stock, which will mature on October 30, 2024. The transaction was completed on December 16, 2022 for a total consideration of ₱9.5 bn. Simultaneously, Megawide and GAIBV have issued exchangeable notes to AIC for the aggregate amount of ₱15.5 bn. This transaction is aligned with Aboitiz InfraCapital's strategic direction to build on its presence in the airport sector.

On May 4, 2023, GMCAC, executed an Amended and Restated Omnibus Loan and Security Agreement (the "AROLSA") with Megawide and GMR Airports International B.V (GAIB), as Sponsors, and BDO Unibank, Inc., Bank of the Philippine Islands, Land Bank of the Philippines, and Metropolitan Bank & Trust Company, as Lenders.

The AROLSA is an amendment and restatement of the Omnibus Loan and Security Agreement dated December 17, 2014, as further amended and restated in 2015, and amended in 2018 and 2021 (the "Existing OLSA"). The AROLSA amends certain commercial terms of the Existing OLSA and extends enhanced credit facilities to the GMCAC in the amount of up to ₱27.3 bn.

Digital Infrastructure

Towers

On February 7, 2019, Aboitiz InfraCapital signed a Memorandum of Understanding with the DICT. The Memorandum of Understanding recognized Aboitiz InfraCapital as a potential common tower provider with the necessary financial and operational capability to build and efficiently power its cell sites, and will also allow Aboitiz InfraCapital to secure contracts with telco operators. Aboitiz InfraCapital signed separate MOUs with Globe Telecom, Smart Communications, Dito Telecommunity, and NOW Telecom.

Aboitiz InfraCapital has also entered into partnership agreements with Globe Telecom and DITO Telecommunity for the deployment of small cells in key cities nationwide. The sites are readily available in high-density urbanized areas like Cebu and Davao where improving network quality and services is difficult due to congestion and availability of sites. The sites will serve as complementary offerings to the macro tower sites. Together with Globe Telecom and DITO Telecommunity, the company has deployed over 500 sites as of February 29, 2024.

On April 28, 2021, Aboitiz InfraCapital partnered with leading global private markets firm, Partners Group, acting on behalf of its clients through its portfolio company Terra Digital Philippines Corporation, to establish a telecommunications infrastructure platform called Unity Digital. Through Unity Digital, Aboitiz InfraCapital and Terra Digital Philippines will build and operate passive telecommunication towers and supporting infrastructure across the country. This supports the Government's vision to improve the country's internet connectivity in local communities by increasing the number of cell sites of MNOs. Unity secured its Certificate of Registration as an Independent Tower Company from the DICT in February 2021.

On December 15, 2022, Unity Digital signed a sale and purchase agreement and a master services agreement with PLDT Inc. (PLDT), through its subsidiaries Smart Communications, Inc. (Smart) and Digitel Mobile Philippines (Digitel), for the acquisition of 650 telecommunications towers and related passive telecommunications infrastructure for PHP ₱9.2 bn, through a sale and leaseback transaction.

On May 7, 2023, Unity Digital Infrastructure Inc. signed an Asset Sale and Purchase Agreement and a Master Lease Agreement with Globe Telecom, Inc., for the acquisition of 447 telecommunications towers and related passive telecommunications infrastructure for ₱5.4 billion, through a sale and leaseback transaction.

Through this acquisition, Unity Digital expects to continue to grow and scale, further improving its services by providing safe, fast and reliable communication to its growing number of customers. The telecom towers that will be purchased are situated in the Visayas and Mindanao areas, which provides Unity Digital a high-quality portfolio of strategic locations across the country.

As of February 29, 2024, it had rolled out five operating sites with approximately 50 sites under construction.

Data Centers

On October 5, 2022, Aboitiz InfraCapital partnered with ECX, a pioneer in global hyperlocal to hyperscale data center solutions based in the United States. The joint venture aims to address the rising data usage in the Philippines by developing a data center platform that will house cloud service providers' IT equipment, enabling them to better support the Philippine market. As of February 29, 2024, the proposed data center business has not yet commenced operations and is still subject to the fulfillment of certain closing conditions.

Economic Estates

On September 1, 2020, the management of the Industrial and Commercial Business Units of AboitizLand was transferred to Aboitiz InfraCapital. The Aboitiz Group believes that the future of large scale fully integrated economic centers will be built on advanced, robust, and seamless infrastructure facilities and services. By moving the management to Aboitiz InfraCapital, the development and implementation of the integrated economic center strategy will be harmonized, which will ultimately strengthen the Aboitiz Group's competitive advantage in current and future developments and projects. Since then, the Integrated Economic Centers have rebranded to the Aboitiz InfraCapital Economic Estates.

The industrial developments include three economic zones: (a) the LIMA Technology Center, a 794-hectare industrial zone in Malvar, Batangas; (b) the Mactan Economic Zone 2, a 63-hectare economic zone in Lapu-Lapu City, Cebu; and (c) the West Cebu Industrial Park, a 283-hectare industrial zone in Balamban, Cebu.

Meanwhile, the commercial projects include: (i) The Outlets at Lipa in Lipa, Batangas; (ii) LIMA Exchange in Lipa, Batangas; (iii) Lima Square in Lipa, Batangas; (iv) Pueblo Verde, Lapu-Lapu City, Cebu; (v) The Outlets at Pueblo Verde, Lapu-Lapu City, Cebu; (vi) the iMez Building, Lapu-Lapu City, Cebu; (vii) The Persimmon Plus in Mabolo, Cebu City; and (viii) build-to-rent micro-studio developments in various locations in Makati and Taguig Cities through AllRise Development Corp.

On July 27, 2022, LIMA Land, Inc. broke ground on LIMA Tower One, a PEZA-certified building which boasts 34,000 square meters of gross floor area. It is the first of its planned seven-tower office park at the heart of LIMA's CBD, which aims to capitalize on the anticipated boom of business process outsourcing (BPO) companies outside the National Capital Region. LIMA Tower One is expected to be completed by the end of the second quarter of 2024. As February 29, 2024, there are 2.6 hectares of available commercial lot inventory up for sale. With its growing 30-hectare Central Business District (CBD) – the first to rise in Batangas – LIMA has emerged as more than just a leading industrial estate, but also the center for commerce in the Batangas province. It currently houses various commercial components such as The Outlets at Lipa, LIMA Exchange, LIMA Park Hotel, LIMA Square, and LIMA Transport Hub.

On December 8, 2023, LIMA Land, Inc. entered into an agreement with a wholly-owned subsidiary of Central Azucarera de Tarlac to acquire a 200-hectare property situated in Tarlac City, subject to certain closing conditions. The proposed acquisition is intended to boost Aboitiz InfraCapital's growing portfolio of Economic Estates for a total combined footprint of over 1,600 hectares.

Aboitiz InfraCapital remains committed to participating in the Philippine infrastructure space and contributing to the nation's economic development.

B. Republic Cement Group

AEV CRH Holdings, Inc. and CRH Aboitiz Holdings, Inc.

Incorporated in July 2015, AEV CRH and CRH Aboitiz are investment vehicles of AEV, in partnership with CRH plc. CRH Aboitiz acquired equity interests in Republic Cement Services, (Philippines) Inc. (RCSI) (formerly Lafarge Cement Services Philippines, Inc.) on September 15, 2015.

AEV CRH acquired a total of 99.09% equity interest in RCBM (formerly Lafarge Republic, Inc.) through (i) a private sale from its major shareholder representing 88.85% of RCBM's outstanding capital stock, and (ii) and a mandatory tender offer to acquire the remaining shares from the minority shareholders in compliance with the requirements of the Securities Regulation Code. On September 9, 2015, AEV CRH accepted from the public a total of 596,494,186 shares representing 10.24% of the outstanding shares of RCBM, which was then listed on the PSE. The tendered shares brought up AEV CRH's total shares in RCBM to 99.09% as of February 29, 2016. RCBM voluntarily delisted from the PSE in April 2016.

As of February 29, 2024, AEV CRH owned 99.40% of RCBM's outstanding capital stock and as of February 29, 2024, AEV owned a 60% and a 45% equity interests in its Associates, AEV CRH and CRH Aboitiz, respectively.

Republic Cement & Building Materials, Inc.

Incorporated on May 3, 1955, RCBM is primarily engaged in the manufacture, development, exploitation, and sale of cement, marble and a number of other building materials, and the processing or manufacture of materials for a range of industrial or commercial purposes.

RCBM's operating cement manufacturing plants are located in the following sites: (a) Barangay Minuyan, Norzagaray, Bulacan (Bulacan Plant); (b) Bo. Bigte, Norzagaray, Bulacan (Norzagaray Plant); (c) Bo. Mapulo, Taysan, Batangas (Batangas Plant); and (d) Barangay Dulumbayan, Teresa, Rizal (Teresa Plant). RCBM also has a cement grinding facility located in Bo. Dungo-an, Danao, Cebu (Danao Plant). RCBM serves a broad market in both the public and private sectors, including institutional cement customers, developers and contractors as well as distributors, dealers and retailers.

As of February 29, 2024, AEV CRH owned 99.40% of RCBM's total outstanding capital stock.

Republic Cement Mindanao, Inc. and Republic Cement Iligan, Inc.

RCMI was incorporated on May 25, 1957 to engage and deal in the production, purchase and sale of cement, concrete and allied products; quarrying, crushing and dealing in limestone in all its forms; and mixing, processing and sale of limestone with binder of any description.

On April 6, 2018, RCMI ceased to be a public company with the grant by the SEC of its Petition for Voluntary Revocation of Registration of Securities and Certificate of Permit to Sell Securities.

Since 1999, RCMI's business operations have been concentrated mainly on cement distribution and the contracting for the manufacture of cement by its former Affiliate, RCII. RCMI serves a broad market in both the public and private sectors, including institutional cement customers, developers and contractors as well as distributors, dealers and retailers.

RCBM owns a 99.97% equity interest in Republic Cement Mindanao, Inc. (RCMI) (formerly Lafarge Mindanao, Inc.). On October 1, 2020, the SEC approved the merger of RCMI and Republic Cement Iligan, Inc. (RCII), with RCMI as the surviving entity. On December 31, 2021, the SEC approved the increase in the authorized capital stock of RCMI, with RCMI issuing 20,000 redeemable preferred shares of the par value of ₱100,000.00 each to RCBM.

RCII was incorporated on June 1, 1967 and, prior to its merger into RCMI on October 1, 2020, had the primary purpose of: to acquire, own, construct, manage and operate a cement plant for the manufacture and production of a range of cement and cement products or by-products, including any derivatives thereof, for its former Affiliate, RCMI. RCII's (now RCMI's) operating cement manufacturing plant is located in Barangay Kiwalan, Iligan City.

As of February 29, 2024, RCBM owned a 99.97% equity interest in RCMI.

Republic Cement Land & Resources, Inc. (formerly: Luzon Continental Land Corporation)

Republic Cement Land & Resources, Inc. (RCLR) was incorporated on October 26, 1998 primarily to acquire, develop and operate land, quarries, mining rights, buildings and other real or personal property used for mining, and process a range of ore and cement materials. RCLR was acquired by AEV CRH from Calumboyan Holdings, Inc. on September 15, 2015. It currently leases land and supplies limestone and other raw materials to its Affiliate, RCBM.

AEV CRH owns a 100% equity interest in RCLR.

Republic Cement Services, Inc.

RCSI, incorporated on August 21, 2001, is the managing company of the non-nationalized businesses of RCBM and RCMI. CRH Aboitiz owns a 100% equity interest in RCSI.

(ii) Distribution Methods

A. Aboitiz InfraCapital

Water Infrastructure

LIMA Water, with a daily water capacity of 8 mn liters per day, provides industrial and potable water to over 100 industrial locators at the Lipa, Batangas-based LIMA Estate. Meanwhile, Apo Agua delivers bulk water to DCWD pursuant to a Bulk Water Purchase Agreement.

B. Republic Cement Group

The cement sales of the Republic Cement Group are primarily made through distributors and dealers, with other sales made directly to contractors, developers, precast manufacturers and ready-mix

concrete companies. RCBM Group's products are sold nationwide, with a majority of its sales coming from the Luzon region.

(iii) New Products and Services

A. Aboitiz InfraCapital

Aboitiz InfraCapital is currently undertaking project development activities in relation to its various infrastructure projects.

B. Republic Cement Group

The Republic Cement Group continues to develop high quality cement products for the builder's ease, efficiency, and flexibility**.**

(iv) Competition

A. Aboitiz InfraCapital

The principal competitors of Aboitiz InfraCapital are the companies that participate in the proposals and bids for infrastructure projects and sectors it pursues. These include Metro Pacific Investments Corporation, San Miguel Corporation, and Filinvest Development Corporation.

In terms of the commercial business, traditional big-box retail companies such as SM and Vista Land remain market leaders in the commercial business and are considered Aboitiz InfraCapital's main competitors in this segment.

In terms of economic estates, the national developers in the country, Ayala Land, Vista Land, and Megaworld are the main proponents of township developments. With their years of experience and land banks around the country, they remain Aboitiz InfraCapital's competitors in this segment.

B. Republic Cement Group

While market shares change constantly, the main competitors of the Republic Cement Group for its cement products consist of the cement manufacturers in the Philippines, such as Holcim Philippines, Inc., Eagle Cement Corporation, Cemex Philippines, and Taiheiyo Cement Philippines, Inc., as well as traders who import cement into the Philippines.

The Republic Cement Group's brand names and product lines have long been respected in the local construction industry, enabling it to effectively compete in the market. The Republic Cement Group continuously innovates and improves its product lines and production efficiency, to respond to the growing needs of the quality-conscious Filipino builder.

(v) Sources of Raw Materials

A. Aboitiz InfraCapital

Aboitiz Infracapital Group is not dependent upon one or a limited number of suppliers for essential raw materials and has supply transactions for goods and services with multiple suppliers.

B. Republic Cement Group

The principal raw materials for the manufacture of cement consist of minerals such as limestone, silica sand and shale, which are quarried from the Republic Cement Group's or RCLR's sites, mining claims, or purchased from local suppliers or Affiliates. Cement manufacture is the result of a definite process – the crushing of minerals, grinding, mixing, calcining/sintering, cooling and adding of retarder or gypsum. Other raw materials, slag, coal, other fuel and spare parts are obtained locally and abroad.

The Republic Cement Group is not dependent upon one or a limited number of suppliers for essential raw materials.

Energy Requirements

Cement manufacture is an energy-intensive process requiring reliable and affordable power supply for uninterrupted production. The operating plants source their power requirements from the following power providers:

Company	Location	Power Provider
RCBM	Bulacan, Norzagaray, Teresa and Batangas Plants	AESI and Masinloc Power Partners Co. Ltd.
	Danao Plant	AESI
RCMI	Barangay Kiwalan, City of Iligan, Province of Lanao del Norte	PSALM and PowerSource Philippines Energy, Inc.

The Republic Cement Group has its own generator sets in most of its operating plants to provide back-up power in case of power shortage or interruptions or poor power quality. In November 2014, RCII (now merged with RCMI) entered into a Power Supply Agreement with PowerSource Philippines Energy, Incorporated (PSPEI), wherein RCII invested in PSPEI as a minority shareholder.

(vi) Major Customers

A. Aboitiz InfraCapital

Aboitiz InfraCapital is not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. It has no single customer that will account for 20% or more of the group's total sale of goods and services.

B. Republic Cement Group

RCBM and its Subsidiaries are not dependent on any single or major customer. At present, the Republic Cement Group caters to diverse types of customers, including but not limited to, wholesalers, traders, ready mix companies, concrete products manufacturers, international and local contractors and real estate developers.

(vii) Patents, Copyrights, and Franchises

The Infrastructure Group owns, or has pending trademark applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. These are filed Philippine IPO. Please refer to **Annex "G-6**" to see the trademark applications which the Infrastructure Group has filed with the Philippine IPO.

(viii) Government Approval

Aboitiz InfraCapital and its Subsidiaries and the Republic Cement Group secure numerous government approvals such as (but not limited to) environmental compliance certificates, development permits, licenses to sell, and business permits as part of the ordinary course of its business.

A. Aboitiz InfraCapital

LIMA Water Corporation

In 2020, LIMA Water received its laboratory accreditation from the Department of the Environment and Natural Resources. The recognition authorizes the company's Laboratory Services Unit to generate environmental data in connection with the Environmental Impact Assessment system and monitoring to support the implementation of policies and guidelines.

In November of the same year, Lima Water secured PEZA approval on its tariff adjustment application. The shift to a new progressive structure tariff structure will encourage more efficient use of water among the locators.

B. Republic Cement Group

The Bureau of Product Standards of the Department of Trade and Industry granted RCBM the license to use the Philippine Standard Quality Certification Mark for its principal products. All other necessary licenses and permits required for the continuous production and sale of RCBM products have been secured, including new licenses as well as those that have to be renewed periodically.

(ix) Costs and Effects of Compliance with Environmental Laws

A. Aboitiz InfraCapital

LIMA Water Corporation

Upholding strict compliance with existing environmental laws is of high value to LIMA Water's operations. These laws aim to pursue economic growth in a manner in which the environment is not compromised. As a consequence of the current status of the country's environment, standards set by the DENR are becoming more stringent, as set forth by DENR Administrative Order ("DAO") 08 series of 2016. Capital and operational expenditures are provisioned to comply with the parameters set forth in the new DAO.

Aside from water quality, DENR standards on air quality, hazardous and solid wastes are constantly adhered to as part of the Environmental Impact Assessment System. Through environmental monitoring, assessment and evaluation in line with existing standards and regulations, pollution mitigation is improved.

With LIMA Water fully committed to its environmental compliance, more initiatives and innovations are carried out to continuously adapt and further address the vulnerability of the environment due to economic advances.

B. Republic Cement Group

RCBM and its Subsidiaries are committed to a policy of sustainable development, protection of the environment, and preservation of natural resources and energy. All the manufacturing plants are ISO 14001 certified, embracing environmental management system as a way of life.

Each quarry site has set up a Mine Rehabilitation Fund as a reasonable environmental deposit to ensure availability of funds for the satisfactory compliance with the commitments and performance of the activities stipulated in the Environmental Protection and Enhancement Program or the Annual Environmental Protection and Enhancement Program during each project phase, for the physical and social rehabilitation of areas and communities affected by the quarrying activities and for research on the social, technical and preventive aspects of rehabilitation.

Aligned with the Republic Cement Group's commitment to environmental protection, the upkeep and maintenance of dust control devices at the manufacturing sites are given top priority. In fact, three of the Republic Cement Plants recently invested in the state-of-the-art Baghouse System, which replaced the conventional Electrostatic Precipitators. These Baghouse Systems significantly lowers the dust emission to <50 mg/Nm^3, which not only passed but is significantly below the Philippine standard limit of 150 mg/Nm^3. Enhancing the Republic Cement Group's alternative fuels program has also lessened the group's dependence on fossil fuels such as coal and bunker fuel, thereby decreasing the Republic Cement Group's carbon footprint.

To ensure that the Republic Cement Group's continuing manufacturing activities do not result in added negative environmental impact, such as increase in emissions, the Republic Cement Group continues to invest their resources in housekeeping activities and periodic stationary sampling of air and water quality around the manufacturing sites. Continuous Emissions Monitoring Systems have

also been installed in every manufacturing site to ensure that air emissions are kept within Philippine standard limits.

Moreover, under the Philippine Mining Act and its implementing rules and regulations, each of the Companies shall: (a) assist in the development of the host and neighboring communities in accordance with the Social Development and Management Program approved by the Mines and Geosciences Bureau to promote the general welfare of the inhabitants living thereat; and (b) assist in the development of mining technology and geosciences as well as the corresponding manpower training and development.

The Republic Cement Group's reforestation project have already reached to 1,291 hectares planted to 1,038,210 seedlings or about 951,244 grown saplings consists of various endemic forest trees including mangroves, fruit-bearing trees, and bamboo across all operating sites since its launching in 2013 in support of the National Greening Program of the government which aimed to foster sustainable development for environment stability, food sufficiency, poverty reduction, biodiversity conservation, and climate change mitigation and adaptation. In addition, about 182 hectares of the group's Mineral Production Sharing Agreement area planted to 116,504 seedlings or about 106,000 surviving saplings/ grown trees across all of its operating quarry sites have already been progressively rehabilitated under the Mining Forest Program. The group's progressive rehabilitation involves not only the planting of forest trees and fruit-bearing trees but also incorporates the principles of agricultural farming systems within the mining tenement wherein areas devoid of mineral resources are converted into agricultural production. Cultivation of agricultural crops such as vegetables, different kinds of fruits, rice and corn within the mining tenement in the Bulacan, Teresa, and Batangas Plants is on-going. This endeavor could be seen as an alternative pathway to contribute to food security at the local level, at the very least. Further, the Republic Cement Group also embraces biodiversity conservation as all of its operating cement and quarry sites across the country have completed biodiversity assessment and continuously being monitored and reported to the Multi-partite Monitoring Team and the Mine Rehabilitation Fund Committee of the DENR.

(x) Effect of Existing and Probable Governmental Regulations on the Business

Amended Public Service Act

The Amended PSA provides for an enumeration of public services that are considered as public utilities and further states that no other person or entity shall be deemed a public utility unless otherwise subsequently provided by law. Accordingly, business activities of Aboitiz InfraCapital that do not fall under the current enumeration of public utilities in the Amended PSA are not considered as such and the nationality requirements imposed on public utilities under the Constitution do not apply, subject to other nationality requirements under applicable laws.

Further, passive telecommunications tower infrastructure and components, such as poles, fiber ducts, dark fiber cables, and passive telecommunications tower infrastructure as defined by the Department of Information and Communications Technology have been excluded from the coverage of telecommunications, as defined in the Amended PSA, and are also not considered critical infrastructure under the Amended PSA. The Amended PSA provides for restrictions on ownership by foreign governments or foreign state-owned enterprises of public services classified as critical infrastructure. Consequently, the development and operation of telecommunication towers undertaken by Unity Digital may not be considered as an operation of a critical infrastructure under the Amended PSA.

CREATE Act

Pursuant to the sunset provision of the CREATE Act three companies under the Infrastructure group, namely LimaLand, CIPDI and LWC, will continue enjoying the incentives granted by the PEZA, including 5% GIE, for ten years from July 1, 2022. The existing locators of LimaLand and CIPDI have the same option to enjoy their current incentives under the sunset provision.

Public-Private Partnership (PPP) Code

On December 23, 2023, the PPP Code took effect and repealed the Build-Operate-Transfer Law, the applicable law at the time Aboitiz InfraCapital's unsolicited proposals for its PPP regional airport projects were submitted. The PPP Code will affect the conduct of the approval and comparative challenge process of AIC's unsolicited proposals pursuant to its applicable transitory provisions. The implementing rules and regulations (IRR) of the PPP Code, which must be promulgated within 90 calendar days from the effectivity of the PPP Code, may also affect the processing of the unsolicited proposals. As of February 29, 2024, the PPP Code IRR has not yet been promulgated.

(xi) Major Risk/s Involved in the Business

Risks that are particular to Aboitiz InfraCapital and its Subsidiaries include:

Aboitiz InfraCapital may not be able to fully realize the benefits of implementing its infrastructure business

Aboitiz InfraCapital's ability to successfully grow and operate its infrastructure business is subject to various risks, uncertainties and limitations, including:

(a) the need to procure materials, equipment and services at reasonable costs and in a timely manner;
(b) reliance on the performance of third-party providers and consultants which have an impact on the overall operating performance of Aboitiz InfraCapital's business units;
(c) the possible need to raise additional financing to fund infrastructure projects, which Aboitiz InfraCapital may be unable to obtain on satisfactory commercial terms or at all;
(d) deficiencies or delays in the design, engineering, construction, installation, inspection, commissioning, management or operation of projects where applicable;
(e) penalties if concession requirements are not satisfied;
(f) the timely delivery by the Government of any rights of way for its projects;
(g) its ability to complete projects according to budgeted costs and schedules;
(h) market risks;
(i) non-implementation of toll or fare adjustments provided under its concession;
(j) regulatory risks; and
(k) delays or denials of required approvals, including required concessional and environmental approvals.

Occurrence of any of the foregoing or a failure by Aboitiz InfraCapital to successfully operate its infrastructure business could have a material adverse effect on its business, financial condition and results of operations.

These risks are mitigated through a combination of (i) developing and implementing the appropriate plans and procedures covering relevant areas such as stakeholder management, procurement and operations; and (ii) engaging the appropriate experts and suppliers where necessary.

Aboitiz InfraCapital may not be successful in securing new concessions or projects

Aboitiz InfraCapital's future plans in relation to the infrastructure business contemplate the continued acquisition of new concessions and projects, successful participation in bids for projects as well as exploring opportunities in other sectors. Aboitiz InfraCapital's ability to expand its business and increase operating profits is dependent on many external factors and events that are outside of Aboitiz InfraCapital's control, including changes in governmental laws and policies, such as the current "Build Build Build" initiative of the President Duterte administration.

Item 2. Properties

The Company's head office is located at 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines. The office space occupied by AEV is leased from a third party. As a holding company, the Company does not utilize a significant amount of office space.

As of the date of this Information Statement, there are no definite plans of acquiring properties in the next 12 months. Nonetheless, the Company plans to continually participate in future projects that become available to it and will disclose the same in accordance with the applicable disclosure rules under the SRC.

On a consolidated basis, the Property, Plant and Equipment of the Group had a carrying value of ₱229.70 bn, and ₱224.71 bn, as of December 31, 2023, and 2022, respectively. The breakdown of the Company's Property, Plant and Equipment is as follows:

Property, Plant and Equipment as of December 31	2023	2022
Power Plant Equipment and Steam Field Assets	₱137,954,568	₱132,660,266
Construction in progress	23,428,167	16,046,138
Buildings, Warehouses and Improvements	69,371,171	67,286,922
Transmission, Distribution and Substation Equipment	30,965,981	27,750,107
Machinery & Equipment	12,670,060	11,968,898
Office Furniture, Fixtures and Equipment	18,777,958	16,888,522
Leasehold Improvements	3,635,196	3,507,188
Land and Land Improvements	5,644,057	4,105,228
Transportation Equipment	3,879,991	3,545,746
Tools and Others	2,372,537	2,293,822
Less: Accumulated Depreciation and Amortization	104,721,751	91,879,869
Accumulated Impairment	4,567,946	4,317,975
TOTAL PPE	199,409,988	189,854,993
Right-Of-Use Assets	30,290,988	34,856,727
TOTALS	**₱229,700,594**	**₱224,711,720**

Note: *Values for the above table are in thousand Philippine Pesos.*

Property, Plant and Equipment with carrying amount of ₱48.1 bn and ₱64.4 bn as of December 31, 2023 and 2022, respectively, are used to secure the Group's long-term debts. For further details refer to Note 19 (disclosure on Long-term Debts) of AEV's consolidated financial statements.

Item 3. Legal Proceedings

AEV and its Subsidiaries are currently involved in various legal proceedings in the ordinary conduct of their businesses. The Company believes that the results of these actions will not have a material effect on the Company's financial position and results of operations.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

(1) Market Information

AEV's common shares are traded on the PSE.

The high and low stock prices of AEV's common shares for each quarter for the past three years were as follows:

	2023		2022		2021	
	High	Low	High	Low	High	Low
First Quarter	60.00	47.25	65.15	52.35	47.60	34.50
Second Quarter	57.45	50.45	60.00	44.85	43.70	34.00
Third Quarter	56.00	45.70	61.95	45.95	54.20	37.00
Fourth Quarter	50.15	44.60	58.45	57.40	59.05	46.70

The closing price of AEV common shares, as of February 29, 2024 was ₱43.00 per share.

(2) Holders

As of February 29, 2024, AEV had 8,238 stockholders of record, including PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Foreign). Common shares outstanding as of the same date were 5,619,785,757 shares.

The top 20 stockholders of AEV as of February 29, 2024 were as follows:

	Stockholder	Nationality	Common Shares	% of Total Common Shares Issued
1	Aboitiz & Company, Inc.	Filipino	2,735,600,915	48.68%
2	PCD Nominee Corporation (Filipino)	Filipino	1,070,687,539	19.05%
3	Ramon Aboitiz Foundation Inc.	Filipino	426,804,093	7.59%
4	PCD Nominee Corporation (Non-Filipino)	Non-Filipino	321,225,596	5.72%
5	Sanfil Management Corporation	Filipino	120,790,211	2.15%
6	Windemere Management & Development Corporation	Filipino	49,666,352	0.88%
7	Donya 1 Management & Development Corporation	Filipino	43,136,359	0.77%
8	Bauhinia Management Inc.	Filipino	41,148,120	0.73%
9	Morefund Management & Development Corporation	Filipino	40,000,000	0.71%
10	Anso Management Corporation	Filipino	30,369,707	0.54%
11	MYA Management & Development Corporation	Filipino	22,494,414	0.40%
12	Luis Miguel O. Aboitiz	Filipino	20,092,133	0.36%
13	Guada Valley Holdings Corporation	Filipino	17,688,445	0.31%

14	Parraz Development Corporation	Filipino	14,483,067	0.26%
15	Dominus Capital Inc.	Filipino	11,600,000	0.21%
	FMK Capital Partners	Filipino	11,600,000	0.21%
16	Arrayanes Corporation	Filipino	10,750,070	0.19.%
17	UnionBank TISG For IMA#PH3Q201 692	Filipino	8,709,900	0.15%
18	Les Folatieres Holdings Inc.	Filipino	8,056,119	0.14%
19	Ramjay Management & Dev. Corp	Filipino	7,826,493	0.14%
20	Era Management and Development Corporation	Filipino	7,697,658	0.14%
	SUB-TOTAL		**5,020,427,191**	**89.33%**
	Other Stockholders		**599,358,566**	**10.67%**
	TOTAL SHARES		**5,619,785,757**	**100.00%**
	NET ISSUED AND OUTSTANDING SHARES		**5,619,785,757**	**100.00%**

(3) Dividends

The cash dividends declared by AEV to common stockholders for the first quarter of 2024, 2023, and 2022 are shown in the table below:

Year	Cash Dividend Per Share	Declaration Date	Total Declared	Record Date	Payment Date
2024 (regular)	₱1.40	03/05/2024	₱7.87 billion	03/19/2024	03/26/2024
2023 (regular)	₱1.47	03/03/2023	₱8.28 billion	03/17/2023	03/30/2023
2022 (regular)	₱1.62	03/04/2022	₱9.12 billion	03/18/2022	03/30/2022

In 2007, the Company adopted a policy of distributing at least one-third of its previous year's earnings as cash dividends to its stockholders, in all cases subject to the approval of the Company's Board of Directors in the exercise of its duties and compliance with legal requirements. There are no restrictions that limit the payment of dividends on common shares to stockholders of record as of February 29, 2024.

(4) Recent Sales of Unregistered or Exempt Securities including Recent Issuances of Securities Constituting an Exempt Transaction

AEV does not have any recent sales of unregistered or exempt securities including recent issuances of securities constituting an exempt transaction.

Item 6. Management's Discussion and Analysis or Plan of Action

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of AEV (the "Parent Company") and its Subsidiaries (collectively, the "Group") should be read in conjunction with the audited consolidated financial statements and accompanying disclosures set forth elsewhere in this report.

The critical accounting policies section discloses certain accounting policies and management judgments that are material to the Company's results of operations and financial condition for the periods presented in this report. The discussion and analysis of the Company's results of operations are

presented in three comparative sections: the year ended December 31, 2023 compared with the year ended December 31, 2022, the year ended December 31, 2022 compared with the year ended December 31, 2021, and the year ended December 31, 2021 compared with the year ended December 31, 2020.

TOP FIVE KEY PERFORMANCE INDICATORS

Management uses the following indicators to evaluate the performance of AEV and its Subsidiaries:

1. **EQUITY IN NET EARNINGS OF INVESTEES**

   Equity in net earnings (losses) of investees represents the Group's share in the undistributed earnings or losses of its Associates and Joint Ventures for each reporting period subsequent to the acquisition of the said investment. This account reflects the result of the operating performance of an Associate or a Joint Venture and indicates its contribution to the Group's consolidated net income.

   Manner of Computation: Investee's Net Income (Loss) x Investor's % ownership – Goodwill Impairment Cost.

2. **EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)**

   The Company computes EBITDA as earnings before extraordinary items, net finance expense, income tax provision, depreciation and amortization. It provides management and investors with a tool for determining the ability of the Group to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Group's ability to service its debts and to finance its capital expenditure and working capital requirements.

3. **CASH FLOW GENERATED**

   Using the Statement of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the Group manages its profit and uses its internal and external sources of capital. This aids management in identifying the impact on cash flow when the Group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.

4. **CURRENT RATIO**

   Current Ratio is a measurement of liquidity, calculated by dividing total current assets by total current liabilities. It is an indicator of the Group's short-term debt-paying ability. The higher the ratio, the more liquid the Group.

5. **DEBT–TO–EQUITY RATIO**

   Debt-to-Equity Ratio indicates how leveraged the Group is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total debt by total equity.

YEAR ENDED DECEMBER 31, 2023 COMPARED TO YEAR ENDED DECEMBER 31, 2022

KEY PERFORMANCE INDICATORS
(Amounts in thousands except financial ratio data)

	JAN-DEC 2023	JAN-DEC 2022
EQUITY IN NET EARNINGS OF INVESTEES	**₱23,637,125**	₱20,781,865
EBITDA	**81,182,23**	71,176,30
CASH FLOW GENERATED:		
Net cash flows from operating activities	**57,826,663**	30,180,674
Net cash flows from (used in) investing activities	**(2,195,947)**	(74,477,629)
Net cash flows used in financing activities	**(44,282,137)**	(4,364,764)

Net Increase (Decrease) in Cash & Cash Equivalents	**11,348,579**	(48,661,719)
Cash & Cash Equivalents, Beginning	**101,526,260**	147,534,035
Cash & Cash Equivalents, End	112,293,582	101,526,260
	DECEMBER 31, 2023	**DECEMBER 31, 2022**
CURRENT RATIO	**2.2**	1.9
NET DEBT-TO-EQUITY RATIO	**0.7**	0.7

Equity earnings in investees increased by 14% from ₱20.8 bn in 2022 to ₱23.6 bn in 2023. The increase was primarily due to fresh contributions from GNPD. This was partly offset by the following: (i) lower earnings of UnionBank due to one-time integration cost of the acquired Citi business, and (ii) lower earnings of RCBM attributed to weak market demand for cement primarily due to higher inflation, delays in the rollout of government projects and unfavorable weather conditions in the Visayas and Mindanao regions at the beginning of 2023.

Consolidated EBITDA translated into substantial cash inflows coming from Subsidiaries' operations. These inflows, coupled with dividends received from Associates and Joint Ventures were the main source of internally-generated funds, which were then used to finance capital expenditures, additional investments into Associates, dividends, and debt service payments.

Net Debt-to-Equity ratio as of 31 December 2023 remained at end-2022 level of 0.7x. The Current Ratio as of 31 December 2023 was at 2.2x, an increase from the end-2022 level of 1.9x, as the decrease in current liabilities was more than the decrease in current assets.

REVIEW OF JANUARY-DECEMBER 2023 OPERATIONS COMPARED TO JANUARY-DECEMBER 2022

RESULTS OF OPERATIONS

For the 12-month period ended 31 December 2023, AEV and its Subsidiaries posted a net income attributable to the equity holders of parent Company ("Net Income to Equity Holders of AEV") of ₱23.5 bn, a 2% decrease year-on-year ("YoY"). This translated to earnings per share of ₱4.18 for the period in review. The Power Group accounted for the bulk of the income contributions to AEV at 67%, followed by the Banking and Financial Services, Infrastructure, Food, and Real Estate Groups at 18%, 6%, 5%, and 4%, respectively.

During 2023, the Group had non-recurring gains of ₱1.4 bn compared to ₱3.5 bn non-recurring gains recorded in 2022. Without these one-off gains, the Group's core net income for 2023 was ₱22.1 bn, 8% higher YoY. AEV recorded a 14% increase in consolidated EBITDA for 2023 compared to 2022, from ₱71.2 bn to ₱81.2 bn.

MATERIAL CHANGES IN LINE ITEMS OF REGISTRANT'S STATEMENTS OF INCOME AND OF COMPREHENSIVE INCOME

The following discussion describes material changes in the line items of the Company's statement of income and of comprehensive income for 2023 compared to 2022.

Revenues

Sale of Power

The Group's revenue from sale of power increased by 7% or ₱12.9 bn, from ₱193.6 bn in 2022 to ₱206.5 bn in 2023. The increase was primarily attributable to higher availability across AboitizPower's generation units. The Group's sale of power comprised 63% and 67% as a percentage of total revenues in 2022 and in 2023, respectively.

Sale of Goods

The Group's revenue from sale of goods decreased by 11% or ₱11.8 bn, from ₱103.6 bn in 2022 to ₱91.7 bn in 2023. The decrease was primarily due to lower sales volume for the Food Group. The Group's sale of goods comprised 34% and 30% as a percentage of total revenues in 2022 and in 2023, respectively.

Real Estate

The Group's revenue from real estate increased by 27% or ₱2.0 bn, from ₱7.4 bn in 2022 to ₱9.5 bn in 2023. The increase was primarily attributable to higher land sales and lease income from Lima Land. As a percentage of total revenues, the Group's revenue from real estate comprised 2% and 3% in 2022 and in 2023, respectively.

Other Revenues

The Group's combined revenue from service fees and other sources increased by 61% or ₱1.4 bn, from ₱2.2 bn in 2022 to ₱3.6 bn in 2023. This increase was primarily due to interest income on the service concession asset of SPI. As a percentage of total revenues, the Group's other revenues comprised 1% in both 2022 and in 2023.

Costs and Expenses

Cost of Generated and Purchased Power

The Group's cost of generated and purchased power increased by 4% or ₱5.4 bn, from ₱130.0 bn in 2022 to ₱135.4 bn in 2023. The increase was primarily attributable to higher volume of power generated and higher purchased power rates driven by higher WESM prices. As a percentage of total costs and expenses, the Group's cost of generated and purchased power comprised 48% and 50% in 2022 and in 2023, respectively.

Cost of Goods Sold

The Group's cost of goods sold decreased by 13% or ₱12.0 bn, from ₱93.4 bn in 2022 to ₱81.3 bn in 2023. The decrease was primarily attributable to lower raw materials costs of the Food Group. As a percentage of total costs and expenses, the Group's cost of goods sold comprised 34% and 30% in 2022 and in 2023, respectively.

Operating Expenses

The Group's operating expenses increased by 15% or ₱6.5 bn, from ₱44.3 bn in 2022 to ₱50.8 bn in 2023. The increase was primarily attributable to higher (i) personnel costs, (ii) professional fees, (iii) taxes and licenses, (iv) insurance of the Group's power plants, and (v) depreciation and amortization. As a percentage of total costs and expenses, the Group's operating expenses comprised 16% and 19% in 2022 and in 2023, respectively.

Cost of Real Estate Sales

For 2023, the Group's cost of real estate sales increased by 23% or ₱0.9 bn, from ₱4.1 bn in 2022 to ₱5.0 bn in 2023. The increase was primarily driven by higher real estate sales. As a percentage of total costs and expenses, the Group's cost of real estate sales comprised 1% and 2% in 2022 and in 2023, respectively.

Operating Profit

As a result of the foregoing, the Group's operating profit increased by 8% or ₱2.9 bn, from ₱35.1 bn in 2022 to ₱38.0 bn in 2023.

Income Before Income Tax

The Group's income before income tax increased by 17% or ₱7.5 bn, from ₱44.0 bn in 2022 to ₱51.5 bn in 2023. The increase was primarily due to higher operating profit, higher equity earnings and other income (AboitizPower's bargain purchase gain resulting from its acquisition of an additional stake in SPI, and recognition of business interruption claims).

Provision for Income Tax

The Group's provision for income tax increased by 60% or ₱3.2 bn, from ₱5.4 bn in 2022 to ₱8.6 bn in 2023. The increase was primarily due to higher taxable income of the Power Group.

Net Income

Net income attributable to non-controlling interests for 2023 increased to ₱19.4 bn from ₱14.6 bn in 2022. This was primarily due to the increase in consolidated net income of AboitizPower in 2023.

As a result of the foregoing, the Group's Net Income to Equity Holders of AEV decreased by 2% or ₱0.5 bn, from ₱24.0 bn in 2022 to ₱23.5 bn in 2023.

STRATEGIC BUSINESS UNITS

The following discussion describes the performance of the Group's SBUs for 2023 compared to 2022.

Power

The contribution of AboitizPower to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱17.3 bn in 2023, a 28% increase from ₱13.5 bn in 2022. The variance was primarily due to fresh contributions from GNPD and higher availability across AboitizPower's power generation units. Energy volume sold in 2023 increased by 17% to 35,372 GWh from 30,251 GWh in 2022.

Banking & Financial Services

The contribution of UnionBank to the Net Income to Equity Holders of AEV decreased by 29%, from ₱6.3 bn in 2022 to ₱4.5 bn in 2023. The decrease was primarily due to higher credit loss provision, and higher operating expenses resulting from the full-year impact of the costs associated with the integration of Citi's consumer business and UnionDigital, which only became part of Unionbank in the second half of 2022.

Food

The contribution of the Food Group to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱1.3 bn in 2023, a reversal from the ₱14 mn loss in 2022. This reversal was primarily due to better margins from its Flour and Agribusiness segments driven by the decrease in raw material costs and better pricing strategy. These gains were partially offset by the lower contributions from the Farms and Meats segments, which were dragged down by the lower selling prices for both live hogs and meats combined with higher production costs pertaining to the carrying costs of underutilized farms.

Real Estate

The contribution of AboitizLand to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, amounted to ₱1.0 bn in 2023, a 19% increase from ₱865 mn in 2022. The increase was primarily due to higher revenues from higher sales performance and construction activity, coupled with gains from sale of properties.

Infrastructure

The contribution of Aboitiz InfraCapital to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, increased by 26% to ₱2.4 bn in 2023, compared to ₱1.9 bn in 2022. The increase was primarily due to higher land sales and lease income from Aboitiz InfraCapital's Economic Estates and incremental contributions from the airports business segment.

The contribution of RCBM to the Net Income to Equity Holders of AEV amounted to a ₱789 mn loss in 2023 compared to the ₱323 mn loss recorded in 2022. This was due to lower sales volume attributed to weak market demand for cement primarily due to higher inflation, delays in the rollout of government projects, and unfavorable weather conditions in the Visayas and Mindanao regions at the beginning of 2023.

CHANGES IN REGISTRANT'S RESOURCES, LIABILITIES AND SHAREHOLDERS' EQUITY

Assets

Consolidated assets (as of 31 December 2023 compared to 31 December 2022) increased by 3% to ₱833.8 bn, primarily due to the following:

- Cash & Cash Equivalents increased by 11% (₱112.3 bn as of 31 December 2023 compared to ₱101.5 bn as of 31 December 2022) primarily due to cash generated from operations, cash dividends from Associates and Joint Ventures, and proceeds from the issuance of retail bonds and maturing short-term cash deposits of AEV.
- Investments in and Advances to Associates and Joint Ventures increased by ₱28.3 bn (₱224.1 bn as of 31 December 2023 compared to ₱195.9 bn as of 31 December 2022) primarily due to (i) ₱6.0 bn additional investment in UnionBank, (ii) ₱1.4 bn additional investment in Unity, (iii) ₱5.2 bn other comprehensive income, and (iv) the recording of ₱23.6 bn share in net earnings of Associates and Joint Ventures. This increase was partially offset by the ₱4.6 bn dividends received from Associates and Joint Ventures and ₱3.4 bn effect of the step acquisition to Subsidiary of SPI.

The above Increases were offset by the following decreases:

- Trade and other receivables (current and noncurrent) decreased by 5% (₱58.6 bn as of 31 December 2023 compared to ₱61.6 bn as of 31 December 2022) primarily due to higher collection efficiency in AboitizPower, and lower sales of the Food Group.
- Other Current Assets (OCA) decreased by 18% (₱38.0 bn as of 31 December 2023 compared to ₱46.3 bn as of 31 December 2022) primarily due to the decrease in short-term cash deposits partly offset by the reclassification of exchangeable notes from Other Noncurrent Assets to OCA.
- Other Noncurrent Assets (ONCA) decreased by 17% (₱28.1 bn as of 31 December 2023 compared to ₱33.7 bn as of 31 December 2022) primarily due to the reclassification of exchangeable notes from ONCA to OCA, partly offset by the first-time consolidation of SPI's service concession contract asset.

Liabilities

Total Liabilities as of 31 December 2023 increased to ₱458.5 bn compared to ₱457.6 bn as of 31 December 2022 primarily due to the following:

- Bank loans decreased by 10% (₱41.0 bn as of 31 December 2023 compared to ₱45.4 bn as of 31 December 2022) primarily due to short-term debt payments by the Power and Food Groups during 2023.

- Long-term debt, which includes both current and noncurrent portions, increased by 9% (₱331.6 bn as of 31 December 2023 compared to ₱303.5 bn as of 31 December 2022) primarily due to the issuance of retail bonds by AEV amounting to ₱17.4 bn, TLI new loan to prepay its lease obligation to PSALM, and loan availments of other Subsidiaries. These were partly offset by principal payments made on existing loans during 2023.

- Long-term obligation on Power Distribution System, which includes current and noncurrent portions, decreased by 16% (₱123 mn as of 31 December 2023 compared to ₱145 mn as of 31 December 2022) as regular annual payments were made.

- Lease liabilities, which include current and noncurrent portions, decreased by 88% (₱3.3 bn as of 31 December 2023 compared to ₱27.9 bn as of 31 December 2022) due to the prepayment by TLI of its obligation to PSALM in 2023.

- Trade and other payables, inclusive of noncurrent portion, decreased by 5% (₱57.3 bn as of 31 December 2023 compared to ₱60.5 bn as of 31 December 2022) primarily due to the decrease in insurance contract liabilities.

- Income tax payable increased by 30%, from ₱556 mn as of 31 December 2022 to ₱724 mn as of 31 December 2023 primarily due to higher taxable income.

- Derivative liabilities (net of Derivative assets, current and noncurrent) moved from ₱2.4 bn net asset position as of 31 December 2022 to ₱151 mn liability as of 31 December 2023. This was primarily due to losses in the Power Group's cash flow hedges.

- Customers' deposits increased by 10%, from ₱8.3 bn as of 31 December 2022 to ₱9.1 bn as of 31 December 2023, primarily due to the Power Group's receipt of bill deposits from new customers.

- Decommissioning liability increased by 30%, from ₱5.7 bn as of 31 December 2022 to ₱7.4 bn as of 31 December 2023, primarily due to the recognition of additional decommissioning provisions on power plant assets.

- Deferred Income Tax Liabilities (net of Deferred income tax assets) increased by 58% (₱4.4 bn as of 31 December 2023 compared to ₱2.8 bn as of 31 December 2022) primarily due to the first-time consolidation of STEAG.

- Pension Liabilities (net of Pension assets) increased by 237% (₱906 mn as of 31 December 2023 compared to ₱269 mn as of 31 December 2022) primarily due to actuarial losses on the Group's defined benefit plans.

Equity

Equity attributable to equity holders of the parent (as of 31 December 2023 compared to 31 December 2022) increased by ₱16.9 bn from ₱255.1 bn to ₱272.0 bn, due to the ₱23.5 bn net income recorded during the year, and ₱2.2 bn in other comprehensive income. These were partly offset by the ₱8.3 bn cash dividends paid during 2023.

MATERIAL CHANGES IN LIQUIDITY AND CASH RESERVES OF REGISTRANT

For 2023, the Group continued to support its liquidity primarily from cash generated from operations, additional loans availed, and dividends received from Associates and Joint Ventures.

Compared to the cash inflow during 2022, consolidated cash generated from operating activities for 2023 increased by ₱27..6 bn to ₱57.8 bn. The increase was primarily due to lower working capital requirements and higher operating income.

As of 31 December 2023, ₱2.2 bn net cash was used in investing activities compared to ₱74.5 bn used during 2022. In the current period, ₱19.4 bn of short-term cash deposits were liquidated, partly offset

by ₱7.5 bn investments in Associates. In the same period in 2022, ₱13.9 bn was invested in short-term cash deposits to maximize interest income, while ₱30.7 bn was invested in Associates.

Net cash used in financing activities was ₱44.3 bn during 2023 compared to ₱4.4 bn during 2022. This was due to higher interest payments, payment of short-term loans, and prepayment of TLI's lease obligations to PSALM.

For 2023, net cash inflows surpassed cash outflows, resulting in an 11% increase in cash and cash equivalents from ₱101.5 bn as of year-end 2022 to ₱112.3 bn as of 31 December 2023.

FINANCIAL RATIOS

AEV's Current Ratio as of 31 December 2023 stood at 2.2x compared to end-2022's 1.9x as the decrease in current liabilities was more than the decrease in current assets. Net Debt-to-Equity ratio remained at year-end 2022's 0.7:1.

KEY VARIABLES AND OTHER QUALITATIVE AND QUANTITATIVE FACTORS

To the best of the Company's knowledge, other than disclosed in the audited consolidated financial statements, no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons were created during the year. There were also no events that would trigger substantial direct or contingent financial obligations or cause any default or acceleration of an existing obligation.

Likewise, there were no other material changes made in such items as: accounting principles and practices, estimates inherent in the preparation of the consolidated financial statements, status of long-term contracts, changes in the composition of the issuer, and reporting entity resulting from business combinations or dispositions.

There were no changes in estimates of amounts reported in the prior financial year that would have a material effect in the current financial year.

There were no material, non-recurring adjustments made during the year that would require appropriate disclosures, other than those already disclosed in the audited consolidated financial statements. All other adjustments are of a normal recurring nature.

There are no material effects on the Group's financial condition or results of operations due to seasonality.

Lastly, there are no material commitments for capital expenditures except those disclosed in the consolidated audited financial statements and/or discussed in Outlook for the Upcoming Year/Known Trends, Events, and Uncertainties which may have a Material Impact on the Registrant.

OUTLOOK FOR THE UPCOMING YEAR/ KNOWN TRENDS, EVENTS, AND UNCERTAINTIES WHICH MAY HAVE MATERIAL IMPACT ON THE REGISTRANT

The Economic Research Unit of UnionBank forecasts GDP to grow by 5.8% in 2024, given the potential impact of El Niño on farm and agriculture output, the impact of the hawkish pause of the BSP throughout the year, and the increased commodity supply risk arising from escalating geopolitical risks. Further, it expects annual GDP growth to bottom out in the second quarter of 2024, at 5.6%, before gaining traction in the second half of 2024, alongside the transition to El Niño-neutral conditions, BSP's rate cuts starting in the second half of 2024 and stronger prospects in 2025.

Amidst this economic backdrop, the Company expects the following outlook for its businesses.

Power SBU

AboitizPower is focused on providing reliable supply to its markets, at a reasonable cost and with minimal impact on the environment and communities. AboitizPower believes that there is no single technology that

completely addresses the country's energy requirements and believes that to effectively and sustainably address the country's power requirements, a mix of power generation technologies is necessary. As such, AboitizPower pursues both renewable and thermal technologies, where and when it makes sense.

Despite increased competition in the domestic power generation sector, AboitizPower believes that it has built the foundation to sustain its long-term growth, as seen in its pipeline of new power generation projects.

As part of its decarbonization journey, AboitizPower continues to grow its portfolio of generation assets with renewable and selective baseload builds. It targets to grow its RE portfolio to 4,600 MW of net attributable sellable capacity, of which, 3,700MW will be new RE capacity. AboitizPower's initial expansion phase focuses on developing solar and wind plants with a cumulative net attributable capacity of up to 1,200 MW, where it is on track for 176 MW to come online by first half of 2024, with construction ongoing for an additional 218 MW. The second phase of AboitizPower's expansion will see an additional capacity of around 1,700 MW of solar and wind power, bringing AboitizPower's capacity closer to achieving its 3,700 RE target.

AboitizPower also aims to maximize opportunities arising from the implementation of the RPS by the DOE. In line with DOE's aspirational goal of a 35% share in RE utilization by 2030, RPS is a market-based policy that mandates power distribution utilities, electric cooperatives, and retail electricity suppliers to source an agreed portion of their energy supplies from RE facilities.

On top of its solar and wind energy pipeline, AboitizPower disclosed on March 1, 2024 that it, through its Subsidiary Therma NatGas Power, Inc., entered into an investment agreement with Meralco PowerGen Corporation and acquired 40% of Chromite Gas Holdings. Chromite Gas Holdings, in turn, plans to acquire a 67% interest in two gas-fired power plants (1,278MW Ilijan Power Plant and a 1,320 MW combined cycle plant, which is under construction), and an LNG import and regasification terminal, marking AboitizPower's foray into the LNG space.

Finally, AboitizPower fully supports the DOE's coal moratorium efforts to make the Philippine energy system more flexible, resilient, and sustainable and closely and proactively monitors the risks associated with climate-related regulations and initiatives, including recent discussions on the early retirement of coal assets in the Philippines and Indonesia. Through its parent company, AEV, AboitizPower is the first Philippine company to sign up and commit to the TCFD framework. AboitizPower has taken steps to proactively quantify the potential impacts of various climate regulations on its assets. As part of its risk management framework, AboitizPower is monitoring this risk and is developing strategies to manage risks that are above certain thresholds.

Given the current state of power needs in the Philippines and the expected build progression of new plants over the next decade, AboitizPower believes that its existing coal assets will continue to play an integral role for at least another 15 to 20 years and is always seeking improvements to ensure it operates its assets responsibly and in compliance with all relevant regulations.

AboitizPower believes its balance sheet gives it the capability to create or acquire additional generating capacity over the next few years. AboitizPower, together with its partners, has allotted ₱73 bn for capital expenditures in 2024. Of this, 72% is earmarked for AboitizPower's RE pipeline, while the remaining budget is for the continuous improvement of the reliability of its baseload plants, as well as various land acquisitions, new substations, and new meters for its distribution business. This figure does not include AboitizPower's investment in Chromite Gas.

AboitizPower and JERA Co., Inc. ("JERA") have also agreed to collaborate in the following areas: 1) development of power projects, including LNG-to-Power projects; 2) management and sourcing of LNG fuel supply; and 3) potential participation in aspects of plant operation and maintenance. In February 2023, AboitizPower and JERA signed, in the presence of His Excellency Ferdinand R. Marcos Jr., President of the Republic of the Philippines, a memorandum of understanding to commence a joint study on ammonia co-firing for decarbonization. Both companies will assess the feasibility of ammonia co-fired power generation and study potential development in the ammonia and hydrogen value chains in the Philippines for decarbonization.

Other known trends, events, and uncertainties which may have a material impact on AboitizPower have been discussed extensively in sections of AboitizPower's Information Statement *(e.g. for an extensive discussion on regulatory issues, see Effect of Existing or Probable Government Regulations on the Business on page 79 of the AboitizPower's 2023 Definitive Information Statement).*

Banking & Financial Services SBU

Scaling the Retail Business

In 2022, UnionBank launched its *"Go for Gold"* campaign, with the objective of becoming the largest and most profitable retail bank in the Philippines within the next three years. This objective is anchored on its growing retail customer base, which included the strategic acquisition of Citi's consumer business in the same year.

In 2023, the customer base of Unionbank reached close to 14 mn, which has consistently grown by 2 mn annually since 2019. The Bank's retail loan portfolio, as a proportion to total loans, grew to 58% compared to 54% in 2022, surpassing the industry average of 20%. Its retail portfolio is diversified across product offerings such as credit cards, mortgages, personal loans, and vehicle loans.

UnionBank's strategic focus on the retail segment resulted in a 71 basis point expansion in its net interest margin, which reached a high of 5.5% in 2023. Fee-based income saw a substantial YoY increase of 54% to ₱10 bn in 2023, which was attributable to the growth in customer transactions and revenue streams from key Subsidiaries. UnionBank ranks among the top performers in Instapay transactions and in terms of the number of debit cards issued.

UnionBank's mobile app garnered the highest Net Promoter Score among all local online banking platforms, along with top ratings and most downloads on the Google Play Store.

For 2024, UnionBank plans to focus on the following areas:

A. Full integration of Citi's consumer business

The recently acquired consumer business of Citi has brought in one mn customers and accounted for approximately a third of UnionBank's revenues in 2023. UnionBank has a Transitional Service Agreement ("TSA") with Citi to enable it to run on Citi's platforms while it fully integrates the latter's consumer business into its system. UnionBank is expected to complete the integration by the first quarter of 2024, which should allow it to fully realize the synergies from Citi's consumer business.

B. Unlocking the potential of UnionDigital

2023 marks the first full year of operations of UnionDigital, which has established itself as a market leader in the digital banking space. As of December 31, 2023, it has a total loan portfolio of ₱12 bn and a deposit base of ₱18 bn. UnionDigital's strategic focus on expanding its earning asset base, particularly through the growth of its personal loan portfolio, allowed it to be among the most profitable digital banks in the Philippines.

For 2024, UnionDigital's primary objective is to extend financial services to the underserved working population while it capitalizes on UnionBank's growing ecosystem and scale to provide cost-effective services while expanding high-yielding earning assets to enhance profitability. Additionally, UnionDigital aims to introduce traditional banking products through its mobile platform, thereby extending its reach to the underserved and unbanked Filipinos.

C. Scaling the retail business

In 2024, UnionBank expects higher profitability from additional revenues and cost synergies from the full integration of Citi's consumer business and as it continues to scale its retail business.

UnionBank, along with its key Subsidiaries, is committed to enhancing customer engagement and fostering deeper relationships with its core institutional and government clients to strengthen its retail portfolio. As

UnionBank captures more market share in the retail segment, it expects the growth in its net interest margins and fees (as a proportion of its total assets) to outperform the industry, while complemented by cost synergies from the Bank's digital transformation.

The effective execution of these key focus areas will enhance UnionBank's profitability. To support these initiatives, Unionbank has allotted ₱3 bn for capital expenditures in 2024.

Other known trends, events, and uncertainties which may have a material impact on the Bank have been discussed extensively in sections of the Bank's 2023 Definitive Information Statement.

Food SBU

In 2022, the Food Group reorganized its businesses into the following segments: (i) **Agribusiness segment**, which consists of its regional animal nutrition businesses (feed, pet food, and specialty nutrition divisions) in China, Vietnam, Thailand, Malaysia & Brunei, Indonesia, and the Philippines; and (ii) **the Food and Nutrition business segment**, which comprises its businesses catering to the consumer segment of the value chain (flour, farms, meats, and trading divisions) in the Philippines, including retail and other business-to-customer (B2C) businesses.

The reorganization is intended to boost internal collaboration, improve the speed and efficiency of its execution, and capitalize on the inherent synergies across the Food Group's various businesses.

For the Agribusiness segment:

- In the next five years, the Agribusiness segment in the Philippines targets to solidify its market position by expanding production in Visayas and Mindanao, as well as diversifying its product offerings through precise nutrition and feeding management, the introduction of pet food, and the building-up of specialty nutrition;

- The Agribusiness segment overseas (collectively, "Gold Coin Group") plans to pursue opportunities in fast-growing segments like aquafeeds and attractive geographies, where it has a captive market and the ability to compete. In 2022, the Gold Coin Group broke ground on a new feed mill in Yunnan Province in China and installed a fish feed line in the Zhuhai China plant to capture the growing demand for aqua feed in the region. In the same year, a new feed mill was also constructed in Long An Province in Vietnam, allowing it to meet the growing demand for livestock feed in South Vietnam. The Yunnan Mill and Long An Mill will each have an additional capacity of 30 tons per hour and are expected to be fully operational by April 2024 and March 2024, respectively.

For its Food and Nutrition business segment:

- The flour division plans to maximize growth potential in the Visayas and Mindanao while building and developing new channels in Luzon. The flour division likewise intends to move forward in the value chain and will continue selling value-added flour products, protecting its market share and expanding into a more diversified product portfolio;

- The farms division's third breeder farm, which was completed in October 2022, yields an additional 2,500 sow level capacity and is expected to contribute to increase in domestic pork supply. The capacity expansion is expected to create opportunities to unlock more distribution channels and to push forward integration in the value chain; and

- In August 2020, the Food Group ventured into meat fabrication and opened a processing plant in Tarlac to enable the group to sell pork meats directly to consumers, which nets higher margins compared to live hog selling. The meat products are sold under the house brand *"The Good Meat"* through digital platforms such as Lazada, Shopee, and the Food Group's online meat store. *The Good Meat* has a total of seven physical stores as of December 31, 2023. Furthermore, the Food Group has strengthened its position in B2C channels for the meats business, with 60 concessionaire stores and a presence in over 200 supermarkets such as Robinson's supermarkets, Shopwise, Puregold, and Merrymart.

The Food Group allotted approximately ₱3 bn for capital expenditures in 2024, mostly for the agribusiness expansion projects (including the continuation of the feedmill expansion in China and Vietnam).

Infrastructure SBU

In 2024, Aboitiz InfraCapital expects higher profitability due to the following key developments (i) the start of the commercial operations of Apo Agua's bulk water treatment supply facility in Davao, (ii) continued passenger traffic recovery for the MCIA, (iii) the continued expansions of Aboitiz InfraCapital Economic Estates (AIC Economic Estates) in LIMA and Tarlac, and (iv) and the completion of the turnover of the remaining sale-and-lease back towers of Unity.

Aboitiz InfraCapital remains committed to finding new avenues for optimizing its existing assets and expanding its portfolio. It continues to explore potential opportunities to work together with other Aboitiz Group SBUs and across its BUs to capitalize on additional value from untapped synergies.

Airports

MCIA witnessed a considerable increase in passenger traffic in 2023 as domestic passenger volume grew by 55% YoY to 7.5 mn, while international passenger volume grew 267% YoY to 2.5 mn. While MCIA's domestic traffic has returned to pre-pandemic levels, the recovery in international traffic is expected to be slower.

In October 2023, MCIA launched new direct flights to Hong Kong and Singapore, through partnerships with Royal Air and Singapore Airlines. By December 31, 2023, MCIA has established links to over 30 destinations, which are served by over 15 operating airlines.

In 2023, MCIA earned the Airport Customer Experience Accreditation from Airport Council International (ACI) World and was recognized at the ACI Customer Experience Global Summit in South Korea, highlighting its commitment to providing exceptional passenger experience. In addition to this, MCIA was also recognized as Asia's Best Airport in the under five mn Passenger Category at the Routes Asia 2023 Awards.

Aboitiz InfraCapital has begun exploring the potential development of Laguindingan (CGY) and Bohol (TAG) airports. At present, CGY negotiations have already concluded and Aboitiz InfraCapital is ready to start work rehabilitating and improving the services of the airport. In addition, negotiations for TAG are ongoing and are expected to conclude within the year. These planned expansions in the regional aviation network provide opportunities for Aboitiz InfraCapital to participate in enhancing air connectivity across the Philippines.

Digital Infra

Unity continued its strategic expansion in 2023 as it closed the year with 1,048 billable towers and 535 billable small cells. In May 2023, Unity also entered into a SLB agreement with Globe Telecom, which covered 447 telecommunication towers and associated passive telecommunications infrastructure and equipment in Luzon, and a commitment to erect over 200 additional towers in Visayas and/or Mindanao. This transaction has bolstered Unity's tower portfolio to a total of 1,100 towers, serving both Globe Telecom and Smart-PLDT. The initial tranche of 250 towers has already been successfully turned over to both mobile network operators (MNOs).

As of December 31, 2023, Unity has an additional 363 remaining SLB transfers left in its order book, besides significant MNO interest in co-location.

Unity remains committed to the smooth transition of additional tower batches to the MNOs and continues to collaborate with them to meet the growing demand for expanded coverage and enhanced connectivity. Maximizing colocation across Unity's tower assets is likewise a key focus.

Water

Apo Agua successfully delivered its first drop of water to the DCWD in 2023. During this period, Apo Agua took steps to ensure that the eventual 300 mn liters per day (MLD) of water it would be delivering to *Davaoenos* would be safe, reliable, and sustainable. As a result, its laboratory was also able to receive Department of Health (DOH) accreditation and obtained the highest classification for Drinking Water Analysis. All these preparations culminated in Apo Agua achieving full commercial operations by February 2024.

Meanwhile, LIMA Water has ongoing hydrogeology and aquifer studies to support the upcoming AIC Economic Estate expansion areas. In addition to this, LIMA Water also completed its expanded scope of recognition from the Department of Environment and Natural Resources (DENR) during its renewal period. The aforementioned scope now includes nutrient parameters from the latest effluent standards.

Economic Estates

With a track record of over 30 years, AIC Economic Estates portfolio now spans more than 1,600 hectares, housing over 200 world-class companies that directly employ over 100,000 Filipinos. More recently, AIC Economic Estates was recognized as the Best Industrial Developer in Asia and the Philippines at the 18th PropertyGuru Asia Property Awards and 11th PropertyGuru Philippines Property Awards, respectively. This comes in addition to a wide variety of other awards bagged by AIC Economic Estates recognizing its mixed-use developments, and green developments, as well as 5-Star BERDE Green Building Certifications and a WELL Pre-Certification for several projects.

AIC Economic Estates also completed several facilities such as *The Satellite* and *The Pods at Lipa* (a 600-bed dormitory built for the employees of locators at LIMA Estate). In addition, AIC Economic Estates' upcoming TARI Estate in Tarlac City was recently launched and is projected to emerge as the second-largest manufacturing hub in the Philippines.

These developments mark AIC Economic Estates' continued transformation beyond pure real estate development to designing unique infrastructure ecosystems to support more businesses and uplift more communities.

Aboitiz InfraCapital, together with its partners, has allotted ₱25 bn for capital expenditures in 2024 across all its businesses. This will be used to fund its ongoing tower acquisition, development of its Economic Estate, and maintenance of its businesses.

Cement

Demand for cement in the country is estimated to have declined by ~7% YoY in 2023 due to the combined effects of elevated inflation, delays in authorization of government projects, and unfavorable weather conditions in the Visayas and Mindanao regions at the beginning of the year. Nevertheless, RCBM believes the country's fundamentals remain promising for a rebound particularly, on infrastructure in the near to medium term.

Although demand is promising, the continued influx of imported cement, mainly from Vietnam, remains a key challenge to our sufficiently stocked market. In 2023, imports totaled 7 mn metric tons (MMT), constituting about 20% of the demand and causing industry operations to fall significantly below optimal levels. The unrestricted influx of cement imports could deter manufacturers from making future investments, resulting in decreased economic benefits and job opportunities associated with local production.

RCMB remains committed to serving its key markets throughout the country with high-quality products while improving efficiencies and reducing costs. RCBM is poised to capture the market needs with its ~9.7 MMT of cement production capacity.

To mitigate the impact of market contraction and rising input costs, RCBM continues to focus on operational excellence initiatives and cost control measures, including the use of alternative fuels. RCBM also continues to staunchly support the Philippine government's *Go Lokal and Buy Lokal* programs, as an industry leader

and proud manufacturer of the country's best quality cement used in building a safer, greener, and stronger republic.

RCBM has allotted almost ₱1 bn for capital expenditures in 2024 mainly for major maintenance works and purchase of critical spares.

Land SBU

In 2023, Aboitiz Land continued to harvest the results of its early and bold investments in its digitization strategy. Some key innovation initiatives that are being implemented include (i) the full automation of its construction management process; (ii) the introduction of precast construction technology; (iii) the full rollout of the *Vecino* app; and (iv) the optimization of all its digital and social media assets in harnessing leads and strengthening the brand.

Aboitiz Land launched *OneVecino*, its digital ecosystem consisting of digital services that guide the *Vecinos* from pre-purchase to property experience. It integrates the *Vecino App, Vecino Pay, Vecino Support, and Vecino Properties*. *OneVecino* was recently recognized at the International Finance Awards 2023 as the Best Online Real Estate Portal, highlighting Aboitiz Land's efforts to innovate ways to lead families home. The app provides OFWs with a reliable tool for checking their real estate investment. In 2023, the international deployments in Asia, the Middle East, and Europe have successfully generated over ₱1.3 bn in reservation sales, accounting for almost 26% of the total sales generated in 2023, a significant increase from 2022's 6%. This remarkable growth underscores the success of Aboitiz Land's international sales initiatives and validates its strategy to diversify market reach. Building on this momentum, Aboitiz Land plans to further expand its international deployments in 2024, aiming to penetrate additional geographical areas and territories including the United States. By tapping into new markets and leveraging proven sales approaches, Aboitiz Land is poised to continue driving growth and expanding its global presence.

As Aboitiz Land looks ahead, it plans to progressively integrate the innovative use of generative artificial intelligence (AI) tools into its operations, streamlining its content creation efforts. By automating these processes, Aboitiz Land can focus on delivering exceptional experiences for its valued customers and stakeholders. This approach not only elevates the quality of its content but also keeps Aboitiz Land agile and responsive in an ever-evolving market landscape.

Aboitiz Land remains positive in the property sector as it believes it is well-positioned to benefit from the shift in preference toward horizontal developments. In 2024, Aboitiz Land will continue to actively harvest the remaining inventories in undeveloped portions across all our existing projects in North Luzon, South Luzon, and Cebu. Aboitiz Land will also act as a catalyst to maximize the value of various real estate holdings across different Aboitiz Group SBUs, including AIC Economic Estates, capturing value within the group. Aboitiz Land will likewise strengthen its presence in the co-living space with Point Blue - expanding our forays into the rental market for recurring income by leveraging Point Blue's leasing management expertise as a value add for investors of residential projects.

Aboitiz Land remains cautiously optimistic while it recognizes the improving business climate in the Philippines, it is still mindful of potential uncertainties that may arise like economic volatility caused by external geopolitical events, increased competition among real estate developers, elevated inflation rates, and all the accompanying negative impact it can have on interest rates, exchange rates, materials and labor costs, forfeiture rates, consumer confidence, and purchasing power. Nevertheless, it is confident that it will achieve its targets for 2024. With innovation and agility as fundamental pillars of its organizational culture, Aboitiz Land is poised to navigate any uncertainties this year.

Aboitiz Land has allotted over ₱3 bn for capital expenditures in 2024, mostly for the construction and completion of its existing projects.

Long-Term Aspiration

AEV is now well underway with its *Great Transformation*, a bold corporate move to put innovation at the forefront of its growth strategy and will usher the Group's transition to becoming a *techglomerate*, or a conglomerate that heavily integrates technology and design thinking in all its production, services, and processes.

YEAR ENDED DECEMBER 31, 2022 COMPARED TO YEAR ENDED DECEMBER 31, 2021

KEY PERFORMANCE INDICATORS

(Amounts in thousands except financial ratio data)

	JAN-DEC 2022	JAN-DEC 2021
EQUITY IN NET EARNINGS OF INVESTEES	**₱20,781,865**	₱17,245,643
EBITDA	**71,175,770**	67,241,938
CASH FLOW GENERATED:		
Net cash flows from operating activities	**30,180,674**	36,319,034
Net cash flows used in investing activities	**(75,969,859)**	(10,078,385)
Net cash flows from (used in) financing activities	**(4,364,764)**	52,988,973
Net Increase (Decrease) in Cash & Cash Equivalents	**(48,661,719)**	79,229,622
Cash & Cash Equivalents, Beginning	**147,534,035**	65,966,411
Cash & Cash Equivalents, End	**101,526,260**	147,534,035
	DECEMBER 31, 2022	**DECEMBER 31, 2021**
CURRENT RATIO	**1.9**	2.3
DEBT-TO-EQUITY RATIO	**0.7**	0.6

Equity earnings in investees increased by 21% from ₱17.2 bn during 2021 to ₱20.8 bn during 2022. The increase was due to: (i) fresh contributions from GNPD, and (ii) higher earnings of UnionBank. This was partly offset by lower earnings of RCBM) due to weaker demand for cement caused by the pre-election construction ban and post-election transition, global commodity price increase of steel, other construction materials and higher input costs of fuel and electricity. RCBM also benefited in 2021 from a one-time gain from the CREATE Act which reduced its deferred tax liabilities.

Consolidated EBITDA translated into substantial cash inflows coming from the Subsidiaries' operations. These inflows, coupled with dividends received from Associates and Joint Ventures are the main source of internally-generated funds, which are then used to finance capital expenditures, additional investments into associates, dividends and debt service payments.

With net debt increasing more than total equity during the 12 months of 2022, Net Debt-to-Equity ratio as of December 31, 2022 increased to 0.7x from end-2021's 0.6x. The Current Ratio as of December 31, 2022 was at 1.9x, a decline from the end-2021 level of 2.3x as the increase in current liabilities outpaced the increase in current assets.

REVIEW OF JANUARY-DECEMBER 2022 OPERATIONS COMPARED TO JANUARY-DECEMBER 2021

RESULTS OF OPERATIONS

For the 12-month period ended 31 December 2022, AEV and its Subsidiaries posted a net income attributable to the equity holders of Parent Company ("Net Income to Equity Holders of AEV") of ₱24.0 bn, a 8% decrease year-on-year ("YoY"). This translated to earnings per share of ₱4.27 for the period in review. The Power Group accounted for the bulk of the income contributions to AEV at 61%, followed by the Banking and Financial Services, Real Estate, Food, and Infrastructure Groups at 28%, 11%, 0%, and -1%, respectively.

During 2022, the Group generated non-recurring gains of ₱3.5 bn primarily due to the foreign exchange gains from the revaluation of dollar-denominated assets, compared to ₱527 mn non-recurring gains recorded in 2021. Without these one-off losses, the Group's core net income for 2022 was ₱20.5 bn, 20% lower YoY. AEV recorded a 6% increase in consolidated EBITDA for 2022 compared to 2021, from ₱67.2 bn to ₱71.1 bn.

MATERIAL CHANGES IN LINE ITEMS OF REGISTRANT'S STATEMENTS OF INCOME AND OF COMPREHENSIVE INCOME

The following discussion describes material changes in the line items of the Company's statement of income and of comprehensive income for 2022 compared to 2021.

Revenues

Sale of Power

The Group's revenue from sale of power by Power Group increased by 44% or ₱59.6 bn, from ₱134.0 bn in 2021 to ₱193.6 bn in 2022. The increase was primarily attributable to higher availability of AboitizPower's generation units. The Group's sale of power comprised 60% and 63% as a percentage of total revenues in 2021 and in 2022, respectively.

Sale of Goods

The Group's revenue from sale of goods increased by 25% or ₱20.5 bn, from ₱83.1 bn in 2021 to ₱103.6 bn in 2022. The increase was primarily due to higher feeds selling prices. The Group's sale of goods comprised 37% and 34% as a percentage of total revenues in 2021 and in 2022, respectively.

Real Estate

The Group's revenue from real estate increased by 48% or ₱2.4 bn, from ₱4.9 bn in 2021 to ₱7.3 bn in 2022. The increase was attributable to Lima Land's higher industrial lot sales and AboitizLand's higher revenue recognition following increased construction activity for its residential business, significant site development completion, as well as increased sales with high spot cash payments. As a percentage of total revenues, the Group's revenue from real estate comprised 2% in both 2021 and in 2022.

Other Revenues

The Group's combined revenue from the sale of swine, service fees and other sources increased by 19% or ₱0.4 bn, from ₱1.9 bn in 2021 to ₱2.2 bn in 2022. This increase was mainly due to higher service fees. As a percentage of total revenues, the Group's other revenues comprised 1% in both 2021 and in 2022.

Costs and Expenses

Cost of Generated and Purchased Power

The Group's cost of generated and purchased power increased by 73% or ₱55.0 bn, from ₱75.0 bn in 2021 to ₱130.0 bn in 2022. The increase was primarily attributable to higher volume of power generated and purchased power rates driven by higher WESM prices. As a percentage of total costs and expenses, the Group's cost of generated and purchased power comprised 39% and 48% in 2021 and in 2022, respectively.

Cost of Goods Sold

The Group's cost of goods sold increased by 27% or ₱19.8 bn, from ₱73.6 bn in 2021 to ₱93.4 bn in 2022. The increase was mainly attributable to higher raw materials cost of the Food Group. As a percentage of total costs and expenses, the Group's cost of goods sold comprised 39% and 34% in 2021 and in 2022, respectively.

Operating Expenses

The Group's operating expenses increased by 11% or ₱4.4 bn, from ₱39.9 bn in 2021 to ₱44.3 bn in 2022. The increase was primarily attributable to higher personnel costs, higher depreciation and amortization expense, higher expenses for insurance and repairs and maintenance of the Group's power plants. As a percentage of total costs and expenses, the Group's operating expenses comprised 21% and 16% in 2021 and in 2022, respectively.

Cost of Real Estate Sales

For 2022, the Group's cost of real estate sales increased by 73% or ₱1.7 bn, from ₱2.3 bn in 2021 to ₱4.1 bn in 2022. The increase was mainly driven by higher real estate sales. As a percentage of total costs and expenses, the Group's cost of real estate sales comprised 1% in both 2021 and in 2022.

Operating Profit

As a result of the foregoing, the Group's operating profit increased by 6% or ₱1.9 bn, from ₱33.1 bn in 2021 to ₱35.0 bn in 2022.

Income Before Income Tax

The Group's income before income tax increased by 19% or ₱7.0 bn, from ₱37.0 bn in 2021 to ₱44.0 bn in 2022. The increase was mainly due to higher operating profit, higher equity earnings and foreign exchange gains.

Net Income

Net income attributable to non-controlling interests (NCI) for 2022 increased to ₱14.6 bn from ₱6.3 bn in 2021. This was primarily due to the increase in NCI as a result of the sale of shares of AboitizPower.

As a result of the foregoing, the Group's Net Income to Equity Holders of AEV decreased by 9% or ₱2.5 bn, from ₱26.1 bn in 2021 to ₱24.0 bn in 2022.

STRATEGIC BUSINESS UNITS

The following discussion describes the performance of the Group's SBUs for 2022 compared to 2021.

Power

For 2022, the Power Group's contribution to Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱13.5 bn, an 9% decrease from ₱14.8 bn in 2021.

Before elimination of transactions within the Group, the combined contribution of AboitizPower's Power Generation and Retail Electricity Supply businesses to Net Income to Equity Holders of AEV decreased by 12%, from ₱16.9 bn in 2021 to ₱14.8 bn in 2022. The variance was primarily due the lower equity ownership of AEV in AboitizPower, which offset the impact of fresh contributions from GNPD, higher availability across its portfolio, higher water inflow, and gains from commodity hedges.

Capacity sold increased from 3,742 MW for 2021 to 4,034 MW for 2022. Energy sold in 2022 increased by 16% to 30,251 GWh from 26,031 GWh in 2021.

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV of AboitizPower's Power Distribution Group decreased by 29% from ₱3.1 bn in 2021 to ₱2.2 bn in 2022. This decrease was mainly driven by the lower equity ownership of AEV in AboitizPower, which offset the impact of higher energy consumption resulting from recoveries in demand. Energy sales increased by 4% to 5,785 GWh during 2022 from 5,583 GWh in 2021.

Banking & Financial Services

UnionBank's contribution to Net Income to Equity Holders of AEV was ₱6.3 bn in 2022, which is flat YoY. UnionBank sustained the same net income level YoY due to the strong growth of its core revenues in 2022, which offset that fact that the Bank experienced extraordinary non-recurring trading gains during the first half of 2021. Net interest income increased YoY due to higher margins and volume, and fees-based income likewise grew largely due to the consolidation of the acquired Citi consumer business, as well as growing digital customer transactions.

Food

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV from the Food Group decreased to ₱14 mn loss in 2022, compared to ₱2.0 bn income in 2021.

The Food and Nutrition segment, which consists of the flour, farms, meats, and trading divisions, recorded a net loss of ₱416 mn in 2022, 153% lower YoY. The decrease was primarily due to (i) the impact of the African Swine Fever to the farms division, (ii) lower income tax holiday incentives recognized by the farms division in 2022 compared to the previous year, (iii) weaker margins in the flour division, and (iv) higher foreign exchange losses due to the depreciation of the Peso impacting its US Dollar denominated payables from raw material purchases.

The Agribusiness segment, which consists of the regional animal nutrition businesses (feed, petfood, and specialty nutrition), reported a net loss of ₱78 mn in 2022, 107% lower YoY. The decrease was due to the recognition of unrealized foreign exchange losses from the devaluation of the Sri Lankan Rupee and goodwill impairment of the Sri Lanka and Thailand operations.

Real Estate

The contribution of AboitizLand and Lima Land to Net Income to Equity Holders of AEV in 2022, before elimination of transactions within the Group, amounted to ₱2.6 bn in 2022, which is flat YoY. The residential business had a significant increase in its revenue contribution YoY due to increased house construction activity, significant site development completion, and strong sales with spot cash payments, which offset the gains from asset monetization and fair valuation gains on investment properties in 2021.

Infrastructure

Before elimination of transactions within the Group, the Infrastructure Group recorded a contribution to Net Income to Equity Holders of AEV amounting to ₱144 mn loss in 2022, compared to ₱1.4 bn income in 2021. The decrease was mainly due to the lower contribution of the RCBM Group which amounted to a loss of ₱323 mn in 2022 compared to income of ₱1.6 bn in 2022. This was mainly due to weaker demand for cement caused by the pre-election construction ban and post-election transition, global commodity price increase of steel, other construction materials and higher input costs of fuel and electricity. RCBM also benefited from a one-time gain brought about by the CREATE Act which reduced its deferred tax liabilities in 2021.

CHANGES IN REGISTRANT'S RESOURCES, LIABILITIES AND SHAREHOLDERS' EQUITY

Assets

Consolidated assets (as of December 31, 2022 compared to December 31, 2021) increased by 10% to ₱807.8 bn, due to the following:

- Trade and other receivables (current and noncurrent) increased by 27% (₱61.6 bn as of December 31, 2022 compared to ₱48.4 bn as of December 31, 2021) mainly due to higher receivables from customers of the Power, Food, and Real Estate Groups as a result of higher revenues.

- Inventories increased by 44% (₱46.2 bn as of December 31, 2022 compared to ₱32.0 bn as of December 31, 2021) mainly due to higher spare parts, supplies and fuel inventory of the Power Group, higher raw materials inventory of the Food Group, and higher real estate inventory.

- Investment Property increased by 18% (₱14.4 bn as of December 31, 2022 compared to ₱12.2 bn as of December 31, 2021) mainly due to improvements in land and ongoing construction in the properties for leasing operations, and upward fair valuation adjustments on investment properties.
- Investments in and Advances to Associates and Joint Ventures increased by ₱41.0 bn (₱195.9 bn as of December 31, 2022 compared to ₱154.8 bn as of December 31, 2021) mainly due to (i) ₱20.2 bn additional investment in UnionBank, (ii) ₱9.5 bn investment in GMCAC, (iii) ₱1.0 bn investment in other Associates, and (iv) the recording of ₱20.8 bn share in net earnings of Associates and Joint Ventures. This increase was partially reduced by the ₱5.1 bn other comprehensive losses and ₱5.3 bn dividends from Associates and Joint Ventures.
- Other Current Assets increased by 82% (₱46.3 bn as of December 31, 2022 compared to ₱25.4 bn as of December 31, 2021) primarily due to the increase in short-term cash deposits, insurance assets, restricted cash and prepaid expenses.

- Derivative Assets (net of Derivative liabilities, current and noncurrent) increased by 2191% (₱2.4 bn as of December 31, 2022 compared to ₱105 mn as of December 31, 2021) mainly due to the Power Group's hedging gains.

- Intangible Assets increased by 10% (₱78.4 bn as of December 31, 2021 compared to ₱74.3 bn as of December 31, 2021) mainly due to the forex revaluation of goodwill and additions to service concession rights relating to Apo Agua Bulk Water project, partly offset by amortization of existing assets.
- Other Noncurrent Assets increased by 123% (₱33.7 bn as of December 31, 2022 compared to ₱15.1 bn as of December 31, 2021) primarily due increase in exchangeable notes as part of the GMCAC purchase, financial assets at fair value through other comprehensive income (FVOCI), and advances to contractors and projects.

The above increases were offset by the 31% decrease in cash and cash equivalents (₱101.5 bn as of December 31, 2022 compared to ₱147.5 bn as of December 31, 2021) mainly due to the movement of cash to short-term cash deposits, investments in Associates , debt servicing, and dividend payments.

Liabilities

Total Liabilities (as of December 31, 2022 compared to December 31, 2021) increased by 12% to ₱455.8 bn due to the following:

- Bank loans increased by 28% (₱45.4 bn as of December 31, 2022 compared to ₱35.4 bn as of December 31, 2021) mainly due to short-term debt availments by the Power and Food Groups during 2022.

- Long-term debt, which includes both current and noncurrent portions, increased by 12% (₱303.5 bn as of December 31, 2022 compared to ₱271.7 bn as of December 31, 2021) mainly due to the following: (i) issuance of retail bonds by AEV and AboitizPower amounting to ₱30.0 bn, and (ii) ₱35.6 bn of loan availments by Subsidiaries. This was partly offset by the prepayment of US Dollar loan of AEV International and AboitizPower, and principal payments made on existing loans during 2022.

- Long-term obligation on Power Distribution System, which includes current and noncurrent portions, decreased by 12% (₱145 mn as of December 31, 2022 compared to ₱166 mn as of December 31, 2021) as regular annual payments were made.

- Lease liabilities, which includes current and noncurrent portions, decreased by 19% (₱27.9 bn as of December 31, 2022 compared to ₱34.3 bn as of December 31, 2021) due to TLI's payment on its obligation to PSALM during 2022.

- Trade and other payables, inclusive of noncurrent portion, increased by 29% (₱60.5 bn as of December 31, 2022 compared to ₱46.8 bn as of December 31, 2021) mainly due the increase of trade and fuel purchases in the Power Group.

- Income tax payable increased by 45%, from ₱382 mn as of December 31, 2021 to ₱556 mn as of December 31, 2022 mainly due to higher taxable income.

- Customers' deposits increased by 13%, from ₱7.4 bn as of December 31, 2021 to ₱8.3 bn as of December 31, 2022, mainly due to the Power Group's receipt of bill deposits from new customers.

- Deferred Income Tax Liabilities (net of Deferred income tax assets) increased by 253% (₱791 mn as of December 31, 2022 compared to ₱2.8 bn as of December 31, 2021) due to forex gains of AEV Parent.

- Pension Liabilities (net of Pension assets) increased by 35% (₱269 mn as of December 31, 2022 compared to ₱200 mn as of December 31, 2021) mainly due to actuarial gains.

Equity

Equity attributable to equity holders of the parent (as of December 31, 2022 compared to December 31, 2021) increased by ₱11.5 bn from ₱244.7 bn to ₱256.2 bn, due to the ₱24.8 bn net income recorded during the year.

These are partly offset by the following:

- ₱9.1 bn cash dividends paid during 2022, and
- ₱4.2 bn in cumulative translation adjustments and other comprehensive losses.

MATERIAL CHANGES IN LIQUIDITY AND CASH RESERVES OF REGISTRANT

For 2022, the Group continued to support its liquidity mainly from cash generated from operations, additional loans availed, dividends received from Associates and Joint Ventures

Compared to the cash inflow during 2021, consolidated cash generated from operating activities for 2022 decreased by ₱6.1 bn to ₱30.2 bn. The decrease was mainly due to higher working capital requirements partly offset by higher earnings before interest, depreciation and amortization.

As of December 31, 2022, ₱74.5 bn net cash was used in investing activities compared to ₱10.1 bn during 2021. For the current period, cash was used for the following: (i) ₱13.9 bn was invested in short-term cash deposits to maximize interest income, (ii) ₱30.7 bn was invested in Associates, (iii) ₱15.5 bn was used for the exchangeable notes issued and, (iv) ₱16.2 bn was spent for property, plant and equipment and investment properties.

Net cash used in financing activities was ₱4.4 bn for 2022 compared to ₱53.0 bn generated in 2021. This was largely attributed to higher dividends paid in 2022, compared to receipt of proceeds from the sale of non-controlling interest in AboitizPower to JERA during 2021.

For 2022, net cash outflows surpassed cash inflows, resulting in a 31% decrease in cash and cash equivalents from ₱147.5 bn as of year-end 2021 to ₱101.5 bn as of December 31, 2022.

FINANCIAL RATIOS

AEV's Current Ratio as of December 31, 2022 stood at 1.9x compared to end-2021's 2.3x as the increase in current liabilities outpaced the increase in current assets. Net Debt-to-Equity ratio increased to 0.7:1 as of December 31, 2022 from year-end 2021's 0.6:1, as the rise in net debt was more than the growth in equity.

YEAR ENDED DECEMBER 31, 2021 VERSUS YEAR ENDED DECEMBER 31, 2020

KEY PERFORMANCE INDICATORS

(Amounts in thousands except financial ratio data)

	JAN-DEC 2021	JAN-DEC 2020
EQUITY IN NET EARNINGS OF INVESTEES	**₱17,245,643**	₱9,019,033
EBITDA	**67,241,938**	57,720,482
CASH FLOW GENERATED:		
Net cash flows from operating activities	**36,319,034**	36,334,748
Net cash flows used in investing activities	**(10,078,385)**	(11,618,066)
Net cash flows from (used in) financing activities	**52,988,973**	(4,345,939)
Net Increase in Cash & Cash Equivalents	**79,229,622**	20,370,743
Cash & Cash Equivalents, Beginning	**65,966,411**	46,424,663
Cash & Cash Equivalents, End	147,534,035	65,966,411
	DECEMBER 31, 2021	**DECEMBER 31, 2020**
CURRENT RATIO	**2.3**	1.6
DEBT-TO-EQUITY RATIO	**1.2**	1.7

Equity earnings in investees increased by 91% from ₱9.0 bn during 2020 to ₱17.2 bn during 2021. The increase was due to: (i) commissioning revenue from GNPD Unit 1, (ii) higher output of SN Aboitiz Power-Magat, Inc.'s and SN Aboitiz Power-Benguet, Inc.'s hydro power plants resulting from higher water inflows, (iii) higher earnings of UnionBank, (iv) recognition of income from liquidated damages for delays in the construction of GNPD's power plant, and (v) higher earnings of RCBM due to stronger demand, increased overall efficiency, and tax adjustments resulting from the CREATE Act.

Consolidated EBITDA translates into substantial cash inflows from the Subsidiaries' operations. These inflows, coupled with dividends received from Associates and Joint Ventures are the main source of internally-generated funds, which are then used to finance capital expenditures, additional investments into Associates, dividends and debt service payments.

With equity increasing more than total liabilities during the 12 months of 2021, Debt-to-Equity ratio as of December 31, 2021 decreased to 1.2x from end-2020's 1.7x. Current Ratio as of December 31, 2021 (compared to end-2020's 1.6x) increased to 2.3x mainly due to higher cash balances.

REVIEW OF JANUARY-DECEMBER 2021 OPERATIONS COMPARED TO JANANUARY-DECEMBER 2020

RESULTS OF OPERATIONS

For the 12-month period ended December 31, 2021, AEV and its Subsidiaries posted a net income attributable to the equity holders of parent Company ("Net Income to Equity Holders of AEV") of ₱26.1 bn, a 69% increase YoY. This translated to earnings per share of ₱4.63 for the period in review. The Power Group accounted for the bulk of the income contributions to AEV at 55%, followed by the Banking and Financial Services, Real Estate, Food, and Infrastructure Groups at 24%, 9%, 7%, and 5%, respectively.

During 2021, the Group generated non-recurring gains of ₱527 mn primarily due to the revaluation of dollar-denominated assets, compared to ₱477 mn non-recurring losses recorded in 2020. Without these one-off losses, the Group's core net income for 2021 was ₱25.6 bn, 61% higher YoY. AEV recorded a 16% increase in consolidated EBITDA for 2021 compared to 2020, from ₱57.7 bn to ₱67.2 bn.

MATERIAL CHANGES IN LINE ITEMS OF REGISTRANT'S STATEMENTS OF INCOME AND OF COMPREHENSIVE INCOME

The following discussion describes material changes in the line items of the Company's statement of income and of comprehensive income for 2021 compared to 2020.

Revenues

Sale of Power

The Group's revenue from the Power Group's sale of power increased by 22% or ₱24.2 bn, from ₱109.9 bn in 2020 to ₱134.0 bn in 2021. The increase was primarily attributable to (i) higher availability of TLI, TSI, and TVI facilities during 2021, and (ii) higher WESM dispatch in compliance with the must-offer rule. The Group's sale of power comprised 59% and 60% as a percentage of total revenues in 2020 and in 2021, respectively.

Sale of Goods

The Group's revenue from sale of goods increased by 17% or ₱12.2 bn, from ₱71.3 bn in 2020 to ₱83.1 bn in 2021. The increase was primarily due to higher feeds selling prices. The Group's sale of goods comprised 38% and 37% as a percentage of total revenues in 2020 and in 2021, respectively.

Real Estate

The Group's revenue from real estate increased by 48% or ₱1.7 bn, from ₱3.5 bn in 2020 to ₱5.2 bn in 2021. The increase was primarily attributable to AboitizLand's higher revenue recognition following increased construction activity for its residential business, as well as increased sales with higher spot down payments. As a percentage of total revenues, the Group's revenue from real estate comprised 2% in both 2020 and in 2021.

Other Revenues

The Group's combined revenue from the fair value of swine, service fees, and other sources decreased by 22% or ₱0.4 bn, from ₱2.0 bn in 2020 to ₱1.6 bn in 2021. This decrease was mainly due to the decrease in live hogs sold. As a percentage of total revenues, the Group's other revenues comprised 1% in both 2020 and in 2021.

Costs and Expenses

Cost of Generated and Purchased Power

The Group's cost of generated and purchased power increased by 37% or ₱20.1 bn, from ₱54.9 bn in 2020 to ₱75.0 bn in 2021. The increase was primarily attributable to higher purchased power rates driven by higher WESM prices, and higher fuel cost. As a percentage of total costs and expenses, the Group's cost of generated and purchased power comprised 35% and 39% in 2020 and in 2021, respectively.

Cost of Goods Sold

The Group's cost of goods sold increased by 20% or ₱12.1 bn, from ₱61.5 bn in 2020 to ₱73.6 bn in 2021. The increase was mainly attributable to higher raw materials cost of the Food Group. As a percentage of total costs and expenses, the Group's cost of goods sold comprised 40% and 39% in 2020 and in 2021, respectively.

Operating Expenses

The Group's operating expenses increased by 7% or ₱2.8 bn, from ₱37.1 bn in 2020 to ₱39.9 bn in 2021. The increase was primarily attributable to higher expenses for insurance and repairs and maintenance of the Group's power plants. As a percentage of total costs and expenses, the Group's operating expenses comprised 24% and 21% in 2020 and in 2021, respectively.

Cost of Real Estate Sales

For 2021, the Group's cost of real estate sales increased by 34% or ₱0.6 bn, from ₱1.7 bn in 2020 to ₱2.3 bn in 2021. The increase was mainly driven by higher real estate sales. As a percentage of total costs and expenses, the Group's cost of real estate sales comprised 1% in both 2020 and in 2021.

Operating Profit

As a result of the foregoing, the Group's operating profit increased by 5% or ₱1.6 bn, from ₱31.5 bn in 2020 to ₱33.1 bn in 2021.

Income Before Income Tax

The Group's income before income tax increased by 30% or ₱8.6 bn, from ₱28.4 bn in 2020 to ₱37.0 bn in 2021. The increase was mainly due to higher operating profit and equity earnings.

Net Income

As a result of the foregoing, coupled with the application of the provisions of the CREATE Act, the Group's Net Income to Equity Holders of the Parent increased by 69% or ₱10.6 bn, from ₱15.4 bn in 2020 to ₱26.1 bn in 2021.

Net income attributable to non-controlling interests for 2021 increased to ₱6.3 bn from ₱5.4 bn in 2020. This was primarily due to the increase in consolidated net income of AboitizPower in 2021.

STRATEGIC BUSINESS UNITS

The following discussion describes the performance of the Group's SBUs for 2021 compared to 2020.

Power

For 2021, the Power Group's contribution to Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱14.8 bn, a 53% increase from ₱9.7 bn in 2020.

Before elimination of transactions within the Group, the combined contribution of AboitizPower's Power Generation and Retail Electricity Supply businesses to Net Income to Equity Holders of AEV increased by 49%, from ₱9.2 bn in 2020 to ₱13.6 bn in 2021. The variance was primarily due to (i) commissioning revenue from GNPD Unit 1, (ii) higher water inflows for the Power Group's hydro plants, higher availability of TLI, TSI, and TVI facilities, (iii) higher WESM dispatch, and (iv) other income from liquidated damages for the delay in the construction of GNPD Units 1 and 2 and business interruption claims resulting from GMEC and APRI outages in previous years. These gains were partially offset by lower margins resulting from the GMEC outage during 2021.

Capacity sold increased from 3,417 MW for 2020 to 3,753 MW for 2021. Energy sold in 2021 increased by 14% to 26,031 GWh from 22,754 GWh in 2020.

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV of AboitizPower's Power Distribution Group increased by 13% from ₱2.7 bn in 2020 to ₱3.1 bn in 2021. This increase was mainly driven by higher energy consumption resulting from recoveries in demand. Energy sales increased by 4% to 5,584 GWh during 2021 from 5,368 GWh in 2020.

Banking & Financial Services

UnionBank's contribution to Net Income to Equity Holders of AEV increased by 9% YoY, from ₱5.9 bn in 2020 to ₱6.4 bn in 2021. The increase was due to higher net interest income, which grew to ₱29.8 bn, 4% higher YoY due to the sustained increase in net interest margins. Non-interest income in 2021 was ₱15.3 bn, up 14% YoY, due to higher fees, service charges, foreign exchange income and trading gains.

Food

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV from the Food Group decreased by 10% to ₱2.0 bn in 2021, compared to ₱2.2 bn in 2020.

The Food Group's Agribusiness segment, which consists of the regional animal nutrition businesses (feed, petfood, and specialty nutrition), reported net income of ₱1.3 bn in 2021, 44% lower than the ₱2.3 bn in 2020. This is due to a decline in margins resulting from the sharp increase in raw material costs.

The Food Group's Food and Nutrition segment, which consists of the flour, farms, meats, and trading divisions, recorded net income of ₱934 mn in 2021, 365% higher YoY. This was primarily due to increased income from the Farm business as pork prices increased due to lack of supply in the market during 2021, supported by incremental income coming from commodity trading. These offset the decline in income from the Flour business stemming from the increase in raw material costs, in addition to decreased by-product margins.

Real Estate

The contribution of AboitizLand to Net Income to Equity Holders of AEV in 2021, before elimination of transactions within the Group, amounted to ₱2.6 bn, a 658% increase from ₱338 mn in 2020. The increase was mainly due to higher revenue recognition from increased construction and site development activities for AboitizLand's residential business, and an increase in sales performance with higher spot down payments, coupled with asset monetization and fair valuation gains on investment properties.

Infrastructure

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV from the Infrastructure Group increased by 203% to ₱1.4 bn in 2021, compared to ₱457 mn in 2020. The increase was mainly due to the higher contribution of the RCBM Group which increased by 164% from ₱590 mn in 2020 to ₱1.6 bn in 2021. The increase was mainly due to stronger market demand from the residential and infrastructure segments during 2021, as well as increased overall efficiency resulting from capital investments. RCBM also benefited in 2021 from a one-time gain brought about by the CREATE bill which reduced its deferred tax liabilities.

CHANGES IN REGISTRANT'S RESOURCES, LIABILITIES AND SHAREHOLDERS' EQUITY

Assets

Consolidated assets (as of December 31, 2021 compared to December 31, 2020) increased by 20% to ₱733.4 bn, due to the following:

- Cash & Cash Equivalents increased by 124% (₱147.5 bn as of December 31, 2021 compared to ₱66.0 bn as of December 31, 2020) mainly due to proceeds from the sale non-controlling interest in December 2021 arising from the sale by AEV of a 25.01% ownership interest in AboitizPower to JERA Asia.
- Trade and other receivables (current and noncurrent) increased by 23% (₱48.4 bn as of December 31, 2021 compared to ₱39.4 bn as of December 31, 2020) mainly due to increased receivables of the Power and Real Estate Groups as a result of higher revenues.

- Inventories increased by 34% (₱29.1 bn as of December 31, 2021 compared to ₱21.6 bn as of December 31, 2020) mainly due to higher spare parts, supplies and fuel inventory of the Power Group, and higher raw materials inventory of the Food Group.
- Investment Property increased by 12% (₱12.2 bn as of December 31, 2021 compared to ₱10.9 bn as of December 31, 2020) mainly due to the fair valuation gain on revaluation of real estate properties during 2021.
- Investments in and Advances to Associates and Joint Ventures increased by ₱9.4 bn (₱154.8 bn as of December 31, 2021 compared to ₱145.4 bn as of December 31, 2020) mainly due to ₱994 mn infusion into Unity Digital Infrastructure, Inc., AboitizPower's ₱952 mn additional infusion into GNPD, ₱310 mn other comprehensive income, and the recording of ₱17.2 bn share in net earnings of Associates and Joint Ventures. This increase was partially reduced by the ₱10.2 bn dividends from Associates and Joint Ventures.
- Other Current Assets increased by 36% (₱25.4 bn as of December 31, 2021 compared to ₱18.7 bn as of December 31, 2020) primarily due to the increase in short-term cash deposits and prepaid expenses.
- Net Derivative Assets and Liabilities (current and noncurrent) changed from ₱2.0 bn net derivative liability as of December 31, 2020 to ₱105 mn net derivative asset as of December 31, 2021 mainly due to the Power Group's hedging gains.
- Intangible Assets increased by 10% (₱74.3 bn as of December 31, 2021 compared to ₱67.8 bn as of December 31, 2020) mainly due to the forex revaluation of goodwill and additions to service concession rights relating to Apo Agua Bulk Water project.

The above increases were offset by the 5% decrease in land and improvements (₱2.9 bn as of December 31, 2021 compared to ₱3.0 bn as of December 31, 2020) caused by the reclassification of newly launched project by the Real Estate Group to inventory.

Liabilities

Total Liabilities (as of December 31, 2021 compared to December 31, 2020) increased by 5% to ₱405.8 bn due to the following:

- Bank loans increased by 21% (₱35.4 bn as of December 31, 2021 compared to ₱29.3 bn as of December 31, 2020) mainly due to new loan availments during 2021 by the Power and Food Groups.
- Long-term debt, which includes both current and noncurrent portions, increased by 4% (₱271.7 bn as of December 31, 2021 compared to ₱261.0 bn as of December 31, 2020) mainly due to the following: (i) issuance of retail bonds by AboitizPower amounting to ₱26.0 bn, (ii) issuance of retail bonds by AEV amounting to ₱10.0 bn, and (iii) ₱11.8 bn of new loan availments by subsidiaries. This was partly offset by the prepayment of AEV's seven-year 2015 Series B and ten-year 2013 Series B retail bonds and AboitizPower's partial prepayment of the US$ 300 mn syndicated bridge loan facility availed in 2019 to finance the AA Thermal, Inc. acquisition, and principal payments made on existing loans during 2021.
- Long-term obligation on Power Distribution System, which includes current and noncurrent portions, decreased by 10% (₱166 mn as of December 31, 2021 compared to ₱183 mn as of December 31, 2020) as regular annual payments were made.
- Lease liabilities, which includes current and noncurrent portions, decreased by 14% (₱34.3 bn as of December 31, 2021 compared to ₱39.8 bn as of December 31, 2020) due to TLI's payment on its obligation to PSALM during 2021.
- Trade and other payables, inclusive of noncurrent portion, increased by 25% (₱46.8 bn as of December 31, 2021 compared to ₱37.3 bn as of December 31, 2020) mainly due the increase of trade and fuel purchases in the Power Group, and raw materials purchases of the Food Group.

- Income tax payable decreased by 62%, from ₱1.0 bn as of December 31, 2020 to ₱0.4 bn as of December 31, 2021 mainly due to the reduction in income tax rates from 30% in 2020 to 25% in 2021.
- Customers' deposits increased by 6%, from ₱7.0 bn as of December 31, 2020 to ₱7.4 bn as of December 31, 2021, mainly due to the receipt of bill deposits from new customers.
- Decommissioning liability increased by 14%, from ₱5.0 bn as of December 31, 2020 to ₱5.7 bn as of December 31, 2021, mainly due to the recognition of additional decommissioning provisions on power plant assets.
- Deferred Income Tax Liabilities (net of Deferred income tax assets) increased by 121% (₱791 mn as of December 31, 2021 compared to ₱358 mn as of December 31, 2020) due to the reduction in income tax rates.
- Pension Liabilities (net of Pension assets) decreased to ₱200 mn as of December 31, 2021 compared to ₱459 mn as of December 31, 2020 mainly due to actuarial gains.

Equity

Equity attributable to equity holders of the parent (as of December 31, 2021 compared to December 31, 2020) increased by ₱61.4 bn from ₱183.1 bn to ₱244.4 bn, due to the following:

- ₱26.8 bn net income recorded during the year;
- ₱35.0 bn additional equity reserve from the sale of non-controlling interest; and,
- ₱4.4 bn in other comprehensive income

These are partly offset by the ₱5.1 bn cash dividends paid during 2021.

Non-controlling interests increased 105%, from ₱40.5 bn as of December 31, 2020 to ₱83.1 bn as of December 31, 2021 mainly due to the sale of shares of AboitizPower.

MATERIAL CHANGES IN LIQUIDITY AND CASH RESERVES OF REGISTRANT

For 2021, the Group continued to support its liquidity mainly from cash generated from operations, additional loans availed, dividends received from Associates and Joint Ventures, and sale of non-controlling interest.

Compared to the cash inflow during 2020, consolidated cash generated from operating activities for 2021 increased by ₱98 mn to ₱36.3 bn. The increase was mainly due to higher earnings before interest, depreciation and amortization, and lower taxes paid, partly offset by higher working capital requirements.

As of December 31, 2021, ₱10.1 bn net cash was used in investing activities compared to ₱11.5 bn during 2020. This was mainly due to higher cash dividends received from associates and joint ventures compared to 2020. Out of the cash usage for the current period, ₱6.0 bn was invested in short-term cash deposits to maximize interest income.

Net cash from financing activities was ₱53.0 bn for 2021 compared to ₱4.3 bn used in 2020. This was largely attributed to the proceeds from the sale of non-controlling interest and new debt availments.

For 2021, net cash inflows surpassed cash outflows, resulting in a 124% increase in cash and cash equivalents from ₱66.0 bn as of year-end 2020 to ₱147.5 bn as of December 31, 2021.

FINANCIAL RATIOS

AEV's Current Ratio as of December 31, 2021 increased to 2.3x compared to end-2020's 1.6x mainly due to higher cash balances. Debt-to-Equity ratio decreased to 1.2:1 as of December 31, 2021 from year-end 2020's 1.7:1, as the increase in equity outpaced the increase in total liabilities.

Item 7. Financial Statements

The audited consolidated financial statements of AEV will be incorporated herein by reference. The schedules listed in the accompanying Index to Supplementary Schedules will be filed as part of the Information Statement.

Item 8. Information on Independent Accountant and Other Related Matters

(A) External Audit Fees

The following table sets out the aggregate fees paid by the Company for each of the last two years for professional fees rendered by SGV:

Fee Type	Year ended December 31, 2023	Year ended December 31, 2022
Audit and Audit Related Fees		
Audit Fees	₱632,500.00	₱632,500.00
Audit-Related Fees	11,200,000.00	12,264,000.00
Total	**₱11,832,500.00**	**₱12,896,500.00**
Non-Audit Service Fees		
Other Assurance Fees	₱3,480,935.00	-
Consultancy Fees	₱53,195.00	₱54,208.00
Total	**₱3,534,130.00**	**₱54,208.00**
Total Audit and Non-Audit Fees	**₱15,366,630.00**	**₱12,950,708.00**

The audit-related fees include assurance and services that are related to the review of AEV's financial statements pursuant to its bond issuances. The non-audit fees were paid for assistance in preparation of tax forms.

As a policy, the Board Audit Committee makes recommendations to the Board concerning the choice of external auditor and pre-approves audit plans, scope, and frequency before the audit is conducted.

Audit services of external auditors for the years 2023 and 2022 were pre-approved by the Board Audit Committee. The Committee had also reviewed the extent and nature of these services to ensure that the independence of the external auditors is preserved.

(B) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of SGV during the two most recent fiscal years. There are no disagreements with SGV on accounting and financial disclosure.

PART III – CORPORATE GOVERNANCE

In 2023, the Aboitiz Group propelled itself into a new era, navigating the unfolding chapters of its rich history with an unwavering commitment *to drive change for a better world by advancing business and communities*. As the organization embraced the challenges of the *Great Transformation*, it strategically steered towards shaping a future where innovation stands as the cornerstone of its growth trajectory, aspiring to emerge as the Philippines' first *techglomerate*.

Leading this transformation is AEV's Board of Directors, all of whom firmly believe that a sound framework of corporate governance creates a path towards the realization of the Group's strategic goals and growth aspirations.

Notable accomplishments of the AEV Board for the year 2023 are as follows:

- Onboarded Mr. Peter D. Maquera as its new Independent Director
- Continued to assess the Group's short-term and long-term business strategies to operationalize and direct its growth aspirations towards its story of the Great Transformation
- Reviewed and ensured the sufficiency of the internal controls system and enterprise risk management framework of AEV.
- Authorized and held AEV's Virtual Annual Stockholders' Meeting for the third consecutive year.
- Approved the amendments to the Board and Committee Charters.
- Reviewed and implemented changes to the Board's governance mechanism in alignment with global best practices and the demands of the current business environment.
- In addition to the Annual Corporate Governance Seminar, conducted regular virtual learning sessions to strengthen the continuous learning program for the Company's directors and officers.

Stockholders Rights and Equitable Treatment

The protection of the rights of its stockholders is of paramount importance to the Company. The goal is to ensure the free exercise of stockholder rights, regardless of the number of shares he or she owns.

Among the rights of the Company's stockholders are to: (i) receive notices of and to attend stockholders' meetings; (ii) participate and vote on the basis of the one-share, one-vote policy; (ii) call for a special board meeting and propose a meeting agenda; (iii) participate and vote on the basis of the one-share, one-vote policy; (iv) vote in person, *in absentia*, or through proxy; (v) ratify corporate actions; (vi) nominate, elect, remove, and replace Board members (including via cumulative voting); (vii) inspect corporate books and records; (viii) receive dividends; and (viii) (ix) be informed in a timely and regular manner of the state of the Company's businesses.

Right to Actively Participate at Stockholders Meetings

AEV remains steadfast in its commitment to conducting Annual and Special Stockholders' Meetings (ASMs) with transparency and fairness, facilitating stockholders' access to accurate and timely information crucial for making well-informed decisions.

Detailed financial, non-financial, and operational performance summaries of AEV, its Subsidiaries and Associates are included in its Information Statements and Annual Reports. These essential documents, distributed prior to ASMs and readily available on the Company's website. Additionally, profiles of both new and returning directors, alongside a concise summary of the Board and Board Committee's performance assessments, attendance records, compensation details, and notable achievements for the year, are transparently shared.

To bolster accessibility, notices for AEV ASMs, complete with quick response (QR) codes linking to the Definitive Information Statements, are published in two widely circulated newspapers at least 21 days before the meetings.

The dedication to stockholder engagement is palpable in the meticulous planning of stockholder meetings, with notices disseminated a minimum of 28 days ahead of time, outlining all agenda items for discussion. No new

agenda items are introduced during the meeting, and the rationale behind each item is explicitly included in the notices.

AEV prioritizes providing accessible venues for shareholders to exercise their right to attend and participate in stockholder meetings. For the fourth consecutive year in 2023, AEV conducted a fully digital stockholders' meeting, providing stockholders with options to cast votes through non-traditional means such as remote communication or via an online voting portal.

During stockholder meetings, an open forum enables stockholders to voice concerns, pose questions, and provide feedback on the state of the business through the ASM online portal or live interaction if time permits. There are no barriers hindering stockholders from communicating with each other, directors, or the Corporate Secretary.

AEV's commitment to transparency is underscored by the prompt publication of meeting minutes, including questions, answers, issues, motions, agreements, and voting results, which are made publicly available on the company's website under the Investor Relations page by the next working day. AEV promptly discloses all approved items to the PSE, the PDEx, and the SEC by the following business day.

Continuing its unwavering commitment, AEV actively seeks to expand communication channels with both institutional and individual stockholders through its Investor Relations Office and external stock transfer service provider, Stock Transfer Service, Inc.

Right to Receive Dividends

The right to receive dividends is a basic stockholder right. The Company promotes this basic stockholder right by adopting a clear and transparent dividend policy.

Every year, the Company pays dividends in an equitable and timely manner. All stockholders are treated equally, receiving an amount of dividends per share that is proportionate to their shareholdings. The period for payment of dividends is based on trading requirements or constraints of the SEC and PSE.

In the last three years, the Company has paid the following dividends:

		Declaration Date	Record Date	Payment Date	Dividends per Share	Total
AEV	2024	March 5, 2024	March 19, 2024	March 26, 2024	₱1.40 (regular)	₱7.87bn
	2023	March 3, 2023	March 17, 2023	March 30, 2023	₱1.47 (regular)	₱8.28bn
	2022	March 4, 2022	March 18, 2022	March 30, 2022	₱1.62 (regular)	₱9.12bn

AEV's Board Secretariat has also adopted certified Board protocols and procedures under the ISO 9001:2015 Management Board and System to ensure the effectiveness of Board and stockholders' commitments. This includes coordination with stock transfer agents to ensure appropriate responses to and timely resolution of shareholders' queries and requests.

For a more detailed discussion on the rights of the stockholders of the Company, please refer to the 2023 Consolidated Annual and Sustainability Report, the 2023 Integrated Annual Corporate Governance Report (IACGR), and the Governance page of the AEV website, which will become available at *www.aboitiz.com* on or before May 30, 2024.

BOARD MATTERS

Board of Directors

The Board leads the Group's corporate governance framework. Independent from management, its members are committed to serve and promote long-term success, and to secure the Group's sustained growth, competitiveness and sustainability. The Directors perform the crucial role of articulating and assessing the Group's purpose, vision and mission, and strategies to carry out its objectives. They ensure that the strategic business direction of the Group's businesses are soundly established and are in line with the overall Group's goals and strategy. In line with best practices, the members of the Board are responsible in establishing and monitoring the Group's commitment to the principles embodied in ESG. In performing these functions, the members of the AEV Board, individually and collectively, are expected to act consistently with the Aboitiz core values.

The AEV Board is composed of nine members, all of whom come from diverse professional backgrounds. They are composed of legal and finance professionals, engineers, former or current Chief Executive Officers/Chief Operating Officers, auditors, and accountants. Many of them have management experience in the private and Government sectors, as well as in multilateral agencies. In 2023, the AEV Board had three Independent Directors, five Non-Executive Directors, and one Executive Director. The Chairman of the AEV Board, Mr. Enrique M. Aboitiz, is a highly experienced Non-Executive Director. As a Non-Executive Director, he is not involved in the Company's day-to-day operations, which enables him to focus on ensuring that the AEV Board properly discharges its duties and responsibilities. In 2023, the AEV Board appointed Mr. Romeo L. Bernardo as Lead Independent Director, who resigned in September 2023 upon his appointment as a member of the BSP Monetary Board, a highly qualified professional who is familiar with the operations of AEV, and the industries it does business in. On November 24, 2023, the members of the Board appointed Mr. Cesar G. Romero as Lead Independent Director, to serve the unexpired term of his predecessor. Mr. Romero is currently the Chairman of the Board Audit Committee and a highly qualified professional who is familiar with the operations of AEV, and the industries it does business in.

The members of the AEV Board are the following:

ABOITIZ EQUITY VENTURES INC.'S BOARD OF DIRECTORS					
Director (Age, Nationality)	**Designation /Directorship**	**Year First Elected**	**Tenure**	**Board and Committee Memberships and % of Attendance for 2023**	**Directorships in Other Listed Philippine Companies Outside the Aboitiz Group**
ENRIQUE M. ABOITIZ 70 years old Filipino	Chairman of the Board (NED)	May 10, 1999	24	(C) BOD (100%) (M) ExCom (n.a) (M) ESCG (100%) (M) Cyber (100%)	None
MIKEL A. ABOITIZ 69 years old Filipino	Vice-Chairman (NED)	May 15, 2017	6	(VC) BOD (100%) (M) ExCom (n.a)	None
ERRAMON I. ABOITIZ 67 years old Filipino	Director (NED)	May 9, 1994	29	(M) BOD (94%) (C) Risk (100%) (M) ExCom (n.a) (M) AudCom (100%)	None
SABIN M. ABOITIZ 59 years old Filipino	President and CEO (ED)	May 21, 2018	5	(M) BOD (100%) (C) ExCom (n.a) (M) ESCG (100%) (M) Risk (80%)	None
ANA MARIA A. DELGADO 43 years old Filipino	Director (NED)	Dec 11, 2018	5	(M) BOD (94%) (M) AudCom (100%)	None
JUSTO A. ORTIZ 66 years old Filipino	Director (NED)	May 9, 1994	26	(M) BOD (100%) (C) Cyber (100%) (M) ExCom (n.a)	None
CESAR G. ROMERO* 58 years old Filipino	Lead Independent Director	Apr 26, 2021	1	(M) BOD (100%) (C) AudCom (100%) (C) ESCG (100%) (M) Risk (100%) (M) RPT (100%)	• Robinsons Retail Holdings, Inc.

JOANNE G. DE ASIS 73 years old Filipino	Independent Director	Apr 26, 2021	2	(M) BOD (100%) (C) RPT (100%) (M) AudCom (100%) (M) ESCG (100%) (M) Risk (100%) (M) Cyber (100%)	• EasyCall Communications Philippines Inc. (ID)
PETER D. MAQUERA 61 years old Filipino	Independent Director	Apr 25, 2022	0	(M) BOD (100%) (M) Cyber (100%) (M) AudCom (n.a.) (M) ESCG (n.a.) (M) Risk (n.a.) (M) RPT (n.a.)	None

Legend: C- Chairman; VC – Vice Chairman; M – Member; –D - Independent Director; NED - Non-Executive Director; Ex - Executive Director; BOD - Board of Directors; ESCG - Board Environmental, Social, and Corporate Governance Committee; ExCom - Board Executive Committee; AudCom - Board Audit Committee; Risk - Board Risk and Reputation Management Committee; RPT - Board Related Party Transactions Committee; Cyber - Board Cyber and Information Security Committee

** Mr. Cesar G. Romero was elected as an Independent Director in the Company's 2022 Annual Stockholders' Meeting and was appointed as Lead Independent Director in November 2023.*

Board Performance

In 2023, the Chairman of the AEV Board led the conduct of the following performance review and assessment:

Type of Assessment	Respondents and Scope	Criteria
1. Director Self-Assessment *Completed: October 2023*	**Respondents**: Members of the Board Scope: Individual and the collective performance of the members of the Board and Board committees.	(1) compliance with best governance practices and principles; (2) participation and contribution to the Board and committee meetings; and (3) performance of their duties and responsibilities as provided in the company's Revised Manuals, Charters, Amended Articles, and Amended By-Laws.
2. Key Officers Evaluation *Completed: October 2023*	**Respondents:** Members of the Board **Scope:** Chairman, Chief Executive Officer, Internal Audit Head, Risk Officer, Corporate Secretary, and Compliance Officer	
3. Director Evaluation *Completed: October 2023*	**Respondents:** Executive Officers **Scope**: Members of the Board and Board Committees	(1) business acumen, (2) independent judgment, (3) familiarity with the business, (4) active participation and effective challenge, (5) professional expertise and network, (6) value contribution, (7) embodiment of Aboitiz core values, and (8) goodwill and reputation.
4. Board and Committee Charter Assessment *Completed: December 2023*	**Respondents:** Board and Committee Members	(1) Membership and composition, (2) duties and responsibilities, (3) conduct of meetings, (4) support and resources

In addition, the Corporate Governance Code requires that at least once in every three years, the conduct of the Board performance assessment must be supported by an independent third-party facilitator. AEV complied with this requirement in 2023 with the engagement of Complete Coherence, a leadership development and coaching company based in the United Kingdom. The results of the assessment, as well as the recommendations from Complete Coherence, were presented and discussed at the Board meeting on December 12, 2023.

Board Committees

The different Board committees - Audit, Environmental, Social, and Corporate Governance (now Sustainability, Governance and Related Party Transactions), Risk and Reputation Management, Executive Committee, and the Cyber and Information Security Committee - report regularly to the Board and are crucial in maintaining Board oversight in key management areas.

The mandate of each Board committee, including key accomplishments in 2023, are described below:

a. The **Board Environmental, Social, and Corporate Governance Committee** plays a pivotal role in spearheading the creation and oversight of a robust governance mechanism. This mechanism is specifically designed to champion sustainability practices, encompassing responsible environmental stewardship, meaningful social development, and the implementation of sound corporate governance principles. In addition to these core responsibilities, the ESCG Committees also fulfill the essential functions of the Nomination and Remuneration Committees. In carrying out its duties and responsibilities, the ESCG Committee is supported by *Ex-Officio* Members consisting of executive heads of relevant corporate services units such as compliance, human resources, sustainability, and external relations. These officers regularly attend committee meetings to act as resource persons. The chairman of the ESCG Committee is the Lead Independent Director.

Key Areas of Focus in 2023

Environmental and Social	• Discussed the potential business and stakeholders impact of COP26 outcomes and the subsequent policy and regulatory actions of the country • Monitored the progress of the ongoing Climate Value at Risk study • Monitored and discussed the dynamic progress of Sustainability Disclosure Standards including the most recent progress on the International Sustainability Standards Board Scope 1 and Scope 2 Standards • Developed and cascaded the OneNewAboitiz Sustainability Playbook and monitored the progress of the Group-wide ESG Materiality Re-assessment. • Accomplishment of the 1st External Assurance of the Aboitiz Integrated Report and necessary milestones aligned with the 10-year ESG Agenda. • Ensured that the company's ESG programs were implemented. • Amended the Code of Ethics and Business Conduct, and the Whistleblowing Policy to further strengthen the company's commitment to corporate governance, particularly on sustainability and ethical corporate citizenship.
Compliance	• Reviewed and monitored AEV's compliance with new laws and regulations • Reviewed and monitored the status of whistleblowing reports
Corporate Governance	• Reviewed and revised AEV's General Trading Policy to align with market practice
Nomination and Compensation	• Ensured that the nomination, selection, election, remuneration, and assessment of each company's directors and officers are aligned with the Revised Manuals • Approved the final list of nominees for directors for election after reviewing all the qualifications as provided in the Amended By-Laws, Revised Manuals, and other relevant SEC rules • Reviewed the qualifications of all persons nominated to appointed positions by the Board • Reviewed and approved the 2023 Group-wide merit increase guidelines

b. The **Board Audit Committee** represents the Board in discharging its responsibility related to audit matters for the Group. Independent Directors comprise the majority of the members of the Board Audit Committee, including its Chairman. The Company's Chief Financial Officer and Internal Audit Head, who performs the functions of a Chief Audit Executive, are regular attendees and resource persons at each committee meeting. At the end of every Audit Committee meeting, Committee Members meet without the presence of any executives.

Key Areas of Focus in 2023

Financial Reports	• Reviewed, discussed, and approved for public disclosure the quarterly unaudited consolidated financial statements in 2023 • Endorsed for approval by the full Board the 2022 annual audited financial statements of AEV, its Subsidiaries and Affiliates.
External Auditors	• Reviewed the performance of SGV as AEV's external auditor.

	• Endorsed to the Board the appointment of SGV as AEV's External Auditor for 2023. • Reviewed and approved the overall scope and audit plan of SGV. • Reviewed and approved the audit plan, fees, and terms of engagement, which covers audit and non-audit services provided by SGV.
Internal Auditors	• Reviewed and approved the annual audit program for 2023 which also covers the adequacy of resources, qualifications and competency of the staff, and independence of the internal auditor. • Reviewed sample CAPEX transactions to help ensure process integrity and promote continuous improvement. • Confirmed that the internal audit function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner.
Committee Charter	• Updated the Board Audit Committee and Internal Audit Charters to improve the Company's control performance by having an adequate and effective internal control system

c. The **Board Risk and Reputation Management Committee** exercise oversight functions over the Company's enterprise risk management and reputation management, including their respective corporate brands and communication strategies. The committee ensures the establishment and maintenance of a robust risk management framework and the requisite supporting governance mechanism within AEV. In 2023, the Risk and Reputation Management Committee of AEV was composed of all the three Independent Directors, one Executive Director, and one Non-Executive director who also acted as the chairman of the committee. The chairman on the Risk and Reputation Management Committee of AEV is not the Chairman of the Board or any other Board Committees.

Key Areas of Focus in 2023

Governance	• Discussed the results of the Aon Risk Management Program Review and the KPMG Risk Management Framework and Process Effectiveness Audit. • Reviewed and updated the Board Risk and Reputation Committee Charter.
Enterprise Risk Management	• Reviewed and discussed AEV's Mid Year and Year-End Top Risks report where Regulatory and Cyber risks respectively took the top spot. Portfolio Risk and Implementation Risk were introduced among the new top risks of AEV as it takes on a more active portfolio and investment management role.
Business Continuity	• Updated the Business Continuity Policy to reflect the minimum guardrails for Strategic Business Units in light of the Group's federalization. • Monitored Business Continuity Plan Testing of Aboitiz businesses.
Risk Finance	• Reviewed proposed structure and utilization of AEV's captive insurance vehicle.
Reputation	• Updated the committee on the annual reputation management plans, result of brand and reputation surveys of the company. • Discussed the Reputation Strategy & ESG Synergy framework.

d. The **Board Related Party Transaction Committee** represents the Board in discharging its responsibility to ensure that related party transactions are taken on an arms' length basis and within market rates, with sufficient documentation, and coursed through all appropriate levels of approval necessary. In 2023, the RPT Committee of AEV consisted of all three Independent Directors, including the chairman.

Key Areas of Focus in 2023

RPT Policy and Committee Charter	• Reviewed the RPT Committee Charter
Completion of RPT Certification	• Updated and monitored compliance with the submission of the RPT Certification by Directors and Key Officers of AEV to comply with relevant BIR regulations on the reporting guidelines for transactions of individuals and juridical entities with related parties • Monitored the compliance of AEV with BIR's reportorial requirements and SEC requirements
Fairness of RPTs	• Continued to ensure that RPTs are on an arm's length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval

e. The **Executive Committee** assists the Board in overseeing the Company's day-to-day operations of the Company. The Committee ensures agility in the management of the Company and in strategic decision-making, as well as compliance with the Company's governance policies, during the intervening period between Board meetings. Because the Board met monthly in 2023, no Executive Committee meetings were held.

f. The **Board Information Security and Cybersecurity Committee** assists the Board in providing strategic direction and ensuring the establishment of a system of governance (processes, policies, controls and management) for the Company and its strategic business units on matters relating to information security and cybersecurity.

Key Areas of Focus in 2023

Cybersecurity Manual and Committee Charter	• Reviewed and amended the Committee Charter and the Group-wide Cyber Security Manual
Organizational	• Established the AEV Cyber and Information Security Organizations.
Cybersecurity Strategy	• Reviewed the security programs and initiative supporting the Aboitiz Group cybersecurity programs and its maturity roadmap, and their respective implementation strategies • Published and approved the Group-wide Cyber & Information Security Principles and Minimum Controls
Cybersecurity Risks	• Reviewed the cybersecurity risk map and key risk treatment plans to include the quantification of cybersecurity risks that justified the need for the IT. • Decentralization to reduce and segment the impact of a cyber security incident or event.

For a more detailed discussion on the AEV Board and Board Committees matters, please refer to the 2023 Consolidated Annual and Sustainability Report, the 2023 IACGR, and the Governance page of the AEV website, which will become available at *www.aboitiz.com* on or before May 30, 2024.

GOVERNANCE PRACTICES

Compliance with Governance Policies

AEV has a Revised Manual and a Code of Ethics and Business Conduct ("Code of Ethics") to guide the attainment of its corporate goals and the implementation of its strategies. The Revised Manual is generally aligned to the principles and recommendations laid down by the SEC under the Corporate Governance Code for Publicly-Listed Companies to further strengthen the Company's corporate governance practices. The Board regularly reviews the Revised Manual to ensure that the same remains relevant and responsive to the needs of the organization. Any amendments to the Revised Manual are promptly submitted to the SEC for confirmation and approval.

The Revised Manual is supported by various company policies that are regularly reviewed and issued by the Board including the Code of Ethics. AEV ensures that its Code of Ethics is cascaded to new team members as part of their onboarding processes. Team members are also required to review the Code of Ethics and to sign an affirmation that they have read and understood the same. In order to support this annual exercise, an e-learning module on the Group's Code of Ethics was developed and is rolled out every year. As part of the Group's commitments in the Code of Ethics, all team members are expected to act professionally, fairly, and with integrity in all of their business dealings, and to comply with all applicable laws and regulations, including those against bribery and corruption.

The Chief Compliance Officer, together with the Human Resources Department, regularly monitors and evaluates compliance by the Board, management, and employees with the Revised Manual, the Code of Ethics, other company policies, and existing laws and regulations. The Chief Compliance Officer also ensures the implementation of AEV's policy against conflicts of interests and the misuse of confidential and proprietary information throughout the organization.

The Chief Compliance Officer regularly reports the Company's compliance status with existing laws and regulations, as well as the Board's, management's and employees' compliance with internal governance policies to the Board ESCG Committee.

In addition, the Company has a Whistleblowing Policy to support the implementation of the Revised Manual and the Code of Ethics. Through this policy, allegations of violations of the Revised Manual, the Code of Ethics, or of other illegal conduct can be reported through a whistleblowing portal that is managed by an independent third party. Matters reported through the whistleblowing platform are discussed by the Board ESCG Committee and, if necessary, escalated to the entire Board.

There are no major deviations from the Revised Manual and other governance-related policies as of the date of this report. There were also no corruption-related incidents reported in 2023.

For a full discussion on the Company's corporate governance initiatives, please refer to the 2023 Consolidated Annual and Sustainability Report, the 2023 IACGR, and the Governance page of the AEV website, which will become available at *www.aboitiz.com* on or before May 30, 2024.

DISCLOSURE AND TRANSPARENCY

Pursuant to its commitment to transparency and accountability, AEV's website, *www.aboitiz.com* has its own dedicated corporate governance webpage which serves as a resource center and library for its stakeholders. AEV also publishes a consolidated Annual and Sustainability Report and IACGR on its website at *www.aboitiz.com*.

ANNEX "A"

EXPLANATION OF AGENDA ITEMS
(*including Agenda Items requiring Stockholders' Approval*)

ITEM NO. 1: The Chairman will formally open the meeting at approximately 11:00 A.M.

ITEM NO. 2: **Proof of Notice of Meeting and Determination of Quorum**

RATIONALE: *To inform the stockholders that notice requirements for the 2024 Annual Stockholders' Meeting ("2024 ASM") have been complied with in accordance with the Company's Amended By-Laws and the Revised Corporation Code of the Philippines, and that quorum exists for the transaction of business.*

The Corporate Secretary will certify the date when notices for the 2024 ASM were sent out to the stockholders of record, including the dates of publication and the newspapers where the notice was published. The Corporate Secretary will also certify to the existence of a quorum, as verified and confirmed by Luis Cañete & Co., an independent auditing firm. Stockholders representing at least a majority of the outstanding capital stock, present in person or by proxy, shall constitute a quorum for the transaction of business.

Voting shall be through proxy or remote communication or *in absentia*. Pursuant to Section 4, 5 and 6 of the Company's Amended By-Laws and Sections 23 and 57 of the Revised Corporation Code which allow voting through remote communication or *in absentia*, stockholders may access the link: *https://aboitiz.com/2024asm/* (the "ASM Portal"), to register and vote on the matters at the meeting beginning on March 25, 2024. A stockholder voting *in absentia* shall be deemed present for the purpose of quorum.

Votes may be cast by registered stockholders until 08:00 a.m. of April 22, 2024, which will be tabulated and presented during the 2024 ASM. Stockholders may still vote after the cut-off time, and the final total votes received through proxy and through the ASM Portal will be included in the minutes of the 2024 ASM.

The following are the rules of conduct and procedures for voting and participation in the meeting through remote communication:

1. Stockholders may register and vote at the Company's ASM Portal beginning March 25, 2024 until 08:00 a.m. on April 22, 2024. Only stockholders as of the record date who registered before the cut-off time will be counted for quorum purposes.
2. Votes cast by registered stockholders until 08:00 a.m. of April 22, 2024 will be tabulated and presented during the 2024 ASM. Stockholders may still vote after the cut-off time, and the final total votes received through proxy and through the ASM Portal will be included in the minutes of the 2024 ASM.
3. The conduct of the 2024 ASM will be livestreamed and registered stockholders may participate through the Company's ASM Portal.
4. Stockholders may send in their remarks or questions in advance, or during the meeting, through the ASM Portal. The moderator shall read out the remarks or questions, and direct them to the relevant director or officer.
5. Each of the proposed resolutions for approval will be shown on screen at the time they are being taken up at the meeting.
6. All votes received within the cut-off shall be tabulated by the Office of the Corporate Secretary and the results shall be validated by Luis Cañete & Company, an independent auditing firm.
7. The Corporate Secretary shall report the votes received and inform the stockholders if the particular agenda item is carried or disapproved. The total number of votes cast for all items for approval, as of the cut-off time, will be flashed on the screen.

ITEM NO. 3: **Reading and Approval of the Minutes of the Annual Stockholders' Meeting held on April 24, 2023**

RATIONALE: *To allow the stockholders to confirm that the proceedings during the ASM were recorded accurately and truthfully.*

The minutes of the stockholders' meetings held on April 24, 2023 was posted at AEV's website, *www.aboitiz.com*, on April 25, 2023. Copies of the minutes will also be part of the Information Statement provided to the stockholders.

A resolution approving the minutes of the April 24, 2023 will be presented to the stockholders for approval.

ITEM NO. 4: **Presentation of the President's Report.**

RATIONALE: *To apprise the stockholders of the Company's operating performance, financial condition and outlook.*

The Company's President and Chief Executive Officer, Mr. Sabin M. Aboitiz, shall deliver a report to the stockholders on the 2023 operating and financial performance of the Company, as well as its outlook for 2024.

ITEM NO. 5: **Approval of the 2023 Annual Report and Financial Statements.**

RATIONALE: *To present to the stockholders the results of the Company's operations in 2023, in accordance with Section 74 of the Revised Corporation Code.*

The Company's audited financial statements as of December 31, 2023 will be integrated and made part of the Company's Information Statement that will be sent to the stockholders at least 15 business days prior to the 2024 ASM. The Information Statement and the Company's 2023 Annual Report will be posted on the Company's website at *www.aboitiz.com*.

A resolution approving the 2023 Annual Report and Audited Financial Statements shall be presented to the stockholders for approval.

ITEM NO. 6: **Appointment of the Company's External Auditor for 2024.**

RATIONALE: *To appoint an auditing firm which can best provide assurance to the directors and stockholders on the integrity of the Company's financial statements and adequacy of its internal controls. The Board Audit Committee and the Board of Directors will endorse an external auditor for 2024 for the stockholders to appoint.*

The Company's Board Audit Committee endorsed, and the Board of Directors approved for the stockholders' consideration the election of Sycip Gorres Velayo & Co. (SGV) as the Company's external auditor for 2024.

The accounting firm of SGV has been AEV's Independent Public Accountant for the last 29 years. Ms. Jhoanna Feliza C. Go is AEV's audit partner from SGV since 2022. Ms. Go replaced Ms. Maria Veronica R. Pore who previously served as AEV's audit partner from 2017 to 2021. AEV complies with the requirements of Section 3(b) (ix) of SRC Rule 68 on the rotation of external auditors or signing partners and the two-year cooling-off period.

There was no event in the past 29 years wherein AEV and SGV or its handling partner had any disagreement regarding any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

A resolution for the appointment of the Company's external auditor for 2024, and ratifying the fees shall be presented to the stockholders for approval.

ITEM NO. 7: Election of the Members of the Board of Directors.

RATIONALE: *To allow stockholders to elect the Company's Board of Directors in accordance with Section 24 of the Revised Corporation Code and the Company's Amended By-Laws.*

Under the Amended Guidelines for the Nomination and Election of Independent Directors, the period for nominations for Independent Directors started on January 1, 2024 and the table of nominations closed on February 15, 2024, unless the Board Sustainability, Governance, and Related Party Transactions (SGRPT) Committee, acting as the Nominations Committee, unanimously agrees to extend the deadline for meritorious reasons. The stockholders who nominated the Independent and other Directors are disclosed in the Company's Information Statements. The Board SGRPT Committee assesses and evaluates the nominees before submitting the final list of qualified nominees to the stockholders for approval. The profiles of all the nominees are (i) disclosed to the Securities and Exchange Commission (SEC), the Philippine Stock Exchange (PSE), and the Philippine Dealing Exchange (PDEx), (ii) included in the Company's Information Statements, and (iii) uploaded in the Company's website for examination by the stockholders.

Article 6 of the Company's Amended Articles of Incorporation provides that the number of directors of AEV shall be nine who are to serve until their successors are elected and qualified as provided in the Company's Amended By-Laws.

To vote, a stockholder may distribute his shares for as many nominees as there are directors to be elected, or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected, provided that the total number of votes cast does not exceed his shares in the Company. The nine nominees receiving the highest number of votes will be declared elected as directors of the Company.

ITEM NO. 8: Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from April 24, 2023 up to April 21, 2024.

RATIONALE: The acts and resolutions of the Board of Directors, Corporate Officers and Management to be ratified were those taken and adopted during the period since the conclusion of the Company's 2023 ASM last April 24, 2023 until April 21, 2024. These included the approval of contracts and agreements and other transactions in the ordinary course of business. A summary of these acts and resolutions are enumerated in the Information Statement. The Company also regularly discloses material transactions approved by the Board of Directors. These disclosures are available for viewing and download at the Company's website at *www.aboitiz.com*.

A resolution ratifying the acts and proceedings of the Board of Directors, Corporate Officers and Management will be presented to the stockholders for approval.

ITEM NO. 9: Other Business

The Chairman will open the floor for comments or queries by the stockholders. Stockholders are given the opportunity to address the members of the Board, ask questions, and raise matters which may be properly taken up during the 2024 ASM.

---end---

ANNEX "B-1" – Certification of Independent Directors – Cesar G. Romero

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **CESAR G. ROMERO**, Filipino, of legal age, with business address at [redacted] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Aboitiz Equity Ventures Inc. ("AEV").

2. I am currently affiliated with the following publicly listed companies:

Company/Organization	Position/Relationship	Period of Service
Independent Director	Aboitiz Power Corporation	2022 to present
Independent Director	Robinson Retail Holdings, Inc.	2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of AEV, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of AEV and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. No conflict of interest exists between my being an Independent Director of AEV and my other affiliations as defined and stated in the AEV Guidelines for the constitution of the Nomination Committee (now referred to as "Board Environmental, Social, and Corporate Governance Committee") and the nomination and election of the independent directors.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of AEV of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature page follows]

Done, this February 15, 2024 at Taguig City.

[redacted]

CESAR G. ROMERO
Affiant

SUBSCRIBED AND SWORN to before me this February 15, 2024 at Taguig City. Affiant, who is personally known to me, personally appeared before me and exhibited to me his [redacted] issued at DFA MANILA on February 11, 2022.

Doc. No. 59;
Page No. 13;
Book No. VII;
Series of 2024.

ATTY. CZAR AUGUSTUS C. COLINA
NOTARY PUBLIC
ROLL NO. 70362
TAGUIG CITY, PHILIPPINES

ATTY. CZAR AUGUSTUS C. COLINA
Notary Public for Taguig City
Notarial Commission No. 76 (2023-2024)
Until 31 December 2024
NAC Tower, 32nd Street, Bonifacio Global City, Taguig City
Roll No. 70362, Admitted to the Bar 02 June 2017
PTR No. A-6155015, 09 January 2024, Taguig City
IBP No. 414728, 10 January 2024, Makati City
MCLE Compliance No. VII-0011495

ANNEX "B-2" – Certification of Independent Directors – Joanne G. De Asis

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **JOANNE G. DE ASIS,** Filipino, of legal age and a resident of [redacted] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Aboitiz Equity Ventures Inc (AEV) and have been its independent director since April 26, 2021.

2. I am currently affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Morgan Stanley & Co.	Senior Adviser	2010 to present
Globe Capital Partners LLC	Founder and Chairman	1998 to present
Easycall Communications Philippines, Inc.	Independent Director	2017 to present
Anneberg Foundation Trust at Sunnylands, U.S.A	Advisory Board Member	2011 to present
The International Institute for Strategic Studies	Advisory Council Member	2012 to present
APEC Business Advisory Council	Advisor	2017 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of AEV, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of AEV and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. No conflict of interest exists between my being an Independent Director of AEV and my other affiliations as defined and stated in the AEV Guidelines for the constitution of the Nomination Committee (now referred to as "Board Environmental, Social, and Corporate Governance Committee") and the nomination and election of the independent directors.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of AEV of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature page follows]

Done, this February 15, 2024 at Taguig City, Philippines.

[redacted]

JOANNE G. DE ASIS
Affiant

SUBSCRIBED AND SWORN to before me this February 15, 2024 at Taguig City. Affiant, who is personally known to me, personally appeared before me and exhibited to me her [redacted] issued at DFA MANILA on June 24, 2021.

Doc. No. 58;
Page No. 13;
Book No. VII;
Series of 2024.

ATTY. CZAR AUGUSTUS C. COLINA
NOTARY PUBLIC
ROLL NO. 70362
TAGUIG CITY, PHILIPPINES

ATTY. CZAR AUGUSTUS C. COLINA
Notary Public for Taguig City
Notarial Commission No. 76 (2023-2024)
Until 31 December 2024
NAC Tower, 32nd Street, Bonifacio Global City, Taguig City
Roll No. 70362, Admitted to the Bar 02 June 2017
PTR No. A-6155015, 09 January 2024, Taguig City
IBP No. 414728, 10 January 2024, Makati City
MCLE Compliance No. VII-0011495

ANNEX "B-3" – Certification of Independent Directors – Peter D. Maquera

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **PETER D. MAQUERA**, Filipino, of legal age, with business address at [redacted] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Aboitiz Equity Ventures Inc. ("AEV").

2. I am currently affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Microsoft Philippines	President and CEO	2022 to present
Makati Business Club	Board Member	2023 to present
American Chamber of Commerce	Board Member	
Advanced Nutritional Technologies, Ltd.	Board Member	
FPS Tech Philippines, Inc.	Board Member	

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of AEV, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of AEV and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. No conflict of interest exists between my being an Independent Director of AEV and my other affiliations as defined and stated in the AEV Guidelines for the constitution of the Nomination Committee (now referred to as "Board Environmental, Social, and Corporate Governance Committee") and the nomination and election of the independent directors.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of AEV of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature page follows]

Done, this February 15, 2024 at Taguig City.

[redacted]

PETER D. MAQUERA
Affiant

SUBSCRIBED AND SWORN to before me this February 15, 2024 at Taguig City Affiant, who is personally known to me, personally appeared before me and exhibited to me his [redacted] issued on April 6, 2022.

Doc. No. 57;
Page No. 13;
Book No. VII;
Series of 2024.

ATTY. CZAR AUGUSTUS C. COLINA
NOTARY PUBLIC
ROLL NO. 70362
TAGUIG CITY, PHILIPPINES

ATTY. CZAR AUGUSTUS C. COLINA
Notary Public for Taguig City
Notarial Commission No. 76 (2023-2024)
Until 31 December 2024
NAC Tower, 32nd Street, Bonifacio Global City, Taguig City
Roll No. 70362, Admitted to the Bar 02 June 2017
PTR No. A-6155015, 09 January 2024, Taguig City
IBP No. 414728, 10 January 2024, Makati City
MCLE Compliance No. VII-0011495

ANNEX "B-4" – Certification of No Government Affiliation

aboitiz

REPUBLIC OF THE PHILIPPINES)
CITY OF TAGUIG) S.S.

CERTIFICATION

I, **MAILENE M. DE LA TORRE**, Filipino citizen, of legal age, with office address at NAC Tower, 32nd Street Bonifacio Global City, Taguig City, after having been duly sworn according to law, hereby depose and state that:

1. I am the Assistant Corporate Secretary of **ABOITIZ EQUITY VENTURES INC.** (the "Company"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office address at 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines.

2. As Assistant Corporate Secretary, I am in custody of or have access to the corporate records of the Company.

3. I hereby certify that, based on corporate records on file as of 21 MAR 2024, no directors or officers of the Company are connected with any government agencies or its instrumentalities.

4. This certification is issued in relation to the Company's filing of its SEC Form 20-IS (2024 Definitive Information Statement) and for whatever legal purpose it may serve.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 22 MAR 2024 at Taguig City, Philippines.

[redacted]

MAILENE M. DE LA TORRE
Assistant Corporate Secretary

SUBSCRIBED AND SWORN TO before me this 22 MAR 2024 at the City of Taguig, Philippines. Affiant, who is personally known to me, exhibited to me her [redacted] issued at DFA NCR East on November 2, 2021.

Doc. No. 427;
Page No. 86;
Book No. XVI;
Series of 2024.

ATTY. MARIE CHRISTINE DURAN-SCHULZE
Notary Public for Taguig City
NCC No. 15 (2023-2024) Expires on 12/31/2024
Unit 1210 High Street South Corporate Plaza Tower 2
26th St. Bonifacio Global City, Taguig City
Roll No. 56901; I.M IBP No. 08278; 15 April 2009; RSM
PTR No. A-6104015; 01/02/2024; Taguig City
MCLE No. VII-005298 valid until 04/14/2025

ANNEX "C"

SUMMARY OF THE MINUTES OF THE 2023 ANNUAL STOCKHOLDERS' MEETING (2023 ASM)

The meeting was called to order on April 24, 2023 at 2:30 p.m. by the Company' Lead Independent Director, Mr. Romeo L. Bernardo, who acted as Chairman of the Meeting pursuant to the authority granted by the Board of Directors. The Corporate Secretary, Mr. Manuel Alberto R. Colayco, recorded the minutes of the meeting. The Corporate Secretary certified that notices for the 2023 ASM of Aboitiz Equity Ventures Inc. were distributed to stockholders as follows: (i) disclosed to the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and Philippine Depository & Trust Corporation (PDTC) (ii) uploaded on the Company's website, (iii) published in the business section of the Manila Times and Manila Bulletin on March 28 and 29, 2023, (iv) sent to stockholders electronically and through private courier on March 28, 2023, and (v) broadcasted through the PDTC platform for the stockholders under PCD/Broker accounts. As an additional measure, Quick Response (QR) code of the company's Definitive Information Statement was also published on March 28 and 29, 2023 in the business section of two newspapers of general circulation.

The Corporate Secretary certified that the Notice and Agenda were sent out on March 3, 2023, or 52 calendar days prior to the ASM, in accordance with the requirements of the Revised Corporation Code and SEC regulations. The Notice informed the stockholders that the Company would not conduct a physical annual stockholders meeting. Instead, the 2023 ASM will be streamed live from the Company's principal address in Taguig City. Stockholders were also notified that if they wish to cast their votes, they may vote through Proxy or in absentia through the ASM Portal. The Stockholders were also informed of the rationale for each Agenda Item that will be put to a vote today. Mr. Colayco also informed the stockholders attending the meeting that they could still cast their votes online until the adjournment of the meeting.

The Corporate Secretary certified to the existence of a quorum, there being a total Four Billion Seven Hundred Seventy-Five Million Eight Hundred Thirty-Three Thousand One Hundred Eighty-Seven (4,775,833,187) shares represented by proxy, Three Million Nine Hundred Thirty-Nine Thousand Two Hundred Sixty-Seven (3,939,267) shares attending through remote communication or livestream and *in absentia*, or a total of Four Billion Seven Hundred Seventy-Nine Million Seven Hundred Seventy-Two Thousand Four Hundred Fifty-Four (4,779,772,454) shares entitled to vote. The shares constituted 84.89% of the Company's total outstanding shares of Five Billion Six Hundred Thirty Million Two Hundred Twenty Five Thousand Four Hundred Fifty Seven (5,630,225,457) entitled to vote, which is more than a majority of the Company's total outstanding shares entitled to vote. The Corporate Secretary informed the stockholders that the Company engaged the services of the accounting firm Luis Cañete & Company as its Board of Election Inspectors to verify, canvass, and validate the shareholder's vote for the Company's 2023 ASM.

There were 41 viewers of the live webcast of the 2023 ASM through the Company's ASM Platform, *https://youtu.be/2X7szWsnSis*

Upon motion duly made and seconded, the minutes of the previous Annual Stockholders' Meeting last April 25 2022 was approved.

The body passed the following resolutions:

1) Approval of the 2022 Annual Report and Audited Financial Statements
2) Appointment of the Company's External Auditor for 2023
3) Election of the Members of the Board of Directors
4) Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from April 25, 2022 up to April 24, 2023

After the approval of the proposed resolutions and the questions from the body were asked and answered, the meeting was duly adjourned.

A Copy of the Minutes of the 2022 ASM is also available at the Company's website at: *https://aboitizcom-uploads.s3.ap-southeast-1.amazonaws.com/wp-content/uploads/2023/02/25153716/AEV-Minutes-2023-04.24.2023-Annual-Stockholders-Meeting.pdf*

ANNEX "C-1"

DRAFT

Subject for Approval in the 2024 Annual Stockholders' Meeting

ABOITIZ EQUITY VENTURES INC.
Annual Stockholders Meeting
1430H to 1530H, April 24, 2023
live from NAC Tower, 32nd Street, BGC, Taguig City, 1634 Philippines
through a secure video conference facility at:
https://youtu.be/2X7szWsnSis

Total No. of Shares Outstanding	**5,630,225,457**
Stockholders Represented by Proxy*	4,775,833,187
Percentage of Shares of Stockholders represented by Proxy	84.82%
Total No. of Shares of Stockholders present through Remote Participation (Livestream) or *in Absentia*	3,939,267
Percentage of Shares of Stockholders present through Remote Participation (Livestream) or *in Absentia*	0.07%
Total No. of Shares of Stockholders Represented by Proxy, Present through Remote Communication (Livestream) or *in Absentia*	**4,779,772,454**
Percentage of Shares of Stockholders Represented by Proxy, Present through Remote Communication (Livestream), and by Voting *in Absentia*	**84.89%**

Total No. of Shares Not Represented	850,453,003
Percentage of Shares Not Represented	**15.11%**

**Shares represented by proxies exclude those represented by proxies that are submitted beyond the deadline of April 17, 2023*

Name	Designation
Enrique M. Aboitiz	*Chairman, Board of Directors/ Member, Board Environmental, Social, and Corporate Governance (ESCG) Committee / Member, Board Executive Committee/ Member, Board Cyber and Information Security Committee*
Mikel A. Aboitiz	*Vice Chairman, Board of Directors/ Member, Board Executive Committee*
Erramon I. Aboitiz	*Chairman, Board Risk and Reputation Management Committee / Member, Board Executive Committee/ Member, Board Audit Committee*
Sabin M. Aboitiz	*President and Chief Executive Officer/ Chairman, Board Executive Committee/ Member, Board Risk and Reputation Management Committee/ Member, Board ESCG Committee*
Ana Maria A. Delgado	*Member, Board Audit Committee*
Justo A. Ortiz	*Chairman, Board Cyber and Information Security Committee/ Member, Board Executive Committee*
Romeo L. Bernardo	*Lead Independent Director/ Chairman, Board ESCG Committee / Member, Board Related Party Transactions Committee/ Member, Board Audit Committee/ Member, Board Risk and Reputation Management Committee*
Joanne G. De Asis	*Independent Director/ Chairman, Board Related Party Transactions Committee/ Member, Board Audit Committee/ Member, Board ESCG Committee/ Member, Board Risk and Reputation Management Committee/ Member, Board Cyber and Information Security Committee*
Cesar G. Romero	*Independent Director/ Chairman, Board Audit Committee/ Member, Board ESCG Committee/ Member, Board Risk and Reputation Management Committee/ Member, Board Related Party Transactions Committee*

The list of Company officers present and other attendees during the meeting is attached as **Annex "A".**

Before the official start of the meeting, Mr. Francis Victor Salas, the Company's Investor Relations Officer, read the House Rules and Procedures for Voting for the 2023 Annual Stockholders Meeting (ASM), as follows:

1. Only Stockholders who registered through the Company's ASM Portal at (*aboitiz.com/2023asm*) (the "ASM Portal") may participate and vote in the ASM;
2. For proper order, the moderator will read out questions and comments received before the cut-off during the question-and-answer (Q&A) session scheduled at the end of the meeting. Questions that were not taken up during the meeting may be directed to the Company representatives whose details were flashed on the screen;
3. For transparency, the language of the proposed resolutions and the number of votes received for each agenda item will be shown on the screen;
4. Voting in *absentia* through the ASM Portal will remain open until the meeting is adjourned. Votes received through proxy and votes cast through the voting portal as of 11:30 am today, April 24, 2023, will be shown on the screen for each agenda item, as verified by the Board of Election Inspectors;
5. The final voting results will be reflected in the minutes of this meeting, which will be posted on the Company's website, tomorrow, April 25, 2023; and
6. The proceedings of the 2023 ASM will be recorded.

I. CALL TO ORDER

Mr. Romeo L. Bernardo (R. Bernardo), the Company's Lead Independent Director, acted as the Chairman of the 2023 ASM (the "Chairman") pursuant to the authority granted by the Board of Directors. The Corporate Secretary, Mr. Manuel Alberto R. Colayco (MAC), recorded the minutes of the meeting.

II. PROOF OF NOTICE OF MEETING

The Corporate Secretary certified that notices for the 2023 ASM were distributed to stockholders as follows: (i) disclosed to the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and Philippine Depository & Trust Corporation (PDTC) on March 3, 2023 (ii) uploaded on the Company's website on March 3, 2023, (iii) published in the business section of the Manila Times and Manila Bulletin, both online and print format, for two consecutive days on March 28 and 29, 2023, (iv) sent to stockholders electronically beginning March 28, 2023, and (v) broadcasted through the PDTC platform for the stockholders under PCD/Broker accounts. As an additional measure, a Quick Response (QR) code of the company's Definitive Information Statement was also published in the business section of the Manila Times and Manila Bulletin, both online and print format, for two consecutive days on March 28 and 29, 2023.

The Corporate Secretary certified that the Notice and Agenda were sent out at least 21 days prior to the ASM, in accordance with the requirements of the Revised Corporation Code and SEC regulations. The Notice informed the stockholders that the Company would not conduct a physical annual stockholders meeting. Instead, the 2023 ASM will be streamed live from the Company's principal address in Taguig City. Stockholders were also notified that if they wish to cast their votes, they may vote through Proxy or *in absentia* through the ASM Portal. The Stockholders were also informed of the rationale for each Agenda Item that will be put to a vote during the 2023 ASM. Lastly, MAC also informed the stockholders attending the meeting that they could still cast their votes online until the adjournment of the meeting.

III. DETERMINATION OF QUORUM

Upon the Chairman's request, the Corporate Secretary certified that, as of 11:30 A.M., there was a quorum to conduct business, there being a total of Four Billion Seven Hundred Seventy-Five Million Eight Hundred Thirty-Three Thousand One Hundred Eighty-Seven (4,775,833,187) shares represented by proxy, Three Million Nine Hundred Thirty-Nine Thousand Two Hundred Sixty-Seven (3,939,267) shares attending through remote communication (via livestream) or *in Absentia*, or a total of Four Billion Seven Hundred Seventy-Nine Million Seven Hundred Seventy-Two Thousand Four Hundred Fifty-Four (4,779,772,454) shares entitled to vote. The shares constituted 84.89% of the Company's total outstanding shares of Five Billion Six Hundred Thirty Million Two Hundred Twenty Five Thousand Four Hundred Fifty Seven (5,630,225,457) entitled to vote, which is more than a two-thirds of the Company's total outstanding shares entitled to vote.

The Corporate Secretary informed the stockholders that the Company engaged the services of the accounting firm Luis Cañete & Company as its Board of Election Inspectors to verify, canvass, and validate the proxies received, as well as the shareholders' votes for the Company's 2023 ASM.

There were 41 attendees of the live webcast of the 2023 ASM through the Company's ASM Portal, *https://youtu.be/2X7szWsnSis*.

IV. READING AND APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL STOCKHOLDERS' MEETING HELD ON APRIL 25, 2022

The Chairman proceeded to the next item on the agenda, which was the reading and approval of the minutes of the previous annual stockholders' meeting on April 25, 2022. Upon motion duly made and seconded, the reading of the minutes of the previous annual stockholders' meeting on April 25, 2022 was dispensed with and the stockholders approved the minutes of the previous stockholders' meeting.

Upon motion duly made and seconded, the stockholders approved the following resolutions:

ASM Resolution No. 2023-1

"RESOLVED, that the stockholders of Aboitiz Equity Ventures Inc. (the "Company") approve, as they hereby approve, the minutes of the previous Annual Stockholders' Meetings held on April 25, 2022."

The Corporate Secretary recorded the following votes for this item, the results of which were verified by the representatives from Luis Cañete & Company.

Vote	Number of Votes (One Share-One vote)	Percentage of shares represented
In favo	4,779,772,454	100%
Against	0	0.00%
Abstair	0	0.00%
Total	**4,779,772,454**	**100.00%**

The voting process complied with the one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code. The votes submitted through proxy documents were counted and added to the votes of the stockholders attending via livestream or *in absentia* through the ASM Portal.

V. PRESENTATION OF THE PRESIDENT'S REPORT

Sabin M. Aboitiz (SMA), as President and Chief Executive Officer, provided the stockholders with the highlights of the financial and operating performance of the Company and its Strategic Business Units (SBU) for the year 2022. In particular, his report included the following:

5.1 2022 Philippine GDP;
5.2 Great Transformation 2025 as the Country's First *Techglomerate*
5.3 2022 Financial and Operating Highlights;
5.4 Dividend Policy and Stock Performance;
5.5 Power SBU Financial and Operating Results, Highlights, and Outlook;
5.6 Banking and Financial Services SBU Financial and Operating Results, Highlights, and Outlook;
5.7 Food SBU Financial and Operating Results and Outlook;
5.8 Land SBU Financial and Operating Results and Outlook;
5.9 Infrastructure SBU Financial and Operating Results and Outlook;
5.10 AEV Balance Sheet (as of December 31, 2022);
5.11 2023 Capital Expenditures (with partners);
5.12 Aboitiz Risk Management;
5.13 Environmental Social, and Governance Performance and Sustainability Initiatives;
5.14 Aboitiz Foundation Inc. Outlook and Ambition;
5.15 Aboitiz Data Innovation Outlook and Ambition; and
5.16 *Techglomerate* Premium.

(A copy of the President's report to the stockholders is attached to the minutes and made an integral part of the minutes of the Annual Stockholders' Meeting. The presentation materials will also be uploaded on the Company's website together with the minutes of the Annual Stockholders Meeting.)

VI. APPROVAL OF THE 2022 ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The Chairman informed the stockholders that the next item on the agenda was the approval of the Company's Annual Report and its Audited Financial Statements as of December 31, 2022.

MAC certified that the Company's Annual Report and its Audited Financial Statements were included in (i) the Definitive Information Statement that was uploaded to the Company's website and disclosed to the SEC, PSE, and PDTC on March 28, 2023, and (ii) the 2022 Annual Report (SEC Form 17-A) that was uploaded to the Company's website and disclosed to the SEC, PSE, and PDTC on April 14, 2023. As an added measure, a QR code of the Definitive Information Statement was also published in the business section of two newspapers of general circulation, the Manila Times and Manila Bulletin, both online and print format, for two consecutive days on March 28 and 29, 2023.

The Corporate Secretary also certified that the following information were included in the Company's 2022 Annual Report and Information Statements:

a) the draft minutes of the 2022 Annual Stockholders Meetings dated April 25, 2022;
b) the security ownership of the Company's top 20 stockholders, as well as security ownership of its directors and officers;
c) the attestation and verification from the Company's President and Internal Audit Head that its systems of risk management, internal controls, and compliance and governance processes provide reasonable assurance that the Company's risks are managed to an acceptable level;
d) the Company's audited financial statements for the period as of and for the period ending December 31, 2022, as audited by the Company's independent external auditor, SyCip Gorres Velayo & Co. (SGV);
e) dividends declared and paid for by the Company, for the past three years, as well as the Company's dividend policy;
f) a statement on the external audit and non-audit fees;
g) the profiles of the Company's directors and officers, as well as the profiles of nominees to be elected to the Board of Directors. Their profiles include their qualifications, experience, length of service in the Company, educational background, and their board and committee membership in the Company and in other organizations, including other listed companies or government positions, if any;
h) the attendance report for the Company's directors, indicating their attendance at each Board meeting, committee meeting, and special or regular stockholder meetings;
i) the appraisal and performance reports for the member of the Board and the criteria and procedure for assessment;
j) a report on the annual compensation of each director, as well as the aggregate compensation of the President/Chief Executive Officer, and the Company's top four most highly compensated officers; and
k) disclosures on related party transactions, including dealings with directors.

Upon motion duly made and seconded, the stockholders approved the following resolutions:

ASM Resolution No. 2023-2

> **"RESOLVED,** that the stockholders of Aboitiz Equity Ventures Inc. (the "Company") approve, as they hereby approve, the 2022 Annual Report and Audited Financial Statements of the Company as of December 31, 2022."

Upon the Chairman's request, the Corporate Secretary recorded the following votes for this agenda item and as witnessed and verified by the representatives from Luis Cañete & Company.

Vote	Number of Votes (One Share-One vote)	Percentage of shares represented
In favor	4,779,678,914	99.98%
Against	0	0.00%
Abstain	1,093,540	0.02%
Total	**4,779,772,454**	**100.00%**

The voting process complied with the principles of one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2023 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the ASM Portal.

VII. APPOINTMENT OF THE COMPANY'S EXTERNAL AUDITOR FOR 2023

The Chairman informed the stockholders that, after careful deliberation and evaluation, the Board Audit Committee recommended the re-appointment of SGV as the Company's external auditor for 2023. The members of the Board considered the Board Audit Committee's recommendation and resolved to re-appoint SGV as the Company's external auditor for the year 2023. On behalf of the Board of Directors of the Company, the Chairman endorsed to the stockholders for approval the appointment of SGV as the Company's external auditor for the year 2023.

Upon motion made and duly seconded, the following resolution was approved by the stockholders:

ASM Resolution No. 2023-3

> **"RESOLVED,** that the stockholders of Aboitiz Equity Ventures Inc. (the "Company") approve, as they hereby approve, the appointment of SyCip Gorres Velayo & Company as the Company's external auditor for the year 2023 based on the recommendation of the Board Audit Committee and the Board of Directors."

The Corporate Secretary recorded the following votes for this item, the results of which were verified by the representatives from Luis Cañete & Company.

Vote	Number of Votes (One Share-One vote)	Percentage of shares represented
In favor	4,765,413,695	99.70%
Against	14,358,759	0.30%
Abstain	0	0.00%
Total	**4,779,772,454**	**100.00%**

The voting process complied with the principles of one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2023 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the ASM Portal.

VIII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Chairman announced that the next order of business was the election of the members of the Board of Directors for the term 2023-2024. He called on the Corporate Secretary to explain the procedure for the nomination and election of directors.

The Corporate Secretary informed the stockholders that pursuant to Section 1, Article II of the Company's Amended By-Laws:

> *"Nominations for the election of directors for the ensuing year must be received by the Corporate Secretary no less than fifteen (15) working days prior to the Annual Meeting of stockholders, except as may be provided by the Board of Directors in appropriate guidelines that it may promulgate from time to time in compliance with law."*

Based on the foregoing, the Corporate Secretary explained that the deadline to nominate candidates to the Board of Directors was on March 29, 2023, and that all stockholders have been given the opportunity to submit their nominees for membership to the Board of Directors. He clarified that since the deadline had already passed, additional nominations will not be allowed to be made on the floor.

As for the nomination of the Independent Directors, the Corporate Secretary explained that the Amended Guidelines for the Nomination and Election of Independent Directors state that:

> *"Nominations for independent directors are accepted from all stockholders starting January 1 up to February 15 of the year in which such nominee director is to serve."*

The Corporate Secretary advised the body that the stockholders who nominated the Independent Directors and other directors were disclosed in the Company's Definitive Information Statement, which was previously distributed to all stockholders through disclosures to the PSE and PDTC on March 28, 2023, and uploaded to the

Company's website. A QR code of the Definitive Information Statement was also published in two newspapers of general circulation in print and online format.

He further reiterated that (a) directors are elected at each annual stockholders' meeting by stockholders entitled to vote; and (b) each director holds office until the next annual election, or for a term of one (1) year and until his successor is duly elected, or unless he resigns, dies or is removed prior to such election.

The Corporate Secretary reported that after proper screening and approval by the Board ESCG Committee, in its capacity as the Nomination and Compensation Committee, the following were determined to be qualified for nomination as members of the Board of Directors of the Company:

Mr. Enrique M. Aboitiz
Mr. Mikel A. Aboitiz
Mr. Erramon I. Aboitiz
Mr. Sabin M. Aboitiz
Mr. Justo A. Ortiz
Ms. Ana Maria A. Delgado
Mr. Romeo L. Bernardo *(Independent Director)*
Ms. Joanne De Asis *(Independent Director)*
Mr. Cesar G. Romero *(Independent Director)*

The Corporate Secretary advised the stockholders that the profiles of the nominees to the Board of Directors were part of the Definitive Information Statement which were uploaded to the Company's website and distributed to the stockholders beginning March 28, 2023.

Upon motion duly made and seconded, the stockholders moved to elect the nine (9) nominees as directors of the Company for the year 2023-2024. Since no objection was made, the motion was carried and all the nine (9) nominees were elected as directors based on votes of stockholders represented in person and by proxy.

The Chairman announced that the nine (9) named nominees have been duly elected as members of the Board of Directors to serve for a term of one (1) year until their successors will have been qualified and elected. He requested the Corporate Secretary to record the votes for this agenda item.

The following were the votes on the directors as verified by Luis Cañete & Company.

	Vote	**Number of Votes**	**Percentage of shares represented**
Mr. Enrique M. Aboitiz	In favor	4,757,751,498	99.50%
	Abstain	23,749,589	0.50%
	Total	**4,779,772,454**	**100.00%**
Mr. Mikel A. Aboitiz	In favor	4,774,563,282	99.85%
	Abstain	6,937,805	0.15%
	Total	**4,779,772,454**	**100.00%**
Mr. Erramon I. Aboitiz	In favor	4,752,877,557	99.40%
	Abstain	28,623,530	0.60%
	Total	**4,779,772,454**	**100.00%**
Mr. Sabin M. Aboitiz	In favor	4,754,772,373	99.43%
	Abstain	27,294,805	0.57%

	Total	**4,779,772,454**	**100.00%**
Ms. Ana Maria A. Delgado	In favor	4,755,472,503	99.52%
	Abstain	23,028,584	0.48%
	Total	**4,779,772,454**	**100.00%**
Mr. Justo A. Ortiz	In favor	4,774,563,282	99.85%
	Abstain	6,937,805	0.15%
	Total	**4,779,772,454**	**100.00%**
Ms. Joanne G. De Asis *(Independent Director)*	In favor	4,767,973,355	99.89%
	Abstain	5,465,838	0.11%
	Total	**4,779,772,454**	**100.00%**
Mr. Romeo L. Bernardo *(Independent Director)*	In favor	4,702,761,056	98.52%
	Abstain	70,678,137	1.48%
	Total	**4,779,772,454**	**100.00%**
Mr. Cesar G. Romero *(Independent Director)*	In favor	4,764,816,880	99.65%
	Abstain	16,684,207	0.35%
	Total	**4,779,772,454**	**100.00%**

The voting process complied with the principles of one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2023 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the ASM Portal.

On behalf of the Company and his colleagues on the AEV Board, the Chairman expressed his gratitude to the Company's shareholders for their continued trust and confidence.

IX. RATIFICATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, CORPORATE OFFICERS AND MANAGEMENT FROM APRIL 25, 2022 UP TO APRIL 24, 2023

The Chairman informed the stockholders that the next item on the agenda was the ratification of all corporate acts, resolutions, business judgments, management proceedings, any and all succession, compensation, management, and performance-related decisions entered into or done by the Board of Directors, Corporate Officers and Management from April 25, 2022, up to April 24, 2023.

The Corporate Secretary explained to the stockholders that the acts, resolutions, and proceedings requested to be ratified are the regular corporate acts performed by the Board, Officers, and Management in the ordinary course of the Company's business and that a list of resolutions approved by the Board of Directors for the period covered have been enumerated in the Definitive Information Statements distributed to the stockholders ahead of the meeting. In addition, the Company has regularly disclosed material transactions approved by the Board of Directors, which are available for viewing and download at the Company's website and at *pse.edge.com.ph* as well as on the Company's website at *https://aboitiz.com*.

Upon motion duly made and seconded, the stockholders approved the following resolution:

ASM Resolution No. 2023-5

"RESOLVED, that the stockholders of Aboitiz Equity Ventures Inc. (the "Company") approve, ratify and confirm, as they hereby approve, ratify and confirm, corporate acts, resolutions, business judgments, management proceedings, any and all decisions entered into or done by the Board of Directors, Corporate Officers, and Management of the Company from April 25, 2022, including all acts up to April 24, 2023."

The Corporate Secretary recorded the following votes for this item, the results of which were verified by the representatives from Luis Cañete & Company.

Vote	Number of Votes (One Share-One vote)	Percentage of shares represented
In favor	4,778,204,564	99.97%
Against	0	0%
Abstain	1,567,890	0.03%
Total	**4,779,772,454**	**100.00%**

The voting process complied with the principles of one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2023 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the ASM Portal.

X. OTHER BUSINESS AND ADJOURNMENT

The Chairman then asked the stockholders if there were any matters they wished to raise.

The moderator of the meeting, Mr. Francis Victor G. Salas, Investor Relations Officer, read out the questions received in advance:

Question #1 was addressed to Mr. Sabin M. Aboitiz, President and CEO

Congratulations on being the lead convenor of the Private Sector Advisory Council. As a shareholder, I feel proud that our company is working closely with the government to promote economic progress. May I know what priority projects are and why?

SMA informed the Company's shareholders that the Private Sector Advisory Council (PSAC) have made recommendations and assistance on the following industry sectors: (i) agriculture, (ii) digital infrastructure and digitization government services, (iii) health care, (iv) infrastructure, (v) tourism, and (vi) employment. SMA provided specific examples of PSAC's accomplishments for each sector.

Question #2 addressed to SMA:

Last February, we read in the news about our company signing an MOU with JERA to assess the feasibility of ammonia co-fired power generation and further development of the ammonia and hydrogen value chains in the Philippines. May we ask how this aligns with your overall decarbonization strategy?

SMA discussed with the Company's shareholders that the Power Group will continue its decarbonization journey by exploring cleaner alternatives to fossil fuels such as ammonia and hydrogen, and other clean energy technologies such as solar, wind, and hydro based energy production.

Question #3 addressed to Mr. Edwin R. Bautista, President and Chief Executive Officer of Union Bank of the Philippines (UnionBank):

Congratulations on your acquisition of the Citi Philippines consumer banking business. How is the integration doing? And when will it start contributing to the bottom line?

Mr. Bautista informed the Company's shareholders that the ongoing Citibank acquisition by UnionBank is proceeding very well. In terms of customer retention, UnionBank retained 99% of Citibank's customer base. In terms of credit card acquisition, Citibank continued with its record high credit card customer acquisition. In terms of talent, Unionbank retained 100% of Citibank's executives and 93% of its team members. According to Mr. Bautista, all systems will be completely migrated to Unionbank.

In terms of Citibank's contribution to UnionBank's bottom line, Mr. Bautista explained that Citibank is already contributing to UnionBank earnings (in the interim). A complete picture of Citibank's contribution will be available by the end of the year.

Question #4 addressed to Ms. Cosette V. Canilao (CVC), President and Chief Executive Officer of Aboitiz InfraCapital, Inc. (AIC):

Congratulations on your successful acquisition of MCIA. I have 3 questions for you. First, when can we expect this to be in our bottom line, second, what needs to happen for passenger traffic to reach pre-pandemic levels, and third, may I know the status of the other unsolicited proposals that you mentioned to us last year?

CVC explained to the Company's shareholders that local passenger traffic has reached 80% to 90% of pre-pandemic levels. Key to complete recovery is tied to macro economic factors such as inflation that adversely impacts discretionary spending such as travel. In addition, international passenger traffic has reached 50% of pre-pandemic levels. Primary levers are key markets - Korea, Japan, and China.

According to CVC, AIC is optimistic that passenger traffic will come back soon as the Department of Tourism is pushing for tourism and easing traffic restrictions such as the issuance of e-visas.

As regards the impact to the bottom line, AIC expects that MCIA will achieve NIAT positive by 2024 or earlier should passenger traffic recover faster.

In terms of the other unsolicited proposals, additional documentary requests have been submitted to the respective proponents for the Bohol, Laguindingan, and Bicol airport projects. Currently, AIC is awaiting their response.

Question #5 addressed to Ms. Cosette V. Canilao:

According to news articles we have read, the Philippines has about 16,000 cell sites against 67 million Internet users, giving it the lowest cell site density in Asia, and that the country needs at least 50,000 more cell towers to improve telecommunication services. Last December, we read that PLDT sold 650 towers to Aboitiz. May we know the status of this transaction, your thoughts on how best to compete in this space, and the overall size of your ambition?

Unity Digital Infrastructure Inc. (Unity Digital) (the Aboitiz Group's independent tower company) is working with PLDT to complete the transfers of the 650 towers.Unity Digital positions itself as a trusted partner to the mobile network operators in meeting their macro tower rollouts and utility cell towers for their 5G rollout.

CVC explained that given the Aboitiz Group's unique value proposition, Unity Digital expects to further increase its market share in the coming years.

Mr. Salas explained that there were other questions sent by shareholders and attendees to which the Company will respond separately via email. He also invited the stockholders to direct their queries to the Company's representatives, depending on their queries and concerns and flashed their contact details on the screen.

Thus, upon motion duly made and seconded, the meeting was adjourned.

The Chairman then asked the Corporate Secretary to flash on the screen the votes cast by the stockholders for each agenda item approved, including the votes cast in the election of directors.

The Chairman thanked the stockholders who participated in the stockholders' meeting today.

The next Annual Stockholders' Meeting will be on April 22, 2024, the 4th Monday of April, in accordance with the Company's By Laws.

(SGD)
MANUEL ALBERTO R. COLAYCO
Corporate Secretary SAS

ATTESTED:

(SGD)
ROMEO L. BERNARDO
Chairman of the Meeting/
Lead Independent Director

NOTED:

(SGD)
LUIS CAÑETE
Board of Election Inspector, Luis Cañete & Company

(SGD)
NOEL PETER CAÑETE
Board of Election Inspector, Luis Cañete & Company

ANNEX "A"

Jose Emmanuel U. Hilado	- *Senior Vice President/Chief Financial Officer/ Corporate Information Officer*
Manuel Alberto R. Colayco	- *Senior Vice President and Chief Legal Officer/Corporate Secretary/Chief Compliance Officer*
Ana Margarita Hontiveros-Malvar	- *First Vice President and Chief Reputation and Sustainability Officer*
Marlita M. Villacampa	- *First Vice President - Group Controller*
Timothy Joseph P. Abay	- *Vice President – Financial Planning & Analysis*
Mailene M. de la Torre	- *Vice President - Governance and Compliance / Assistant Corporate Secretary*
Francisco Victor G. Salas	- *Vice President – Investor Relations Head*
Sammy Dave A. Santos	- *Assistant Corporate Secretary*
Others:	
Emmanuel V. Rubio	- *President and Chief Executive Officer, Aboitiz Power Corporation*
Liza Luv T. Montelibano	- *Chief Financial Officer, Aboitiz Power Corporation*
Trista Roberto R. Aboitiz	- *President and Chief Executive Officer, Pilmico Foods Corporation*
Eric Nojac	- *President and Chief Executive Officer, Food Group International*
David L. Rafael	- *President and Chief Executive Officer, Aboitiz Land Inc.*
Edwin R. Bautista	- *President and Chief Executive Officer, Union Bank of the Philippines*
Cosette V. Canilao	- *President and Chief Executive Officer, Aboitiz InfraCapital, Inc.*
Margarita G. Villanueva	- *Vice President for Transformation and Strategy, Aboitiz InfraCapital, Inc.*
Lennie S. Magnaye	- *Chief Financial Officer, Aboitiz Infracapital, Inc.*
Jhoanna Feliza C. Go	- *Audit Partner for 2022, Sycip Gorres Velayo & Co.*
Ma Veronica Andresa R. Pore	- *Sycip Gorres Velayo & Co.*
Wilson P. Tan	- *Sycip Gorres Velayo & Co.*
Maria Vivian C. Ruiz	- *Sycip Gorres Velayo & Co.*
Martin C. Guantes	- *Sycip Gorres Velayo & Co.*
Genghis O. Grospe	- *Sycip Gorres Velayo & Co.*
Frecy Catadman	- *Sycip Gorres Velayo & Co.*
Mary Jane A Claveria	- *Sycip Gorres Velayo & Co.*
Luis Cañete	- *Board of Election Inspector, Luis Cañete & Company*
Noel Peter Cañete	- *Board of Election Inspector, Luis Cañete & Company*
Michael C. Capoy	- *Stock Transfer Service Inc., Stock and Transfer Agent*
Vincent Michael G. Mendoza	*Stock Transfer Service Inc., Stock and Transfer Agent*

aboitiz Equity Ventures

Registration Report

All Shareholders	
Total No. of Shares Outstanding	5,630,225,457
Shares Present in Person	0
Shares Represented by Proxy	4,775,833,187
Stockholders Present through Remote Communication (livestream) or in Absentia	3,939,267
Total No. of Shares Represented by Proxy, Present through Remote Communication (livestream), and Voting in absentia	4,779,772,454
Percentage of Shares Represented by Proxy, Present through Remote Communication (livestream), and Voting in absentia	84.89%
Total Shares Not Represented	850,453,003
Percentage of Shares Not Represented	15.11%

[redacted]
LUIS A. CAÑETE
April 24, 2023

[redacted]
April 24, 2023

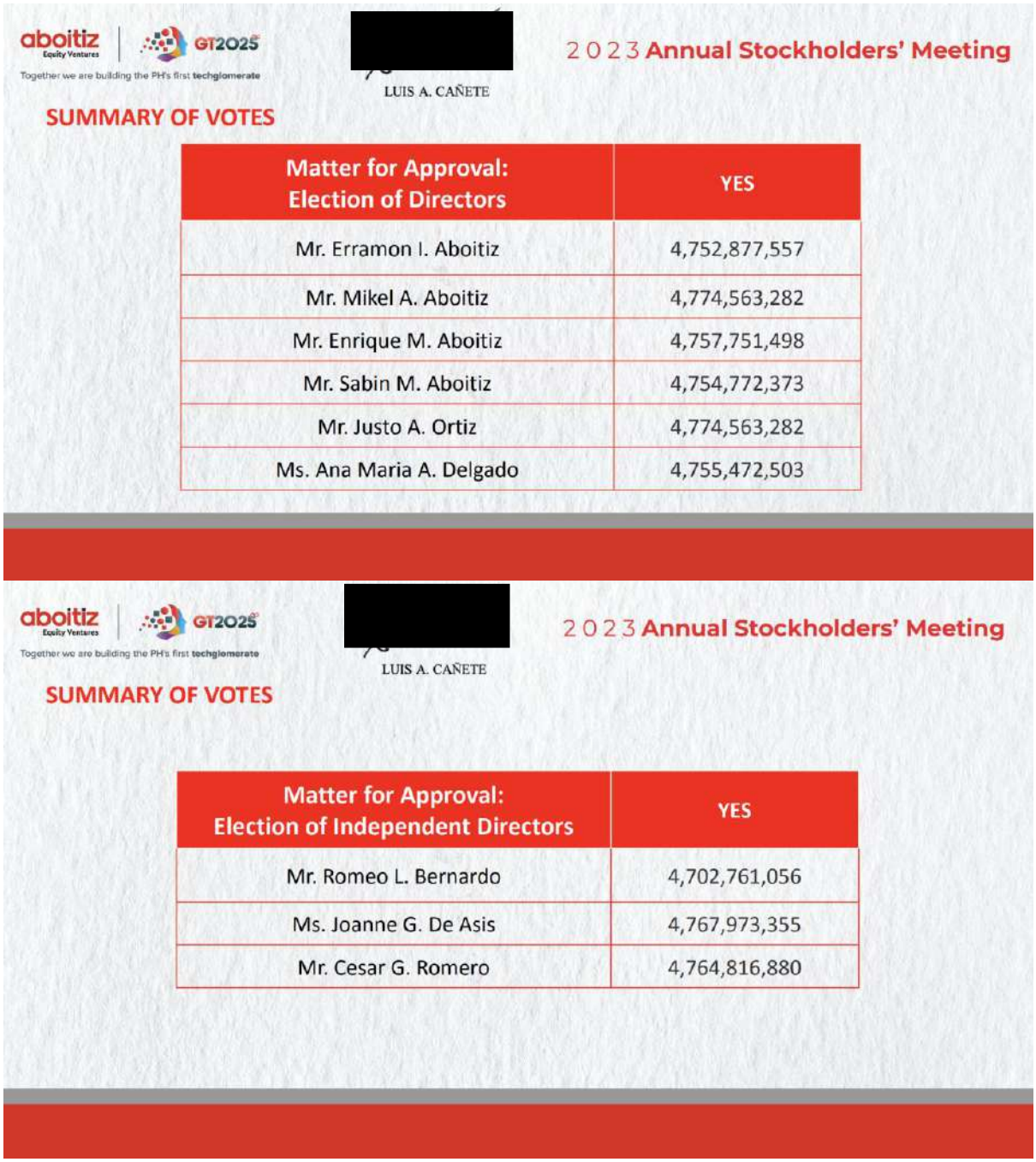
aboitiz Equity Ventures | GT2025
Together we are building the PH's first techglomerate

[redacted]
LUIS A. CAÑETE

2023 Annual Stockholders' Meeting

SUMMARY OF VOTES

Matter for Approval	YES		NO		ABSTAIN	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Approval of the minutes of the previous Annual Stockholders' meeting held on April 25, 2022	4,779,772,454	100.00%	0	0.00%	0	0.00%
Approval of the 2022 Annual Report and Financial Statements	4,778,678,914	99.98%	0	0.00%	1,093,540	0.02%
Appointment of the Company's External Auditor for 2023	4,765,413,695	99.70%	14,358,759	0.30%	0	0.00%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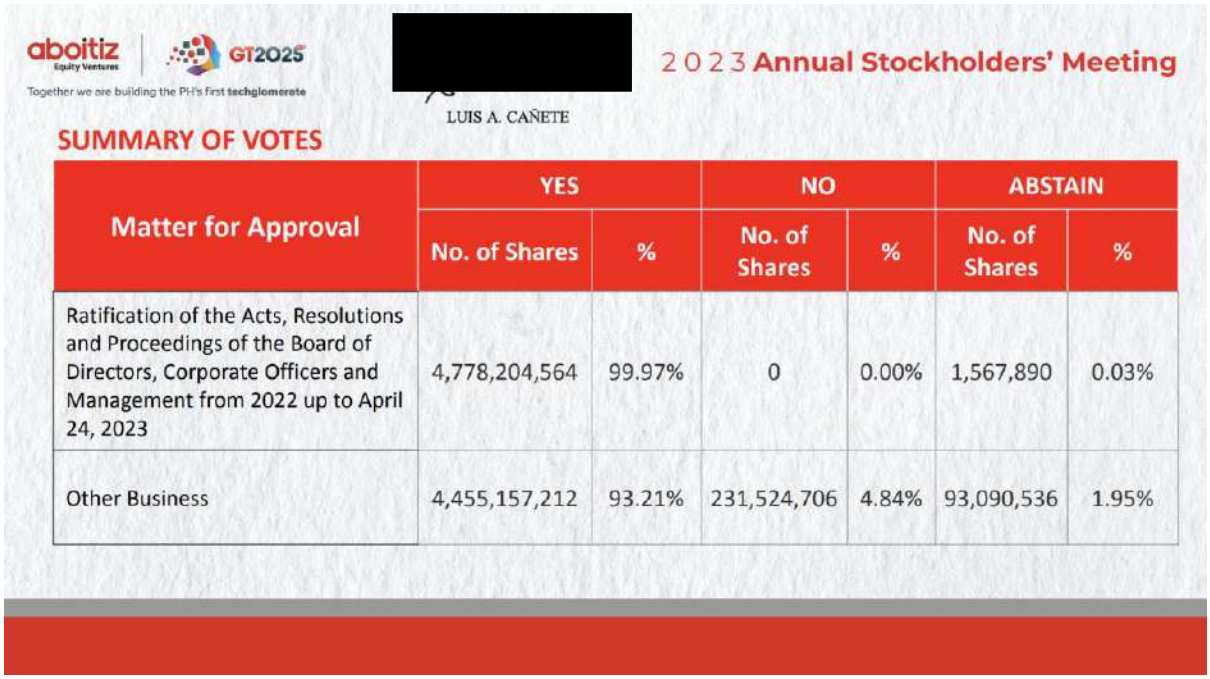
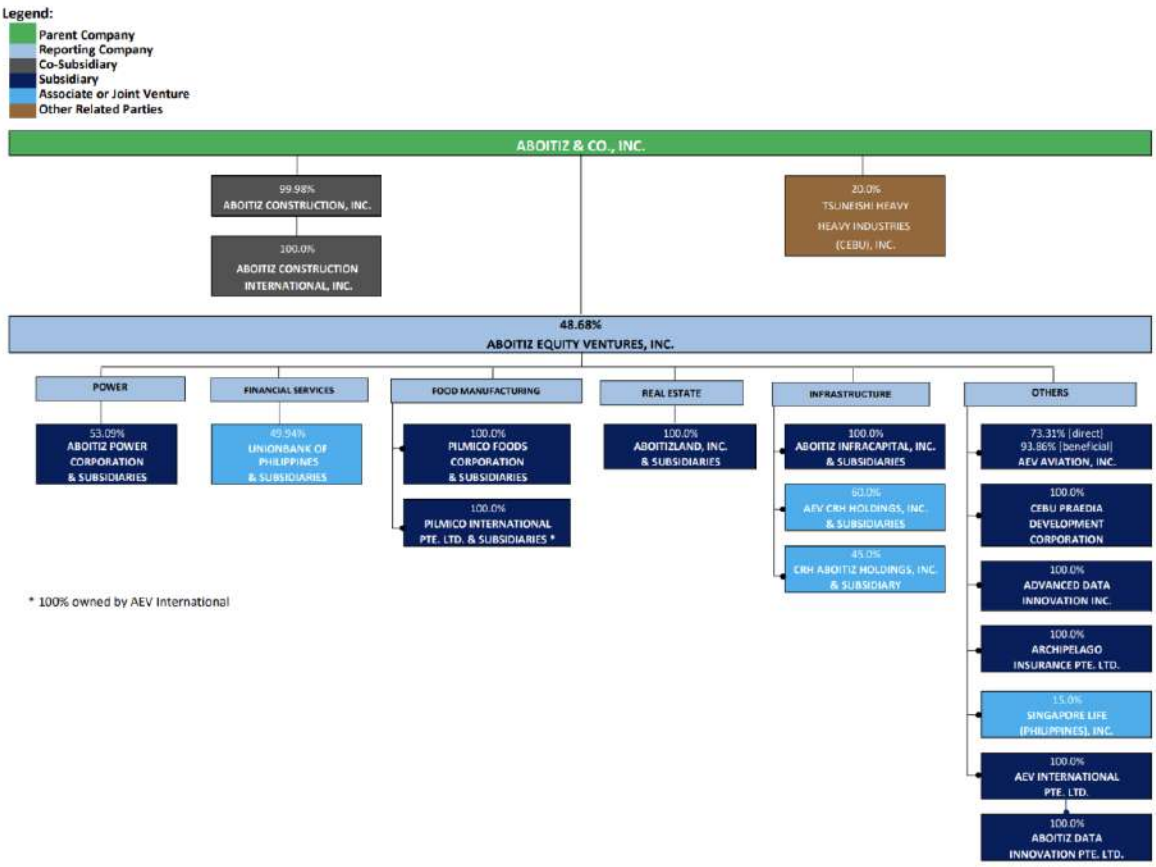
Equity Ventures
GT2025
Together we are building the PH's first techglomerate
LUIS A. CAÑETE
2023 Annual Stockholders' Meeting
SUMMARY OF VOTES
Matter for Approval: Election of Directors
YES
Mr. Erramon I. Aboitiz
4,752,877,557
Mr. Mikel A. Aboitiz
4,774,563,282
Mr. Enrique M. Aboitiz
4,757,751,498
Mr. Sabin M. Aboitiz
4,754,772,373
Mr. Justo A. Ortiz
4,774,563,282
Ms. Ana Maria A. Delgado
4,755,472,503
aboitiz
Equity Ventures
GT2025
Together we are building the PH's first techglomerate
LUIS A. CAÑETE
2023 Annual Stockholders' Meeting
SUMMARY OF VOTES
Matter for Approval: Election of Independent Directors
YES
Mr. Romeo L. Bernardo
4,702,761,056
Ms. Joanne G. De Asis
4,767,973,355
Mr. Cesar G. Romero
4,764,816,880


aboitiz
Equity Ventures
GT2025
Together we are building the PH's first techglomerate
[redacted]
LUIS A. CAÑETE
2023 Annual Stockholders' Meeting
SUMMARY OF VOTES
Matter for Approval
YES
NO
ABSTAIN
No. of Shares
%
No. of Shares
%
No. of Shares
%
Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from 2022 up to April 24, 2023
4,778,204,564
99.97%
0
0.00%
1,567,890
0.03%
Other Business
4,455,157,212
93.21%
231,524,706
4.84%
93,090,536
1.95%

ANNEX "D"

As of December 31, 2023

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONGLOMERATE MAPPING
As of December 31, 2023

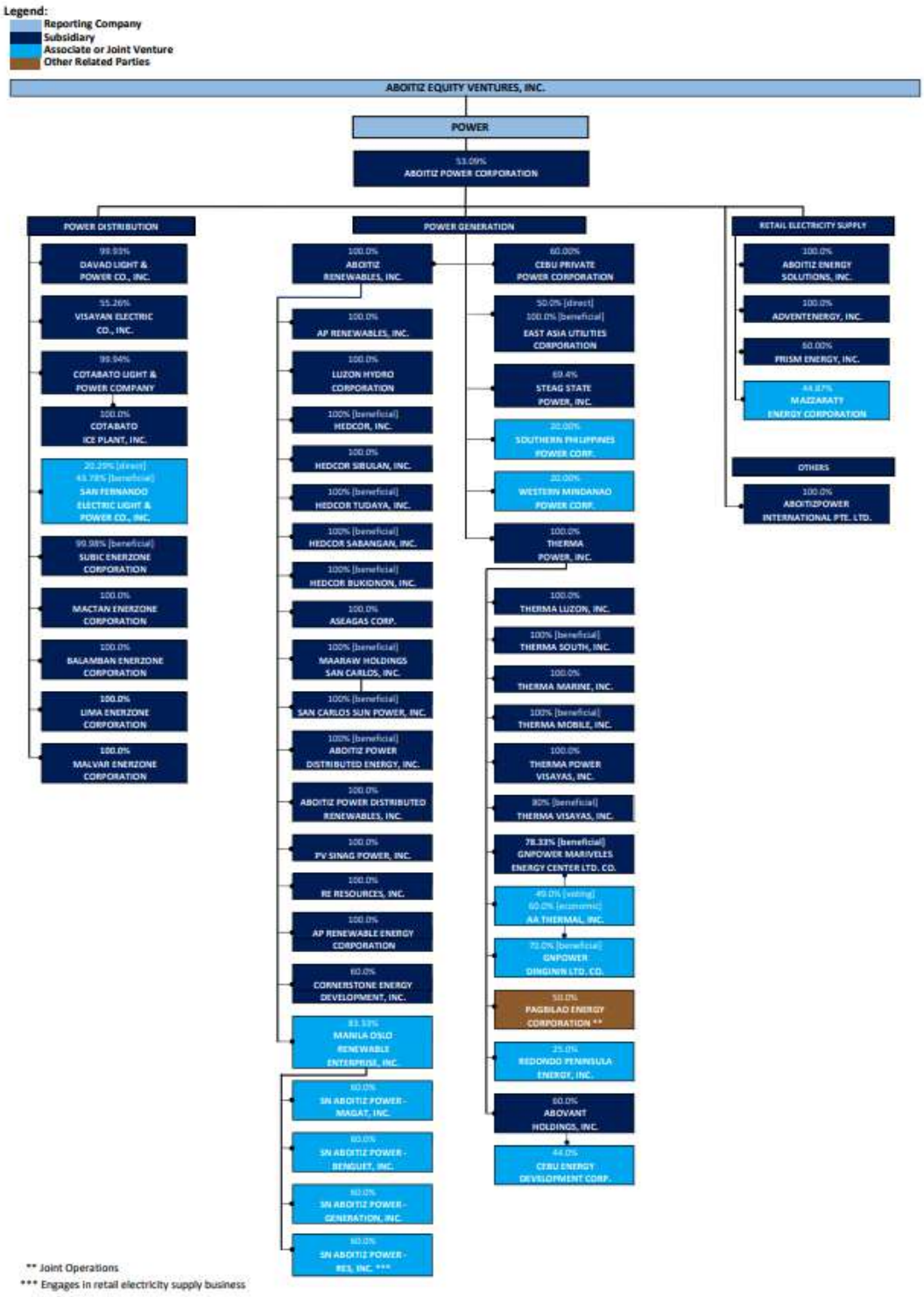


* 100% owned by AEV International

ABOITIZ EQUITY VENTURES, INC. - POWER

CONGLOMERATE MAPPING

As of December 31, 2023



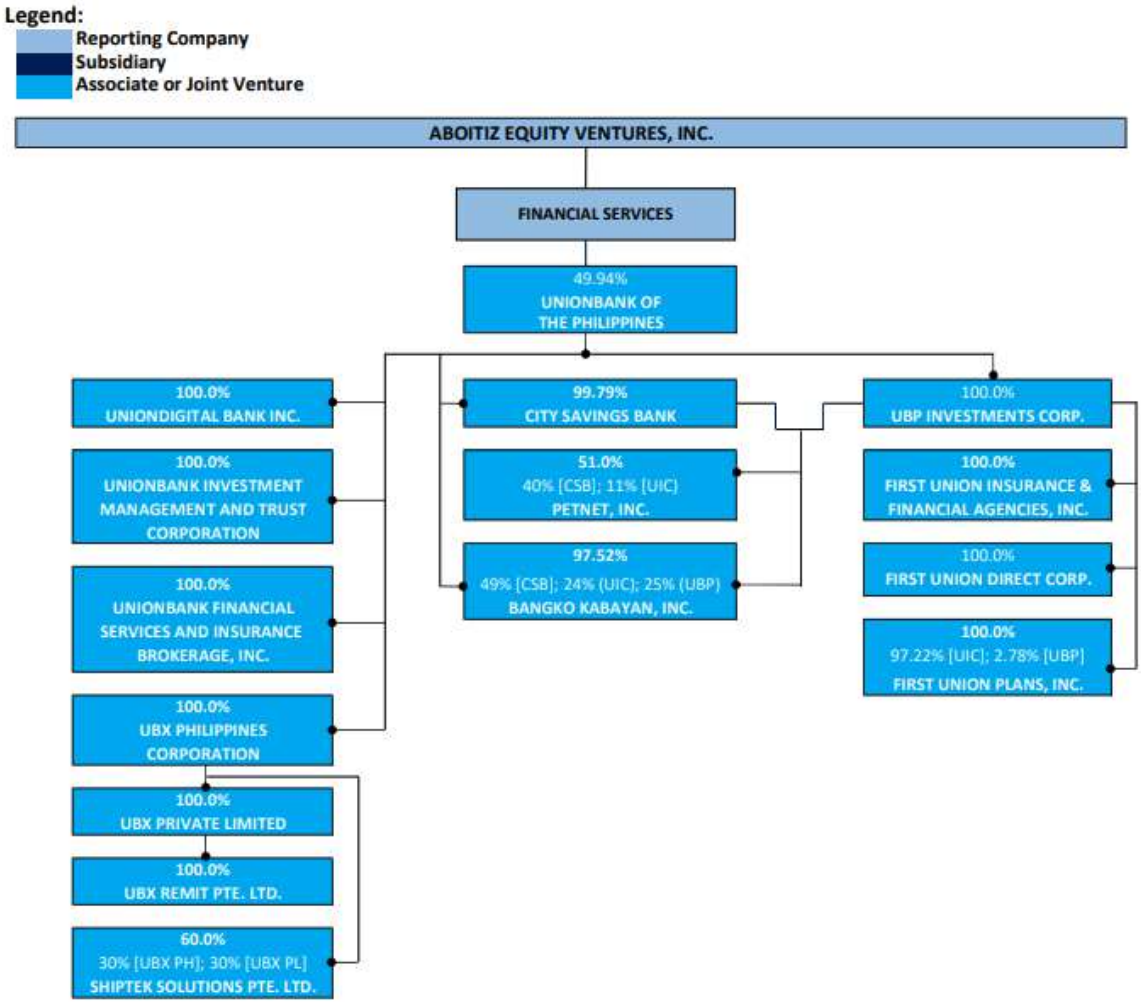
** Joint Operations

*** Engages in retail electricity supply business

ABOITIZ EQUITY VENTURES, INC. - FINANCIAL SERVICES

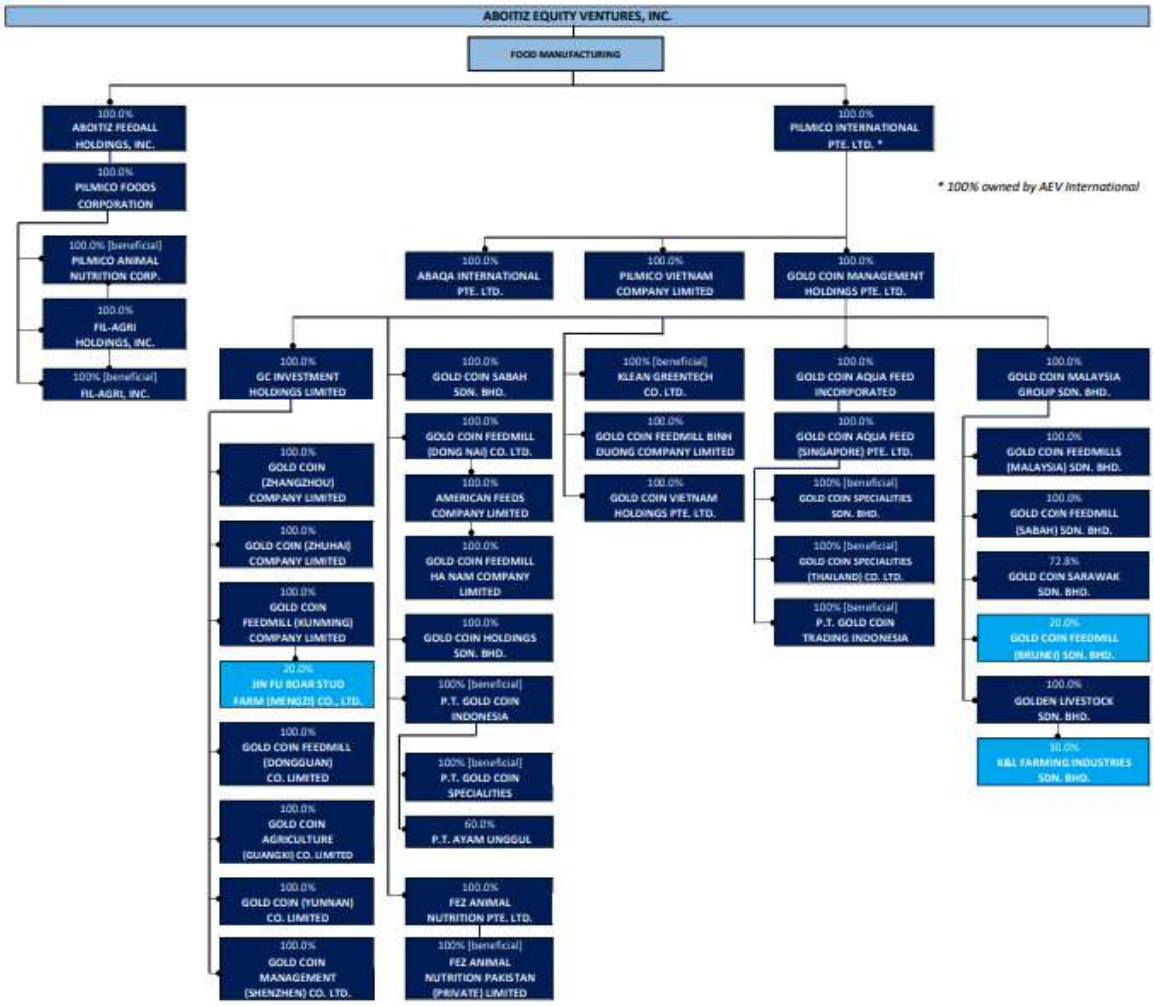
CONGLOMERATE MAPPING

As of December 31, 2023



ABOITIZ EQUITY VENTURES, INC. - FOOD MANUFACTURING
CONGLOMERATE MAPPING
As of December 31, 2023

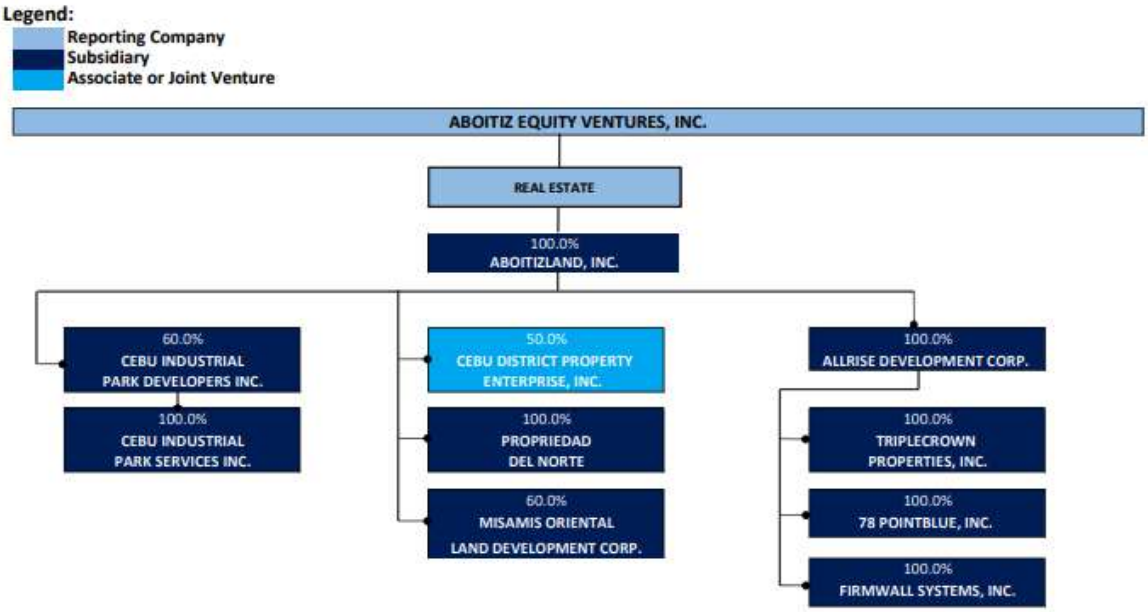
Legend:
Reporting Company
Subsidiary
Associate or Joint Venture



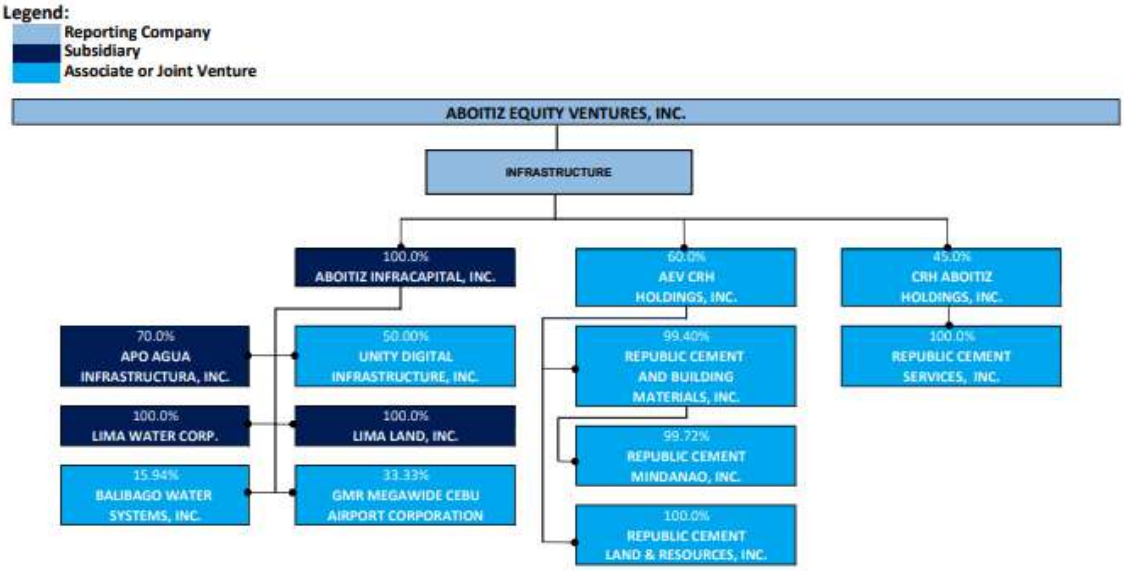
ABOITIZ EQUITY VENTURES, INC. - REAL ESTATE

CONGLOMERATE MAPPING

As of December 31, 2023



ABOITIZ EQUITY VENTURES, INC. - INFRASTRUCTURE
CONGLOMERATE MAPPING
As of December 31, 2023



The Board Audit Committee Report to the Board of Directors

Aboitiz Equity Ventures Inc.
(AEV, or the "Company")

The Board Audit Committee is pleased to present its report for the financial year ended December 31, 2023.

Audit Committee Responsibility

In giving effect to its duly approved charter, the Audit Committee assisted the Board of Directors in fulfilling its oversight responsibility to the public, governmental and/or regulatory bodies and other stakeholders in helping:

a) Ensure the integrity of the Company's financial reporting processes, including ensuring the integrity of financial reports and other financial information provided by the Company to the public, governmental and/or regulatory bodies;
b) Ensure excellence in the Company's control performance by having an adequate and effective internal control system, governance processes and risk management processes and reviewing the performance on the Company's internal audit function;
c) Review the annual independent audit of the Company's financial statements and the external auditors' qualifications and independence;
d) Ensure compliance with applicable laws and regulations which may represent material financial exposure to the Company; and
e) Provide an avenue of communication among the Company's independent auditors, management, the internal auditing department and the Company.

The Committee has established a constructive and collaborative relationship with the Company's senior leadership to give support, but not to pre-empt any responsibility in making final audit-related decisions.

Committee Membership

The Audit Committee is composed of five (5) members, three (3) of whom are Independent Directors including its Chairman.

Cesar G. Romero, Independent Director, is the Chairman of the Committee. Other members of the Committee are Joanne De Asis (Independent Director), Peter D. Maquera (Independent Director), Erramon I. Aboitiz (Non-Executive Director) and Ana Maria A. Delgado (Non-Executive Director).

In the disclosure to the SEC dated November 23, 2023, Cesar G. Romero was appointed as AEV's Lead independent director and Peter D. Maquera as the incoming independent director replacing Romeo L. Bernardo upon the latter's appointment as a member of the Monetary Board, the policy-making body of the Bangko Sentral ng Pilipinas.

Meetings and Attendance

The Audit Committee carried out its function through its meetings with management, internal auditors, independent external auditors, advisers, and others where appropriate.

The audit charter provides for the Committee to hold at least four (4) regular meetings a year, with the authority to convene special meetings when deemed required.

In 2023, four (4) meetings were held. The attendance by each member of the Committee is as indicated below:

Member	Mar 2, 2023 Regular Meeting (Virtual)	Apr 27, 2023 Regular Meeting (Virtual)	July 26, 2023 Regular Meeting (Virtual)	Oct 25, 2023 Regular Meeting (Virtual)
CESAR G. ROMERO Chairman, Independent Director	✓	✓	✓	✓
ROMEO L. BERNARDO Independent Director (until September 2023)	✓	✓	✓	N/A
JOANNE DE ASIS Independent Director	✓	✓	✓	✓
ERRAMON I. ABOITIZ, JR. Non-Executive Director	✓	✓	✓	✓
ANA MARIA A. DELGADO Non-Executive Director	✓	✓	✓	✓

Attendees to these Committee meetings also include the Group Internal Audit Head and, by invitation, the Chief Risk Officer, the Chief Financial Officer, Controller and other key leaders whenever deemed appropriate and necessary.

Executive sessions, without the presence of management, are scheduled after every regular Committee meeting as part of the meeting agenda to allow for open and candid discussions.

One-on-one sessions between the Board Audit Committee Chairman and the AEV Group Internal Audit head are also held regularly as needed.

Financial Reports

The Board Audit Committee reviewed, discussed, and approved for public disclosure the 2022 quarterly unaudited consolidated financial statements. The Committee endorsed for approval by the full Board the 2023 annual audited financial statements of AEV, its Subsidiaries and Associates. Included in the review were the Management Discussion and Analysis of Financial Condition and Results of Operations following prior review and discussion with Management, accounting, and the Company's independent external auditor, Sycip Gorres Velayo & Co. (SGV)—member practice of Ernst & Young (EY) in the Philippines.

The activities of the Audit Committee are performed in the context—

- That Management has the primary responsibility for the financial statements and the financial reporting process; and
- That the Company's independent external auditor is responsible for expressing an

unqualified opinion on the conformity and consistency of application of the Company's audited financial statements with Philippine Financial Reporting Standards.

External Auditors

The 2023 overall scope and audit plan of SGV were reviewed and approved during the October 25, 2022 regular Audit Committee meeting. The audit plan, fees and terms of engagement which covers audit-related services provided by SGV were also reviewed and found to be reasonable.

The results of the SGV audits and its assessment of the overall quality of the financial reporting process were presented and discussed during the first Audit Committee meeting the following year, March 4, 2024.

Non-audit services (NAS) were provided by SGV in 2023. The bulk of the fees were related to the Aboitiz Infracapital Inc and AboitizPower. Minimal fees were paid for financial, tax and transfer pricing consulting activities including the conduct of trainings with regard to the adoption of new accounting standards and regulations.

All NAS provided by SGV has been approved in compliance with the new IESBA requirement for pre-concurrence for all proposed NAS before it is entered into or the provision of the services begin from those charged with governance, which in the case of AEV is its Board Audit Committee.

The Board Audit Committee, after evaluation of the performance of the external auditor in 2023 and finding it to be in accordance with the Standards, favorably endorsed to the full Board the re-appointment of SGV as external auditor for 2024. The full board, in its special meeting held March 5, 2024 approved the re-appointment of SGV with Jhoanna Feliza C. Go as the signing partner for AEV.

This re-appointment of SGV as the independent external auditor is subject to the final approval of the stockholders of AEV during the Annual General Stockholders meeting scheduled on April 22, 2024.

Internal Auditors

The Committee is satisfied with the internal audit function and has assessed that it is operating effectively and generally covers the risks pertinent to the Company in its audits. The Committee has reviewed and approved the annual audit program for the year which also covers the adequacy of resources, qualifications and competency of the staff and independence of the internal auditor.

With reference to the IPPF Attribute Standard 1100 which states that "*The Internal Audit Activity must be independent, and internal auditors must be objective in performing their work.*", the Committee confirms that the function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner. The Committee further confirms that, to the best of its knowledge and belief, the auditors have no personal or other impediments that would prevent them from objectively planning, conducting, reporting, or otherwise participating and reaching independent conclusions in their audit assignments in 2023. Internal audit is organizationally positioned to be independent— functionally reporting to the Committee and administratively to the President and Chief Executive Officer.

The Committee is satisfied with the content and quality of reports prepared and issued by the internal auditors during the year under review.

The Group Internal Audit team (GIA) remains to be the single-point-of-contact for the Audit Committee. It takes the lead in setting the standards, initiatives and overall direction of the group audit teams which, in turn, focus their reviews on the top risks of their respective business units. Except for the banks and other financial business units, information systems and technology-related risks however, still remain to be an area covered by AEV information systems auditors including the management of its outsourcing/co-sourcing activities.

Based on audit reports and highlights presented to the Committee and with the contribution provided by Management and other key leaders on the issues raised to their attention, the Committee concurs with internal audit's assessment that, generally, there is reasonable assurance that the existing system of internal controls, risk management and governance allow for a generally adequate management of identified risks and effectively supports the improvement of the management of the Company as a whole.

With cybersecurity risk still considered as one of the top risks of the Company, continuous focus is given to continuously improve and further strengthen governance and controls over the implementation of security standards for information systems and related technologies. Internal audit prioritized business unit compliance reviews to the minimum information technology and operational technology security standards set and agreed upon at corporate level.

External Quality Assessment

After undergoing an External Quality Assessment (EQA) review by the Institute of Internal Auditors (IIA) Philippines, the duly accredited validators of the Institute of Internal Auditors (IIA) International, the Internal Audit team of AEV "Generally Conforms" to the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics for Internal Audit Practitioners. Generally Conforms is the highest rating awarded in connection with an EQA and the Internal Audit Team has been commended for this achievement.

The EQA, much like any global certification is not required. Obtaining the EQA certification not only helps build the reputation of the Internal Audit Team but also of Aboitiz as a company. It gives credibility that AEV not only conforms, complies and follows but adopts and implements the standards and best practices of the internal audit function. The EQA certification, received in 2017, is valid for 5 years or until 2022.

EQA was not done in 2023 in view of the ongoing federalization in the internal audit function. The focus in 2023 was on setting-up a new resident internal audit team for Aboitiz InfraCapital Inc. and assisting in building the audit team of One Food Group. Transitioning was also done for the information technology audit function for the Aboitiz Power's internal audit group.

The AEV Internal Audit Team continually works on its Internal Quality Assurance Improvement Program and encourages its adoption especially to the newly organized resident internal audit teams.

Review of the Audit Charters

Annual review of the audit charters—Board Audit Committee charter and Internal Audit charter—was conducted. Proposed changes to the charters were presented, discussed and endorsed for full board approval during the October 25, 2023 Board Audit Committee meeting.

Proposed revisions to the Board Audit Committee charter were subsequently approved during the full board meeting dated January 24, 2024. An update on page 6, Section B.1. under Independent External Auditors was added as follows: *The SEC Oversight Assurance Review (SOAR) results at the firm level shall be disclosed to the Audit Committee including the remediation updates. This will be part of the independent auditor's annual evaluation.* Further, on page 6, Section B.2. it was made clear that all non-audit services shall be disclosed *and approved by the Committee.* This is in accordance with the new IESBA requirement of pre-approval of all NAS as earlier mentioned under the section on "External Auditors".

Self-Assessment

The Committee conducted its annual self-assessment in accordance with the guidelines of SEC Memo Cir. No. 19, series of 2016 and the Company's Revised Manual. The assessment result showed that it fully complied with the requirements set forth in the Audit Charter and met the necessary and most important requirements set by global standards and best practices.

Risk Management

The partnership between the risk management team and internal audit has remained solid and vital in continuously providing objective assurance to the board on the effectiveness of the risk management function in the Company.

The top strategic risks, emerging risks and project risks are key inputs in the preparation and prioritization of internal audit's master plan for the following year. The risk management plan, presented, discussed and approved by the Board Risk and Reputation Committee empowers the business to adequately identify and address the risks to ensure that the organization's plans, strategies and business objectives are achieved.

The internal audit team presents to the Board Risk and Reputation Committee the results of the annual Strategic Risk Management Plan validation reviews conducted across the different business units. The reviews give an assurance to management and the Board on the existence status and effectiveness assessment, where verifiable, of the risk treatments plans to address the identified risks for the year.

After considering, analyzing and reviewing all pertinent information on the integrity of financial reporting, effectiveness of internal controls, risk management, governance and compliance within the Aboitiz group of companies, the Committee is of the view that, in all material aspects, the duties and responsibilities as so outlined in its Charter have been satisfactorily performed.

In behalf of the Board Audit Committee,

(SGD)
Cesar G. Romero
Independent Director
Board Audit Committee Chairman

Internal Control Compliance and Attestation

aboitiz
Equity Ventures

Internal Control and Compliance System Attestation
For the year ended, December 31, 2023

Aboitiz Equity Ventures Inc.'s (AEV) corporate governance system includes a combination of internal and external mechanisms such as the structure of the board of directors and our committees, the oversight it exercises over management, and the formulation of sound policies and effective controls.

- The Board of Directors is responsible for providing governance and overseeing the implementation of adequate internal control mechanisms and risk management processes;
- Management is primarily responsible for designing and implementing an adequate (effective and efficient) internal control system and risk management processes as well as in ensuring compliance with statutory and regulatory requirements of the law;
- Management is responsible for developing a system to monitor and manage risks;
- SGV & Co., the Company's external auditor is responsible for assessing and expressing an opinion on the conformity of the audited financial statements with the Philippine Financial Reporting Standards and the overall quality of the financial reporting process;
- Internal Audit adopts a risk-based audit approach in developing an annual audit master plan and conducts reviews to assess the adequacy of the Company's internal control system; and
- The Company's Group Internal Audit Head that acts as the equivalent of a Chief Audit Executive reports functionally to the Board Audit Committee to ensure independence and objectivity, allowing Internal Audit to fulfill its responsibilities.

Based on the above assurance provided by the internal auditors as well as the external auditors as a result of their reviews, we attest that AEV's internal control and compliance system, which covers governance, risk management, and control processes, are generally adequate.

[redacted]

Sabin M. Aboitiz
President & Chief Executive Officer

[redacted]

Maria Lourdes Y. Tanate
VP Group Internal Audit Head

[redacted]

Connie G. Chu
SVP Chief Legal and Compliance Officer

[redacted]

Christine C. Kempeneers
AVP Risk Management

NAC Tower, 32nd Street, Bonifacio Global City, Taguig 1634, Metro Manila, Philippines
Tel: (632).886-2800 | Fax: (632) 886-2404 | www.aboitiz.com

ANNEX "E"

Requirements and Procedures for Voting and Participation in the 2024 Annual Stockholders' Meeting (ASM) of Aboitiz Equity Ventures Inc. (the "Company")

The Company will conduct a virtual ASM on April 22, 2024, Monday at 11:00 a.m. ("2024 ASM"). The meeting will be conducted *via* livestream at the link provided in the Company's website at https://aboitiz.com/2024asm/ (the "ASM Portal") beginning on March 25, 2024.

Stockholders of record as of March 21, 2024 are entitled to participate and vote in the 2024 ASM.

The following procedures and requirements provide the ways in which the Company's stockholders can participate and vote in the 2024 ASM..

I. VOTING BY PROXY

1. *For Individual stockholders holding certificated shares in the Company* - Download the file Proxy Form for Individual Stockholder. For the Special Power of Attorney ("SPA"), refer to the Sample SPA uploaded in the ASM Portal.

2. *For stockholders holding 'scripless' shares, or shares held under a PCD Participant/Broke*r - Download the file Proxy Form for PCD Participant/Broker. Stockholders must coordinate with their brokers for the execution of this type of proxy. A stockholder may instruct his broker to directly send a scanned copy of the executed proxy to the Company, or he may send the scanned copy of the executed proxy

3. *For Corporate Stockholders* - Download the file Proxy Form for Corporate Stockholder. For the secretary's certificate, refer to the Sample Secretary's Certificate uploaded in the SSM Portal

4. General instructions on Voting through Proxy:
    a. Download and fill up the appropriate Proxy Form. The Chairman of the meeting, by default, is authorized to cast the votes pursuant to the instructions in the proxy.
    b. Send a scanned copy of the executed proxy through email to *AEV_BoardSecretariat@aboitiz.com*.
    c. Deadline for the submission of proxies is on April 15, 2024, to give time for the Proxy Validation Committee to review and validate the proxies received in accordance with the Company's Amended By-Laws.

II. ELECTRONIC VOTING OR VOTING IN ABSENTIA

1. Instead of voting by proxy, stockholders as of the record date may choose to vote for the matters set out in the Agenda for the 2024 ASM (including casting votes in the election of directors) through the online voting platform available at the SSM Portal. Votes cast until 08:00 a.m. on April 22, 2024 will be tabulated and presented during the 2024 ASM. Stockholders may still vote after the cut-off time, and the final votes received through proxy and through the ASM Portal after the adjournment of the meeting will be included in the minutes of the 2024 ASM. Stockholders must provide the information required and upload the documents needed to complete their registration and to cast their votes, which are then subject to verification and validation by the Office of the Corporate Secretary.

2. Stockholders will need the following documents to register at the online voting platform:

    (a) Individual Stockholders
        i. Valid email address and active contact number (landline or cellphone);
        ii. Any valid government-issued identification card (ID);

iii. Any valid stock certificate issued by the Company in the name of the individual stockholder, or stock certificate number that matches with the name provided in the registration form, if such stock certificate is lost.

(b) Stockholders with Joint Accounts

i. An authorization letter signed by other stockholders indicating the person among them authorized to cast the votes;
ii. Documents required under Items 2.a.(i) and 2.a.(ii) for the authorized stockholder; and
iii. Any valid stock certificate issued by the Company in the name of the joint stockholders, or stock certificate number that matches with the name provided in the registration form, if such stock certificate is lost.

(c) Stockholder under PCD Participant/Brokers Account or "Scripless Shares"

i. Coordinate with the broker, and request for your broker's full account name and PDTC broker identification number or account number they provided to the Company; and
ii. Items 2.a.(i) and 2.a.(ii) above.

(d) Corporate Stockholders

i. Secretary's certificate attesting to the authority of the representative to vote the shares on behalf of the corporate stockholder;
ii. Any valid stock certificate in the name of the corporate stockholder; and
iii. Documents required under Items 2.a.(i) and 2.a.(ii) above for the authorized representative.

3. The ASM Portal contains the Agenda items for approval as set out in the Notice and Agenda for the 2024 ASM.

(a) For items other than the election of directors, stockholders have the option to vote: In Favor of, Against, or Abstain.

(b) For the election of Directors, stockholders have the option to vote his shares for all nominees, not vote for any nominees, or vote for one or some nominees only, in such number of shares as the stockholder prefers, provided that the total number of votes cast shall not exceed the number of shares owned as of the record date, multiplied by the number of directors to be elected. The system will automatically compute the total number of votes the stockholder is allowed to cast, based on the number of shares he owns.

(c) Once the stockholder finalizes his votes, he can proceed to submit the accomplished form by clicking the 'Submit' button.

(d) After the ballot has been submitted, the stockholder may no longer change his/her vote.

4. Thereafter, the Office of the Corporate Secretary will send a confirmation email to the stockholder once his/her account has been verified and his/her vote has been recorded.

If the registration cannot be verified due to lacking, incomplete, or unreadable documents or information, the stockholder will be notified through an system-generated email from the ASM Portal. The Company shall send a subsequent email to inform the stockholder of the actions or documentations needed to complete the registration. Stockholders may contact *AEV_BoardSecretariat@aboitiz.com* for queries regarding the online voting and registration.

If the account of a stockholder cannot be verified, then the votes cast by the non-verified stockholder shall not be recorded.

5. The Office of the Corporate Secretary shall tabulate all valid and confirmed votes cast through the ASM Portal, together with the votes cast through proxies. The Board of Election Inspectors will thereafter validate the results.

6. Votes cast until 08:00 a.m. of April 22, 2024. will be tabulated and presented during the ASM. Stockholders as of the record date may still vote at *https://aboitiz.com/2024asm/* after the cut-of time and the final votes received through the proxy and through the SSM Portal after the adjournment of the meeting will be included in the minutes of the 2024 ASM.

III. ATTENDANCE IN THE 2O24 ASM BY REMOTE COMMUNICATION

1. Stockholders who intend to participate in the 2024 ASM remotely may register using the link *https://aboitiz.com/2024asm/* until 08:00 a.m. of April 22, 2024.

2. To register, stockholders will need the requirements under Item II.2 above, depending on the type of ownership. Stockholders will also need to upload a valid ID as proof of identity.

3. Upon successful registration, the stockholder will receive an email confirmation and a unique link which can be used to log in and view the 2024 ASM livestream.

   If the registration cannot be verified due to lacking, incomplete, or unreadable documents or information, the stockholder will be notified through an system-generated email notification from the ASM Portal. The Company shall send a subsequent email to inform the stockholder of the actions and documentations needed to complete the registration. Stockholders may contact *AEV_BoardSecretariat@aboitiz.com* for queries regarding the online voting and registration.

4. Stockholders may send questions or remarks through the ASM Portal upon registration until the adjournment of the 2024 ASM.

5. The proceedings during the 2024 ASM will be recorded.

For more questions and clarifications, stockholders may visit the Company's website at https://aboitiz.com/ or contact:

The Corporate Secretary at *AEV_BoardSecretariat@aboitiz.com*
Sammy Dave A. Santos at *sammy.santos@aboitiz.com*
Michael Capoy - (632) 8403-3798 or *mccapoy@stocktransfer.com.ph*

ANNEX "F"

DEFINITION OF TERMS

Aboitiz Foundation	Aboitiz Foundation, Inc.
Aboitiz Group	ACO and the companies or entities in which ACO has beneficial interest and over which ACO, directly or indirectly, exercises management control, including, without limitation, AEV, AboitizPower, AboitizLand, Pilmico, Aboitiz InfraCapital and their respective Subsidiaries and Affiliates
Aboitiz InfraCapital	Aboitiz InfraCapital, Inc. (formerly: AEV Infracapital, Inc.)
AboitizLand	Aboitiz Land, Inc.
AboitizPower	Aboitiz Power Corporation
AboitizPower Group or Power Group	Aboitiz Power Corporation and its Subsidiaries
Abovant	Abovant Holdings, Inc.
ACO	Aboitiz & Company, Inc.
AdventEnergy	Adventenergy, Inc.
AESI	Aboitiz Energy Solutions, Inc.
AEV Aviation	AEV Aviation, Inc. (formerly Davco Holdings, Inc.; Spin Realty Corporation)
AEV CRH	AEV CRH Holdings, Inc.
AEV Group or the Group	AEV and its Subsidiaries
AEV International	AEV International Pte. Ltd.
AEV, the Company, the Issuer or the Registrant	Aboitiz Equity Ventures Inc.
Affiliate	With respect to any Person, any other Person directly or indirectly Controlled or is under common Control by such Person
Ambuklao-Binga Hydroelectric Power Complex	Refers to SN Aboitiz Power-Benguet's 105-MW Ambuklao Hydroelectric Power Plant located in Bokod, Benguet and 140-MW Binga Hydroelectric Power Plant in Itogon, Benguet
Amended Guidelines	AEV's Amended Guidelines for the Nomination and Election of Independent Directors
Apo Agua	Apo Agua Infrastructura, Inc.
APRI	AP Renewables Inc.
APX1	Aboitiz Power Distributed Energy, Inc.
APX2	Aboitiz Power Distributed Renewables, Inc.
Archipelago Insurance	Archipelago Insurance Pte. Ltd.
ARI	Aboitiz Renewables, Inc. (formerly: Philippine Hydropower Corporation)
AS	Ancillary Services
ASPA	Ancillary Services Procurement Agreement
Associate	Refers to an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies
ATM	Automated Teller Machine
ATSC	Aboitiz Transport System (ATSC) Corporation (now 2GO Group, Inc.)
Bakun AC Hydro Plant	Refers to Luzon Hydro Corporation's 70-MW Bakun run- of-river hydropower plant located in Amilongan, Alilem, Ilocos Sur
Balamban Enerzone	Balamban Enerzone Corporation
BCM	Business Continuity Management
BCQ	Bilateral Contract Quantity
BIR	Bureau of Internal Revenue
BOI	The Philippine Board of Investments

BOT	Build-Operate-Transfer
BPIA	Bohol Panglao International Airport
BPO	Business Process Outsourcing
BSP	Bangko Sentral ng Pilipinas
Bunker C	A term used to designate the thickest residual fuels that is produced by blending any oil remaining at the end of the oil refining process with a lighter oil
Business Unit	A Subsidiary or an Affiliate of AEV
CA	Court of Appeals
CAAP	Civil Aviation Authority of the Philippines
CBA	Collective Bargaining Agreement
CDPEI	Cebu District Property Enterprise, Inc.
Cebu Coal Project	Refers to the construction and operation of the 3x82-MW coal-fired power plant of Cebu Energy Development Corporation located in Toledo City, Cebu.
Cebu Energy	Cebu Energy Development Corporation
CFB	Circulating Fluidized Bed
CIPDI	Cebu Industrial Park Developers, Inc.
CitySavings	City Savings Bank, Inc.
Cleanergy	Cleanergy, Inc. (formerly Northern Mini-Hydro Corporation)
Coal Group or Coal Business Units	Composed of the following Business Units: Therma Luzon, Inc., Therma South, Inc., Therma Visayas, Inc., GNPower Mariveles Coal Plant Ltd. Co., GNPower Dinginin Ltd. Co., Pagbilao Energy Corporation, Redondo Peninsula Energy, Inc., STEAG State Power, Inc., and Cebu Energy Development Corporation, which own and/or operate coal-fired power plants
COC	Certificate of Compliance
Code of Ethics	Refers to the Company's Code of Ethics and Business Conduct

Contestable Customer/ Contestable Market	Refers to the electricity end-users who have a choice of a supplier of electricity, as may be determined by the ERC in accordance with Sec. 4(h) of the EPIRA
Contracted Capacity	Refers to the total capacity sold to customers at a given point in time
Control	A term which refers to possession, directly or indirectly, by a Person of the power to direct or cause the direction of the management and policies of another Person whether through the ownership of voting securities or otherwise; provided, however, that the direct or indirect ownership of over 50% of the voting capital stock, registered capital or other equity interest of a Person is deemed to constitute control of that Person; "Controlling" and "Controlled" have corresponding meanings
Cotabato Light	Cotabato Light & Power Company
CPDC	Cebu Praedia Development Corporation
CPPC	Cebu Private Power Corporation
CRH Aboitiz	CRH Aboitiz Holdings, Inc.
CSEE	Contract for the Supply of Electric Energy
CSP	Competitive Selection Process
Davao Light	Davao Light & Power Company, Inc.
DENR	Department of Environment and Natural Resources
Dependable Capacity or Sellable Capacity	Refers to the capacity of a power plant, excluding station use and fuel constraints
DICT	Department of Information and Communications Technology
Distribution Utilities or Power Distribution Group	Refers to the companies within the AboitizPower Group engaged in Power Distribution, such as Balamban Enerzone,

	Cotabato Light, Davao Light, Lima Enerzon, Malvar Enerzone, Subic Enerzone, SFELAPCO and Visayan Electic. "Distribution Company" or "Distribution Utility" may refer to any one of the foregoing companies.
DOE	Department of Energy
DOLE	Department of Labor and Employment
DOTr	Department of Transportation
EAUC	East Asia Utilities Corporation
ECC	Environmental Compliance Certificate
Enerzone Group or Enerzone Business Units	A term collectively referring to Balamban Enerzone, Lima Enerzone, Mactan Enerzone, Malvar Enerzone, Subic Enerzone and other Distribution Utilities of the AboitizPower Group operating within special economic zones
EO	Executive Order
EPC	Engineering, Procurement and Construction
EPIRA	RA 9136, otherwise known as the "Electric Power Industry Reform Act of 2001," as amended from time to time, and including the rules and regulations issued thereunder
ERC	Energy Regulatory Commission
ESG	environment, social, and governance
FIA	Foreign Investments Act of 1991
Filagri Holdings	Filagri Holdings, Inc.
FIT	Feed-in-Tariff
FIT-All	Feed-in-Tariff Allowance
Food Group	A term collectively referring to Pilmico and its Subsidiaries and Pilmico International and Subsidiaries, which includes GCMH, the parent company of the Gold Coin Group; the Company's
	Business Units engaged in the food business
GCMH	Gold Coin Management Holdings, Pte. Ltd.
Generation Companies or Power Generation Group	Refers to the companies within the AboitizPower Group engaged in Power Generation; "Generation Companies" may refer to any one of these companies.
GEOP	Green Energy Option Program
GMEC	GNPower Mariveles Energy Center Ltd. Co. (formerly GNPower Mariveles Coal Plant Ltd. Co. or GMCP)
GNPD	GNPower Dinginin Ltd. Co.
Gold Coin Group	GCMH and its Subsidiaries
Government	The Government of the Republic of the Philippines
Greenfield	Refers to power generation projects that are developed from inception on previously undeveloped sites
Grid	As defined in the Implenting Rules and Regulations of the EPIRA, it is the high voltage backbone system of interconnected transmission lines, substations and related facilities located in each of Luzon, Visayas, and Mindanao or as may be otherwise determined by the ERC in accordance with Section 45 of the EPIRA
GRSSA	Geothermal Resources Supply and Services Agreement
GWh	Gigawatt-hour, or 1,000,000 kilowatt-hours
Hedcor	Hedcor, Inc.
Hedcor Group or Hedcor Business Units	Refers to the companies within the AboitizPower Group engaged in hydroelectric power generation, such as Hedcor, Inc., Hedcor Bukidnon, Inc., Hedcor Sabangan, Inc., Hedcor Sibulan, Inc., and Hedcor Tudaya, Inc.
Hedcor Sabangan	Hedcor Sabangan, Inc
Hedcor Sibulan	Hedcor Sibulan, Inc.
Hedcor Tudaya	Hedcor Tudaya, Inc.
HEPP	Hydroelectric Power Plant

IEMOP	Independent Electricity Market Operator of the Philippines Inc.
Installed Generating Capacity or Gross Capacity	Refers to the registered capacity of a power plant in WESM, inclusive of the power plant's station use
IPO	Initial Public Offering
IPP	Independent Power Producers
IPPA	Independent Power Producer Administrator
IRR	Implementing Rules and Regulations
ISMS	Information Security Management System
ISO	International Organization for Standardization
IT	Information Technology
Joint Venture	Refers to a type of joint agreement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually-agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require anonymous consent of the parties sharing control
JVACC	J.V. Angeles Construction Company
kV	Kilovolt, or 1,000 volts
kW	Kilowatt, or 1,000watts
kWh	Kilowatt-hour, the standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing 1,000 watts in one hour
Land Group	refers to AboitizLand and the Company's Business Units engaged in the real estate
LGC	Local Government Code of 1991
LGU	Local Government Unit
LHC	Luzon Hydro Corporation
Lima Enerzone	Lima Enerzone Corporation
Lima Water	Lima Water Corporation
LimaLand	Lima Land, Inc.
LTC	LIMA Technology Center
Maaraw San Carlos	Maaraw Holdings San Carlos, Inc.
Mactan Enerzone	Mactan Enerzone Corporation
Magat Plant	Refers to the 360-MW HEPP of SN Aboitiz Power - Magat, located at the border provinces of Isabela and Ifugao
Malvar Enerzone	Malvzar Enerzone Corporation
Maris Plant	The 8.5 MW run-of-river Maris Main Canal 1 Hydroelectric Power Plant
MCIAA	Mactan - Cebu International Airport Authority
MEPZ I	Mactan Export Processing Zone I
MEPZ II	Mactan Export Processing Zone II
Meralco	Manila Electric Company
MOA	Memorandum of Agreement
MORE	Manila – Oslo Renewable Enterprise, Inc.
MT	Metric Tons
MVA	Megavolt Ampere
MW	Megawatt, or one mn watts
MWh	Megawatt-hour
MWP	Megawatt-peak
Net Attributable Capacity	Refers to the capacity attributed to a company's ownership in the power plant, excluding station use and fuel constraints
NGCP	National Grid Corporation of the Philippines
NIA	National Irrigation Authority
NPC	National Power Corporation
NPPC	Naga Power Plant Complex, the 55 MW land-based gas turbine power plant located in Colon, Naga City, Cebu
NWRB	National Water Resources Board
Oil Group or Oil Business Units	Refers to the following companies: East Asia Utilities Corporation, Cebu Private Power Corporation, Therma Marine, Inc., Therma Mobile, Inc., Southern Philippines

	Power Corporation, and Western Mindanao Power Corporation, which own and operate Bunker C-fired power plants
Open Access	Retail Competition and Open Access
ORR	Operational Readiness Review
OT	Operations Technology
Pagbilao Plant	Refers to the 700-MW (2x350 MW) coal-fired thermal power plant located in Pagbilao, Quezon
PAN-JSC	Pilmico Animal Nutrition Joint Stock Company (formerly: Eurofeed) which was folded into the Gold Coin Group and renamed Gold Coin Feedmill (Binh Duong)
PANC	Pilmico Animal Nutrition Corporation (formerly Fil-Am Foods, Inc.)
PAO	Provisional Authority to Operate
PBI	Progressive Bank, Inc.
PBR	Performance-Based Rate-Setting Regulation
PCC	Philippine Competition Commission
PCRM	Pricing and Cost Recovery Mechanism
PDEx	Philippine Dealing & Exchange Corp., the fixed-income securities market which provides an electronic trading platform of exchange for fixed- income securities
PDNI	Propriedad del Norte, Inc.
PEC	Pagbilao Energy Corporation
PEMC	Philippine Electricity Market Corporation
Person	Means an individual, corporation, partnership, association, joint stock company, trust, any unincorporated organization, or a government or political subdivision thereof
PETNET	PETNET, Inc.
PEZA	Philippine Economic Zone Authority
PGC	Philippine Grid Code
PGPC	Philippine Geothermal Production Company, Inc.
Philippine IPO	Philippine Intellectual Property Office
Philippine Pesos or ₱	The lawful currency of the Republic of the Philippines
PhilRatings	Philippine Rating Services Corporation
Pilmico	Pilmico Foods Corporation
Pilmico International	Pilmico International Pte. Ltd.
Pmax or Maximum Stable Load	The maximum demand in MW that a generating unit or generating block or module in the case of a combined cycle power plant, can reliably sustain for an indefinite period of time, based on the generator capability tests. It also refers to the registered maximum capacity.
Pmin or Minimum Stable Load	The minimum demand in MW that a generating unit or generating block or module in the case of a combined cycle power plant, can reliably sustain for an indefinite period of time, based on the generator capability tests. It also refers to the registered minimum capacity.
PPA	Power Purchase Agreement
Prism Energy	Prism Energy, Inc.
PSA	Power Supply Agreement
PSALM	Power Sector Assets and Liabilities Management Corporation
PSE	The Philippine Stock Exchange, Inc.
PV	Photovoltaic
PVN	Pilmico Vietnam Company Limited
PVN Trading	Pilmico Viet Nam Trading Compay Ltd.
PV Sinag	PV Sinag Power, Inc.
QMS	Quality Management System
RA	Republic Act
RCBM	Republic Cement and Building Materials, Inc.
RCII	Republic Cement Iligan, Inc.
RCLR	Republic Cement Land &

	Resources, Inc.
RCMI	Republic Cement Mindanao, Inc.
RCSI	Republic Cement Services, (Philippines) Inc.
RE Law	RA 9513, otherwise known as the Renewable Energy Act of 2008
REC	Renewable Energy Certificates
REPA	Renewable Energy Payment Agreement
RES	Retail Electricity Supplier
RESA	Renewable Energy Supply Agreement
RESC	Renewable Energy Service Contracts
Revised Corporation Code	Republic Act No. 11232 or the Revised Corporation Code of the Philippines
Revised Manual	Refers to the Company's Revised Manual on Corporate Governance
RORB	Return-on-Rate base
RP Energy	Redondo Peninsula Energy, Inc.
RPS	Renewable Portfolio Standards
RPT	Related Party Transactions
RTC	Regional Trial Court
Run-of-river hydroelectric plant	Refers to a hydroelectric power plant that generates electricty from the natural flow and elevation drop of a river
Sacasun	San Carlos Sun Power Inc.
Sacasun Plant	Refers to the 59 MWp Greenfield, stand-alone solar power generation project of Sacasun located at San Carlos Ecozone, Barangay Punao, San Carlos City, Negros Occidental
SBFZ	Subic Bay Freeport Zone
SBMA	Subic Bay Metropolitan Authority
SBU	Strategic Business Units
SEC	The Securities and Exchange Commission of the Philippines
SFELAPCO	San Fernando Electric Light and Power Co., Inc.
SME	small and medium sized enterprises

SN Aboitiz Power - Benguet	SN Aboitiz Power - Benguet, Inc. (formerly SN Aboitiz Power Hydro, Inc.)
SN Aboitiz Power - Magat	SN Aboitiz Power - Magat, Inc.
SN Aboitiz Power Group	Refers to the group of companies formed out of the strategic partnership between AboitizPower and SN Power, and refers to MORE and its Subsidiaries, including, SN Aboitiz Power-Benguet, Inc., SN Aboitiz Power-Gen, Inc., SN Aboitiz Power-RES, Inc., and SN Aboitiz Power-Magat, Inc.
Scatec ASA	Renewable Power Company recently acquired SN Power, a leading hydro power developer and IPP
SN Power	SN Power AS, a consorti between Statkraft AS and Norfund of Norway
SN Power Group	Refers to the group formed by Statkraft AS and Norfund, and is composed of, among others, SN Power AS and Agua Imara AS. It is the leading Norwegian hydropower group with operations in Asia, Africa and Latin America
SPPC	Southern Philippines Power Corporation
SRC	RA 8799 or the Securities Regulation Code of the Philippines
SSS	Social Security System
STEAG Power	STEAG State Power Inc.
Subic Enerzone	Subic Enerzone Corporation
Subsidiary	In respect of any Person, refers to any entity: (i) who has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) ability to use its power over the investee to affect its returns
Systems Loss or	Refers to the Electric Energy

DSL	Input minus the Electric Energy Output, as defined in ERC Resolution No. 10-2018
TCIC	Taiwan Cogeneration International Corporation
TeaM Energy	Team Energy Corporation
THC	Tsuneishi Holdings (Cebu), Inc.
Tiwi-MakBan Geothermal Facilities	Refers to the geothermal facilities composed of twelve geothermal plants and one binary plant, located in the provinces of Batangas, Laguna and Albay
TLI	Therma Luzon, Inc.
TMI	Therma Marine, Inc.
TMO	Therma Mobile, Inc.
TPI	Therma Power, Inc.
TPVI	Therma Power - Visayas, Inc.
TransCo	National Transmission Corporation and, as applicable, the National Grid Corporation of the Philippines or NGCP which is the Transco concessionaire
TSA	Transmission Service Agreements
TSI	Therma South, Inc.
TVI	Therma Visayas, Inc. (formerly Vesper Industrial and Development Corporation)

UBPIC	UBP Investments Corporation
UBX PH	UBX Philippines Corporation
UnionBank or the Bank	Union Bank of the Philippines
Unviable Area	refers to a geographical area within the franchise area of a DU where the immediate extension of the distribution line is not feasible, as defined by Rule 4 (ssss) of the EPIRA-IRR. Areas that are currently served by the DUs but are deemed unviable on account of huge operating costs shall also mean Unviable Areas
UPE	Ultimate Parent Entity
US$	The lawful currency of the United States of America
VAT	Value Added Tax
Visayan Electric	Visayan Electric Company, Inc.
Vivant Group	Refers to Vivant Corporation and its subsidiaries
WCIP	West Cebu Industrial Park, Inc.
WCIP-SEZ	West Cebu Industrial Park-Special Economic Zone
WESM	Wholesale Electricity Spot Market
WIPO	World Intellectual Property Office
WMPC	Western Mindanao Power Corporation

ANNEX "G-1"

AEV Patents, Copyrights and Franchises

AEV and its Subsidiaries own, or have pending applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos.

The following table sets out information regarding the trademark applications which AEV and its Subsidiaries have filed with the Philippine Intellectual Property Office ("Philippine IPO") and intellectual property offices abroad

Philippine IPO

Trademarks	Owner	Registration No. / Date Issued	Description	Status
Aboitiz word mark (Class Nos. 30, 35, 36, 37, 39, 40 and 42)	Aboitiz Equity Ventures Inc.	04-2018-018635 March 17, 2019	Application for the word mark "Aboitiz".	Registered.
Aboitiz word mark (Additional activities under Class Nos. 36, 37)	Aboitiz Equity Ventures Inc.	04-2019-000086 August 8, 2019	Application for the word mark "Aboitiz" to cover additional services under Class Nos. 36 and 37.	Registered.
Advancing Business and Communities Logo (Class Nos. 35 and 36)	Aboitiz Equity Ventures Inc.	04-2018-021743 November 7, 2019	Application for the device mark "Advancing Business and Communities", with color claim.	Registered.
Aboitiz Equity Ventures word mark (Class Nos. 35 and 36)	Aboitiz Equity Ventures Inc.	04-2018-021492 March 3, 2020	Application for the word mark "Aboitiz Ventures".	Registered.
Aboitiz Equity Ventures Logo (Class Nos. 35 and 36)	Aboitiz Equity Ventures Inc.	04-2018-021742 October 6, 2019	Application for the device mark "Aboitiz Equity Ventures", with color claim.	Registered.
A Future Built By You (Class No. 35)	Aboitiz Equity Ventures Inc.	4-2019-003834 August 8, 2019	Application for the mark "A Future Built By You".	Registered.
Aboitiz & Device – Black (Class Nos. 30, 36, 37, 39, 40 and 42)	Aboitiz & Co., Inc.	4-2005-012408 September 24, 2007 (Trademark has been renewed and will expire on September 24, 2027.)	Application for the device mark "Aboitiz (Black)".	Registered.
Aboitiz & Device – Red (Class Nos. 30, 36, 37, 39, 40 and 42)	Aboitiz & Co., Inc.	4-2005-012409 September 24, 2007 (Trademark has been renewed and will expire on September 24, 2027.)	Application for the device mark "Aboitiz (Red)".	Registered.
Passion for better ways word mark (Class Nos. 30, 36, 37, 39, 40 and 42)	Aboitiz & Co., Inc.	4-2005-012413 September 24, 2007 (Trademark has been renewed and will expire on September 24,	Application for the word mark "Passion for better ways".	Registered.

		2027.)		
Techglomerate word mark (Class No. 35)	Aboitiz Equity Ventures Inc.	4-2022-00518217 October 15, 2022	Application for the word mark "Techglomerate".	Registered.
Techglomerate Premium word mark (Class Nos. 35 and 36)	Aboitiz Equity Ventures Inc.	4-2022-00518342 December 12, 2022	Application for the word mark "Techglomerate Premium".	Registered.

International Trademarks Application (Non-Madrid)

Trademarks	Owner	Country of Application	Status
Aboitiz (Word Mark) (Class No. 30)	Aboitiz Equity Ventures, Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 35)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 36)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 37)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 39)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 40)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 42)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Class No. 42)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 40)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 39)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 37)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 36)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 35)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 30)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.

International Trademarks Application (Madrid Protocol)

Trademarks	Owner	Country of Application	Status
Aboitiz (Word Mark) (#1504418) (Class Nos. 30, 35, 36, 37, 39, 40, and 42)	Aboitiz Equity Ventures Inc.	WIPO	Registered.
Aboitiz (Word Mark) (Class Nos. 30, 35, 36, 37, 39, 40, and 42)	Aboitiz Equity Ventures Inc.	Laos	Registered.
Aboitiz (Word Mark) (Class Nos. 30, 35, 36, 37, 39, 40, and 42)	Aboitiz Equity Ventures Inc.	Singapore	Registered.
Aboitiz (Word Mark) (Class Nos. 30, 35, 36, 27, 29, 40 and 42)	Aboitiz Equity Ventures Inc.	Brunei	Registered.

AEV and its Subsidiaries have other pending trademark applications under the Madrid Protocol for the following countries: Brunei, China, Indonesia, Cambodia, Laos, Singapore, Thailand, and Vietnam

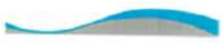
ANNEX "G-2"

AboitizPower Patents, Copyrights and Franchises

AboitizPower and its Subsidiaries own, or have pending applications for the registration of, intellectual property rights for various trademarks associated with their corporate names and logos. The following table sets out information regarding the trademark applications AboitizPower and its Subsidiaries have filed with the Philippine Intellectual Property Office (Philippine IPO), and their pending trademark applications abroad.

Philippine IPO

Trademarks/ Description	Owner	Registration No./ Date Issued	Status
"A Better Future" word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004383/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"Better Solutions" word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004384/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"AboitizPower" word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004385/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"AboitizPower Spiral and Device" device mark with color claim (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004380/ February 10, 2011 Trademark was renewed on February 10, 2021.	Registered
"Cleanergy" word mark (Class No. 40)	Aboitiz Power Corporation	4-2001-007900/ January 13, 2006 Trademark was renewed on January 13, 2016.	Registered
"Cleanergy" word mark for the additional goods and services (Class Nos. 39 and 42)	Aboitiz Power Corporation	4-2019-000850/ June 9, 2019	Registered
"Cleanergy Get It and Device" device mark with color claim (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004381/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"Cleanergy Got It and Device" device mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004382/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"AboitizPower and Device" device mark with color claim (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004379/ February 10, 2011 Trademark was renewed on February 10, 2021.	Registered
Subic EnerZone Corporation and Logo trademark (Class No. 39)	Subic EnerZone Corporation	4-2006-007306/ August 20, 2007 Trademark was renewed on August 20, 2017.	Registered
Subic EnerZone Corporation and Logo Word mark and device (Class No. 39)	Subic EnerZone Corporation	4-2006-007305/ August 20, 2007 Trademark was renewed on August 20, 2017.	Registered
"Subic EnerZone Corporation" word mark (Class No. 39)	Subic EnerZone Corporation	4-2006-007304/ June 4, 2007 Trademark was renewed on June 4,	Registered

		2017.	
"Cotabato Light" Logo (Class No. 39)	Cotabato Light and Power Corporation	4-2019-502915/ October 20, 2019	Registered
"Davao Light" Logo (Class No. 39)	Davao Light and Power Corporation	4-2019-502917/ October 20, 2019	Registered
"Balamban Enerzone" Logo (Class No. 39)	Balamban Enerzone Corporation	4-2019-502910/ February 10, 2020	Registered
"Mactan Enerzone" Logo (Class No. 39)	Mactan Enerzone Corporation	4-2019-502911/ February 20, 2020	Registered
"Lima Enerzone" Logo (Class No. 39)	Lima Enerzone Corporation	4-2019-502912/ February 10, 2020	Registered
"Malvar Enerzone" Logo (Class No. 39)	Malvar Enerzone Corporation	4-2019-502913/ February 10, 2020	Registered
"Subic Enerzone" Logo (Class No. 39)	Subic Enerzone Corporation	4-2019-502914/ October 20, 2019	Registered
"Visayan Electric" Logo (Class No. 39)	Visayan Electric Company, Inc.	4-2019-015288/ December 29, 2019	Registered
"MORE" Logo (Class 35)	Manila-Oslo Renewable Enterprise, Inc.	4-2018-00018077/February 21, 2019	Registered
"SN ABOITIZ POWER" Logo GROUP (Class 35 & 40)	Manila-Oslo Renewable Enterprise, Inc., SN Aboitiz Power-Magat, Inc., and SN Aboitiz Power-Benguet, Inc.	4-2018-00018076/ February 5, 2019	Registered
"SN ABOITIZ POWER-BENGUET, INC." Logo	SN Aboitiz Power-Benguet, Inc.	4-2014-00005209/ December 29, 2016	Registered
"SNAP ABOITIZ POWER-MAGAT, INC." Logo	SN Aboitiz Power-Magat, Inc.	4-2014-00005208/ March 9, 2017	Registered
 Logo	SN Aboitiz Power-Magat, Inc.	4-2017-00018969/ June 7, 2018	Registered

International Trademarks (Madrid Protocol)

AboitizPower has the following registered international trademarks:

Trademarks	Country of Application
Cleanergy	Indonesia
AboitizPower	Myanmar
Aboitiz Power and Device	Myanmar
Cleanergy	Myanmar
Cleanergy Get It Device	Myanmar
Cleanergy Got It Device	Myanmar
AboitizPower (class 39, 40, 42)	Malaysia*
AboitizPower device (class, 39, 40, 42)	Malaysia*

Cleanergy (class 39, 40, 42)	Malaysia*
Cleanergy Got It device (class 39, 40, 42)	Malaysia*
Cleanergy Get it device (class 39, 40, 42)	Malaysia*

**In the process of being registered.*

International Trademarks Application (Madrid Protocol)

AboitizPower has the following registered international trademarks from applications under the Madrid Protocol:

Trademarks	Country of Application
AboitizPower Word Mark (Class Nos. 39, 40, 42)	World Intellectual Property Office ("WIPO")
AboitizPower Word Mark (Class Nos. 39, 40, 42)	Indonesia
AboitizPower A Better Future (Class Nos. 39, 40, 42)	WIPO
AboitizPower A Better Future (Class Nos. 39, 40, 42)	Vietnam
AboitizPower A Better Future (Class Nos. 39, 40, 42)	Indonesia
Cleanergy Word Mark (Class Nos. 39, 40, 42)	WIPO
Cleanergy Word Mark (Class Nos. 39, 40, 42)	Vietnam
Cleanergy Get It Device (Class Nos. 39, 40, 42)	WIPO
Cleanergy Get It Device (Class Nos. 39, 40, 42)	Vietnam
Cleanergy Get It Device (Class Nos. 39, 40, 42)	Indonesia
Cleanergy Got It Device (Class Nos. 39, 40, 42)	WIPO
Cleanergy Got It Device (Class Nos. 39, 40, 42)	Vietnam
Cleanergy Got It Device (Class Nos. 39, 40, 42)	Indonesia

AboitizPower also has the following pending international trademark applications under the Madrid Protocol.

Trademarks	Country of Application
AboitizPower Word Mark (Class Nos. 39, 40, 42)	Vietnam
AboitizPower Device (Class Nos. 39, 40, 42)	Vietnam
AboitizPower Device (Class Nos. 39, 40, 42)	Indonesia

ANNEX "G-3"

Financial Services Group Patents, Copyrights and Franchises

UnionBank owns, or has pending applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos.

	Trademark	Registration Date	Expiration Date
1	UNIONBANK	December 19, 2005	December 19, 2025
2	UNIONBANK LOGO	October 21, 2010	October 21, 2030
3	UNIONBANK EON	December 5, 2013	December 5, 2023
4	UBP	August 7, 2014	August 7, 2024
5	UNIONBANK OF THE PHILIPPINES	August 7, 2014	August 7, 2024
6	UREKA	November 10, 2016	November 10, 2026
7	SELFIE BANKING	December 22, 2019	December 22, 2029
8	DIGITAL ME	June 29, 2017	June 29, 2027
9	EON FOR THE DIGITAL ME	July 30, 2017	July 20, 2027
10	EON	July 30, 2017	July 30, 2027
11	EON CYBER	November 2, 2017	November 2, 2027
12	THE ARK	April 5, 2018	April 5, 2028
13	THE ARK	April 5, 2018	April 5, 2028
14	THE ARK	April 5, 2018	April 5, 2028
15	THE ARK	April 5, 2018	April 5, 2018
16	I2I	May 30, 2019	May 30, 2029
17	THE FUTURE BEGINS WITH U.	October 24, 2019	October 24, 2029
18	CYBERSURE	January 12, 2020	January 12, 2030
19	1U HUB	February 6, 2020	February 6, 2030
20	1U HUB	February 6, 2020	February 6, 2030
21	THE FIRST FINANCIAL SUPPLY BLOCKCHAIN IN THE PHILIPPINES - POWERED BY UNIONBANK	February 6, 2020	February 6, 2030
22	UB	February 24, 2020	February 24, 2030
23		February 24, 2020	February 24, 2030
24		February 24, 2020	February 24, 2030
25	THE EDGE BY UB UNIONBANK	July 31, 2020	July 31, 2030

26	UB UNIONBANK	August 14, 2020	August 14, 2030
27	UB UNIONBANK	October 16, 2020	October 16, 2030
28	THE FIRST DIGITAL ACCOUNT OPENING FOR BUSINESS BY UNIONBANK	January 17, 2021	January 17, 2031
29	THE FIRST MOBILE CHECK DEPOSIT FOR BUSINESSES BY UNIONBANK	February 19, 2021	February 19, 2031
30	BANK THE WAY YOU LIVE	March 29, 2021	March 29, 2031
31	SITH SYSTEM FOR INTEGRATED TRACING OF HUMANS	March 29, 2021	March 29, 2031
32		April 16, 2021	April 16, 2031
33		April 16, 2021	April 16, 2031
34	UNIONBANK ONLINE	April 16, 2021	April 16, 2031
35	UB ONLINE	April 16, 2021	April 16, 2031
36	UNIONBANK APP	April 16, 2021	April 16, 2031
37	UB MOBILE APP	April 16, 2021	April 16, 2031
38	P PHX COMMERCIAL BANK-BACKED PHILIPPINE STABLECOIN	April 16, 2021	April 16, 2031
39	PHX	May 21, 2021	May 21, 2031
40	UBP XCELLERATOR GAMECHANGERS	May 21, 2021	May 21, 2031
41	UBP XCELLERATOR BLOCKCHAIN BUSINESS SPECIALIST PROGRAM	June 18, 2021	June 18, 2031
42	UBP XCELLERATOR BLOCKCHAIN BASICS PROGRAM	June 18, 2021	June 18, 2031
43	BLOCKCHAIN XCELLERATOR POWERED BY UB UNIONBANK	June 18, 2021	June 18, 2031
44	UBXCELLERATOR	July 16, 2021	July 16, 2031
45	XCELLERATOR	July 16, 2021	July 16, 2031
46	UB GARAGE INNOVATION AND INCUBATION LAB POWERED BY UB UNIONBANK.	July 23, 2021	July 23, 2031
47	XCELLERATOR	July 23, 2021	July 23, 2031
48	UBXCELLERATOR	July 30, 2021	July 30, 2031

49	BLOCKCHAIN XCELLERATOR	July 30, 2021	July 30, 2031
50	UBP XCELLERATOR PROGRAM	August 6, 2021	August 6, 2031
51	UB GARAGE INNOVATION AND INCUBATION LAB POWERED BY UB UNIONBANK	October 1, 2021	October 1, 2031

ANNEX "G-4"

Food Group Patents, Copyrights and Franchises

The Food Group owns, or has pending trademark applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. These are filed or pending at local and international jurisdictions.

Philippine IPO

	Trademark	Registration Date	Expiration Date
1	PILMICO FOODS CORPORATION	November 28, 2005	November 28, 2025
2	SUN-MOON-STAR	October 2, 2006	October 2, 2026
3	GOLD STAR AND DEVICE	August 17, 2006	August 17, 2026
4	SUNSHINE	October 15, 2007	October 15, 2027
5	GLOWING SUN	October 2, 2006	October 2, 2026
6	KUTITAP AND DEVICE	January 17, 2005	January 17, 2025
7	KUTITAP with color claim	December 5, 2004	December 5, 2024
8	SUNFLOUR AND DESIGN	May 5, 2008	May 5, 2028
9	Silver Star	February 24, 2012	February 24, 2032
10	Silver Star Logo with color claim	January 13, 2012	January 13, 2032
11	SUN RAYS HARD WHEAT FLOUR	February 20, 2014	February 20, 2024
12	STAR BEAM SOFT WHEAT FLOUR	December 26, 2013	December 26, 2033
13	SUN STREAM HARD WHEAT FLOUR	February 20, 2014	February 20, 2024 (Petition for renewal filed)
14	PILMICO Device	December 26, 2013	June 2028
15	PILMICO FLOUR	February 20, 2014	February 20, 2024 (Petition for renewal filed)
16	Mahalin Pagkaing Atin with color claim	July 2, 2015	July 2, 2025
17	SUNLIGHT	September 1, 2016	September 1, 2026
18	WOODEN SPOON	May 4, 1993	May 4, 2033
19	WOODEN SPOON word mark for additional classes Nos. 35 and 43	December 17, 2017	December 17, 2027
20	WOODEN SPOON AND DEVICE for additional classes Nos. 35 and 43	December 17, 2017	December 17, 2027
21	PILMICO word mark	March 24, 2017	March 24, 2027
22	Silver 168	February 22, 2018	October 24, 2028
23	Yummii	December 28, 2017	August 25, 2027

24	Silver Star with Chinese Slogan Device.	February 22, 2018	October 24, 2028
25	SOLA ALL PURPOSE FLOUR	February 20, 2014	February 20, 2024 (Petition for renewal filed)
26	PILMICO logo	June 2, 2017	February 21, 2027
27	"M" handshake mark	August 17, 2017	February 20, 2027
28	Flour Solutions	October 31, 2019	April 24, 2029
29	CHICKGROW	October 18, 2019	October 18, 2029
30	PORK SOLUTIONS	August 20, 2007	August 20, 2027
31	POULTRY SOLUTIONS	August 20, 2007	August 20, 2027
32	AQUAMAX	June 6, 2013	June 6, 2023 (Awaiting certificate of renewal)
33	POULTRY EXPRESS	April 14, 2013	April 14, 2033
34	ALAS NG SALTO	February 28, 2013	February 28, 2033
35	AEV MAX	February 8, 2013	February 28, 2033
36	SALTO	February 8, 2013	February 8, 2033
37	ANGAT SARADO	February 8, 2013	February 8, 2033
38	BASIC	February 8, 2013	February 8, 2033
39	LAKAS GATAS	February 8, 2013	February 8, 2033
40	GALLIMAX	February 8, 2013	February 8, 2033
41	SUPREMECON	July 22, 2011	July 22, 2021 (for refiling)
42	POWERMIX	January 13, 2012	January 13, 2032
43	PILMICO FEEDS	March 8, 2012	March 8, 2022 (to lapse; outdated logo)
44	GROW YOUR PROFIT	December 26, 2013	December 26, 2023 (renewed with Notice of Issuance)
45	PARTNERS FOR GROWTH	July 16, 2010	July 16, 2030
46	PILMICO FARMS LOGO	April 17, 2014	April 17, 2024
47	PILMICO FEEDS	April 17, 2014	April 17, 2024
48	GROWING PIG LOGO	April 17, 2014	April 17, 2024
49	GROWING CHICKEN LOGO	April 17, 2014	April 17, 2024
50	GROWING QUAIL LOGO	April 17, 2014	April 17, 2024
51	GROWING PIGEON LOGO	April 17, 2014	April 17, 2024

52	GROWING DUCK LOGO	December 26, 2013	December 26, 2023 (renewed with Notice of Issuance)
53	POWERHEAL	April 17, 2017	April 17, 2027
54	POWERBOOST	December 8, 2016	December 8, 2026
55	Immunodigest	December 8, 2016	December 8, 2026
56	AVEMAX	September 29, 2016	September 29, 2026
57	CIVIC	June 22, 2017	June 22, 2027
58	ELITE	June 22, 2017	June 22, 2027
59	SALTO	July 29, 2017	July 29, 2027
60	ULTIMAX	September 7, 2017	September 7, 2027
61	EGG2GO	September 13, 2018	September 13, 2028
62	Bagwis	September 13, 2018	September 13, 2028
63	Gut Protech	January 23, 2018	January 23, 2028
64	With Gut ProTech	July 19, 2018	July 19, 2028
65	Worm Buster word mark	November 1, 2018	November 1, 2028
66	Worm Buster device mark	November 1, 2018	November 1, 2028
67	YOLO! Chicha, atbp.	September 23, 2018	September 23, 2028
68	Dok Tilaok	March 31, 2019	March 31, 2029
69	Beat the Day	November 1, 2018	November 1, 2028
70	Taste Adventure	November 1, 2018	November 1, 2028
71	Arya	June 6, 2019	June 6, 2029
72	The Good Meat	December 12, 2018	December 12, 2028
73	Woofy	May 9, 2019	May 9, 2029
74	Power Armor	July 14, 2019	July 14, 2029
75	Powerguard	July 14, 2019	July 14, 2029
76	Powershield	July 14, 2019	July 14, 2029
77	Maxime	July 4, 2019	July 4, 2029
78	Classic	September 23, 2019	September 23, 2029
79	Maxime Smiley (“X”)	February 17, 2020	February 17, 2030
80	Woofy Smiley (“W”)	February 17, 2020	February 17, 2030
81	M3TimE	February 17, 2020	February 27, 2030

82	BETTER NOURISHMENT, BETTER CARE	February 17, 2020	February 27, 2030
83	FORK THE PORK	October 14, 2019	October 14, 2029
84	Pilmico Foods Corporation an Aboitiz Company	November 28, 2015	November 28, 2025
85	Kutitap Hard Wheat Flour	January 17, 2015	January 17, 2025
86	Basco	March 24, 2021	March 24, 2031
87	With Worm Buster	February 2, 2018	February 2, 2028
88	Liver Protech	February 9, 2021	February 9, 2031
89	Suki by Pilmico	December 23, 2020	December 23, 2030
90	Tammy	March 24, 2021	March 24, 2031
91	Kunemax	March 24, 2021	March 24, 2031
92	XP	March 24, 2021	March 24, 2031
93	Kitchen Specials	February 9, 2021	February 9, 2031
94	Catsby	March 24, 2021	March 24, 2031
95	Nobuddy Left Behind	June 4, 2020	June 4, 2030
96	Do Good For Doggo	June 4, 2020	June 4, 2030
97	Ave Max	August 10, 2012	August 10, 2022
98	With Great Flour Comes Great Responsibility	October 29, 2021	October 29, 2031
99	GOLD COIN FEED	August 11, 2016	August 11, 2026
100	GOLD COIN FEED & device	October 24, 2019	October 24, 2029
101	GOLD COIN FEED & device & chinese characters	December 8, 2019	December 8, 2029
102	Tommy	April 23, 2021	April 23, 2031
103	The Good Hens	February 7, 2022	February 7, 2032
104	The Good Pick	February 7, 2022	February 7, 2032
105	Partners in Pethood	August 13, 2021	August 13, 2031
106	Commisari	May 20, 2023	May 20, 2033
107	Tarlac Meatmasters	May 30, 2023	May 30, 2033
108	The Good Yolk	July 25, 2022	July 25, 2032
109	Eggdrop! Eggdrop!	May 30, 2022	May 30, 2032
110	Live the Best Life Together	February 5, 2022	February 5, 2032
111	Unleash the Fun Together	February 5, 2022	February 5, 2032
112	Nurture Heartwarming Moments	February 5, 2022	February 5, 2032

113	ABAQA	September 14, 2020	September 14, 2030
114	PORKEE	July 3, 2023	July 3, 2033
115	SUKI CO MEATS	April 11, 2023	Pending
116	SISIGLICIOUS	December 11, 2023	December 11, 2033
117	SISIG NG BAYAN	Filed June 30, 2023	Pending
118	VIVA LONGGANISA	Filed June 30, 2023	Pending
119	SISIG FIESTA	Filed June 30,2023	Pending
120	PILMICO FARMS FRESH HUB	December 4, 2023	December 4, 2033
121	THE GOOD MEAT FRESH HUB	Filed July 5, 2023	Pending
122	FRESH HUB	Filed July 5, 2023	Pending
123	THE GOOD MEAT SISIG NG BAYAN	Filed October 13, 2023	Pending
124	VIVA LONGGANISA LOGO	Filed October 13, 2023	Pending
125	SISIG NG BAYAN LOGO	Filed October 13, 2023	Pending
126	THE GOOD MEAT SISIG FIESTA LOGO	Filed October 13, 2023	Pending
127	THE GOOD MEAT VIVA LONGGANISA	Filed October 13, 2023	Pending
128	SISIG FIESTA LOGO	Filed October 13, 2023	Pending
129	THE GOOD MEAT FRESH HUB FRESH MEATS AND OTHERS LOGO	Filed October 13, 2023	Pending
130	THE GOOD MEAT CELEBRATION HAM	Filed January 12, 2024	Pending

International Trademarks Application (Madrid Protocol)

Trademarks	Owner	Country of Application
Star Beam Soft Wheat Flour (#1171572) (Class No. 30)	Pilmico Foods Corporation	WIPO, Singapore, Turkey, Vietnam, South Korea
Sun Stream Hard Wheat Flour (#1173340) (Class No. 30)	Pilmico Foods Corporation	WIPO, Singapore, Turkey, Vietnam, South Korea
Star Blaze Soft Wheat Flour (#1173338) (Class No. 30)	Pilmico Foods Corporation	WIPO, Singapore, Turkey, Vietnam, South Korea
Sun Rays Hard Wheat Flour (#1173337) (Class No. 30)	Pilmico Foods Corporation	Singapore, Turkey, Vietnam, South Korea
Luna Cake Flour (#1173339) (Class No. 30)	Pilmico Foods Corporation	WIPO, South Korea, China
Sola All Purpose Flour (#1341959) (Class No. 30)	Pilmico Foods Corporation	WIPO, Singapore, South Korea, China, Turkey
PILMICO word mark (#1392327) (Class Nos. 5, 29, 30, 31, 35, 43, and 45)	Pilmico Foods Corporation	WIPO, USA (Guam), Cambodia, Ghana, Singapore
Aquamax (#1372599) (Class No. 31)	Pilmico Animal Nutrition Corporation	WIPO, Singapore, Ghana
Civic (#1377276) (Class No. 31)	Pilmico Animal Nutrition Corporation	WIPO, Ghana, Cambodia, USA, Singapore
Elite (#1377277) (Class No. 31)	Pilmico Animal Nutrition Corporation	WIPO, Ghana, Singapore
Powermix	Pilmico Animal Nutrition	WIPO, Ghana, USA

(#1372598) (Class No. 31)	Corporation	
Ultimax (#1404587) (Class No. 31)	Pilmico Animal Nutrition Corporation	WIPO, USA, Singapore, Ghana
Salto (Word Mark) (#1407635) (Class No. 31)	Pilmico Animal Nutrition Corporation	WIPO, Ghana, Cambodia, Singapore, USA
Gallimax (Word Mark) (#1372097) (Class No. 31)	Pilmico Animal Nutrition Corporation	WIPO, Ghana, Cambodia, Singapore, USA
ABAQA (#1562844) (Class No. 35)	Pilmico International Pte., Ltd.	WIPO, Brunei, Cambodia, China, Indonesia, Laos, Malaysia, Thailand, Vietnam
Aboitiz FeedAll (word mark) (Classes No. 5, 29, 30, 31, 35, 43, 44)	Pilmico International Pte., Ltd.	WIPOO, Singapore, Brunei, China, Indonesia, Malaysia, Philippines, Thailand, and Vietnam
TOMMY (#1606502) (Class No. 31)	Pilmico International Pte., Ltd.	WIPO, Cambodia, China, Indonesia, Malaysia, Thailand, Vietnam,
Maxime (#1648100) (Class No. 31)	Pilmico International Pte., Ltd.	WIPO, Cambodia, Indonesia, Malaysia, Philippines, Thailand and Vietnam
Woofy (#1647804) (Class No. 31)	Pilmico International Pte., Ltd.	WIPO, Cambodia, Indonesia, Malaysia, Philippines, Thailand and Vietnam
Maxime Smiley (“X”) (Pending) (Class No. 31)	Pilmico International Pte., Ltd.	WIPO, Cambodia, Indonesia, Malaysia, Philippines, Thailand and Vietnam
Woofy Smiley (“W”) (Pending) (Class No. 31)	Pilmico International Pte., Ltd.	WIPO, Cambodia, Indonesia, Malaysia, Thailand and Vietnam
FYTONIX (Classes No. 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	WIPO, China, Indonesia, Malaysia, Philippines, Thailand and Vietnam
BOOSTIX (Classes No. 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	WIPO, China, Indonesia, Malaysia, Philippines, Thailand and Vietnam
VIDALIX (Classes No. 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	WIPO, China, Indonesia, Malaysia, Philippines, Thailand and Vietnam
PROBIX (Classes No. 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	WIPO, China, Indonesia, Malaysia, Philippines, Thailand and Vietnam

The Food Group has other pending trademark applications under the Madrid Protocol for the following countries: China and Ghana.

International Trademarks Application (Non-Madrid Protocol)

Trademarks	Owner	Country of Application
PILMICO (#304120550) (Class Nos. 5, 29, 30, 31, 35, 43, and 44)	Pilmico Foods Corporation	Hong Kong
PILMICO (#180100375) (Class Nos. 5, 29, 30, 31, 35, 43, and 44)	Pilmico Foods Corporation	Thailand
PILMICO (#493122018) (Class Nos. 5, 29, 30, 31, 35, 43, and 44)	Pilmico Foods Corporation	Myanmar
PILMICO (#20170603657, 20170603660 to 20170603662, 20170603665 to 2017060365767)	Pilmico Foods Corporation	Malaysia

(Class Nos. 5, 29, 30, 31, 35, 43, and 44)		
PILMICO (DO020180111108, DO020180111110, DO020180111116, DO020180111119, DO020180111122, DO020180111123) (Class Nos. 29, 30, 31, 35, 43, and 44)	Pilmico Foods Corporation	Indonesia
Gallimax – (#4201632522) (Class Nos. 5, 31, 44)	Pilmico Foods Corporation	Vietnam
Aquamax - (#4201632521) (Class Nos. 5, 31, 44)	Pilmico Foods Corporation	Vietnam
Avemax - (#4201632524) (Class Nos. 5, 31, 44)	Pilmico Foods Corporation	Vietnam
Civic - (#4201632523) (Class Nos. 5, 31, 44)	Pilmico Foods Corporation	Vietnam
Gallimax (DO020180111118) (Class No. 31)	Pilmico Foods Corporation	Indonesia
Ultimax - (DO020180111127) (Class No. 31)	Pilmico Foods Corporation	Indonesia
Avemax - (DO020180111114) (Class No. 31)	Pilmico Foods Corporation	Indonesia
Civic - (DO020180111120) (Class No. 31)	Pilmico Foods Corporation	Indonesia
Star Beam + Lukisan Bintang (DO0213055441) (Class No. 30)	Pilmico Foods Corporation	Indonesia
Star Blaze + Lukisan Bintang (DO0213055439) (Class No. 30)	Pilmico Foods Corporation	Indonesia
Sun Rays + Lukisan Matahari (DO0213055443) (Class No. 30)	Pilmico Foods Corporation	Indonesia
Sun Stream (DO0213055445) (Class No. 30)	Pilmico Foods Corporation	Indonesia
ABAQA (249721) (Class No. 35)	Pilmico International Pte., Ltd.	Sri Lanka
ABAQA (2020/019105) (Class No. 35)	Pilmico International Pte., Ltd.	Myanmar
ABAQA (40202005797X) (Class No. 35)	Pilmico International Pte., Ltd.	Singapore
TOMMY (40202020332T) (Class No. 31)	Pilmico International Pte., Ltd.	Singapore
TOMMY (255080) (Class No. 31)	Pilmico International Pte., Ltd.	Sri Lanka
BETTER NOURISHMENT, BETTER CARE (262874) (Class No. 31)	Pilmico International Pte., Ltd.	Sri Lanka
BETTER NOURISHMENT, BETTER CARE (MM202216403U) (Class No. 31)	Pilmico International Pte., Ltd.	Indonesia
Maxime (262875) (Class No. 31)	Pilmico International Pte., Ltd.	Sri Lanka
Maxime (40202117806S) (Class No. 31)	Pilmico International Pte., Ltd.	Singapore
Maxime Smiley (“X”) (40202117810U) (Class No. 31)	Pilmico International Pte., Ltd.	Singapore
Maxime Smiley (“X”) (262878) (Class No. 31)	Pilmico International Pte., Ltd.	Sri Lanka
Woofy (58068877) (Class No. 31)	Pilmico International Pte., Ltd.	China
Woofy (262876) (Class No. 31)	Pilmico International Pte., Ltd.	Sri Lanka

Woofy (40202117809V) (Class No. 31)	Pilmico International Pte., Ltd.	Singapore
Woofy Smiley ("W") (262877) (Class No. 31)	Pilmico International Pte., Ltd.	Sri Lanka
Woofy Smiley ("W") (40202117808R) (Class No. 31)	Pilmico International Pte., Ltd.	Singapore
Live the Best Life Together (DID2021056098) (Class No. 31)	Pilmico International Pte., Ltd.	Indonesia
Live the Best Life Together (TM20211023504) (Class No. 31)	Pilmico International Pte., Ltd.	Malaysia
Live the Best Life Together (4-2021-33266) (Class No. 31)	Pilmico International Pte., Ltd.	Vietnam
Unleash the Fun Together (DID2021056109) (Class No. 31)	Pilmico International Pte., Ltd.	Indonesia
Unleash the Fun Together (TM2021023506) (Class No. 31)	Pilmico International Pte., Ltd.	Malaysia
Unleash the Fun Together (4-2021-33267) (Class No. 31)	Pilmico International Pte., Ltd.	Vietnam
Nurture Heartwarming Moments (DID2021056124) (Class No. 31)	Pilmico International Pte., Ltd.	Indonesia
Maxime Dog Logo (DID2023038076) (Class No. 31)	Pilmico International Pte., Ltd.	Indonesia
Maxime Cat Logo (DID2023038073) (Class No. 31)	Pilmico International Pte., Ltd.	Indonesia
Woofy Dog Logo (DID2023038070) (Class No. 31)	Pilmico International Pte., Ltd.	Indonesia
Nurture Heartwarming Moments (TM2021023507) (Class No. 31)	Pilmico International Pte., Ltd.	Malaysia
Maxime Dog Logo Series of 4 (TM2023013020) (Class No. 31)	Pilmico International Pte., Ltd.	Malaysia
Maxime Cat Logo Series of 2 (TM2023011968) (Class No. 31)	Pilmico International Pte., Ltd.	Malaysia
Woofy Dog Logo Series of 3 (TM2023011971) (Class No. 31)	Pilmico International Pte., Ltd.	Malaysia
Nurture Heartwarming Moments (4-2021-33268) (Class No. 31)	Pilmico International Pte., Ltd.	Vietnam
Maxime Dog Logo (4-2023-15554) (Class No. 31)	Pilmico International Pte., Ltd.	Vietnam
Maxime Cat Logo (4-2023-15556) (Class No. 31)	Pilmico International Pte., Ltd.	Vietnam
Woofy Logo (4-2023-15557) (Class No. 31)	Pilmico International Pte., Ltd.	Vietnam
"M" Logo (69935735) (Class No. 31)	Pilmico International Pte., Ltd.	China
Maxime (Stylized) (61103103)	Pilmico International Pte., Ltd.	China
Maxime & Better Nourishment, Better Care (61184144) (Class No. 31)	Pilmico International Pte., Ltd.	China
Maxime & Live the Best Life Together (61103106) (Class No. 31)	Pilmico International Pte., Ltd.	China

Maxime & Unleash the Fun Together (61103105) (Class No. 31)	Pilmico International Pte., Ltd.	China
Maxime & Nurture Heartwarming Moments (61103104) (Class No. 31)	Pilmico International Pte., Ltd.	China
Nurture Heartwarming Moments (4-2021-33268) (Class No. 31)	Pilmico International Pte., Ltd.	Vietnam
Gold Coin, WANG EMAS & Chinese Characters Device (42094) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Bangladesh
GOLD COIN FEED & Chinese Characters & Device (234799) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Bangladesh
GOLD COIN FEED & Chinese Characters & Device (234800) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	Bangladesh
GOLD COIN FEED & Device (235197) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Bangladesh
GOLD COIN FEED & Device (235198) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	Bangladesh
GOLD COIN & Device - 8212 (Class No. 21)	Gold Coin Services Singapore Pte. Ltd.	Brunei Darussalam
GOLD COIN & Device - 8210 (Class No. 1)	Gold Coin Services Singapore Pte. Ltd.	Brunei Darussalam
GOLD COIN & Device - 8211 (Class No. 5)	Gold Coin Services Singapore Pte. Ltd.	Brunei Darussalam
GOLD COIN & Device - 8214 (Class No. 31)	Gold Coin Services Singapore Pte. Ltd.	Brunei Darussalam
GOLD COIN & Device - 8213 (Class No. 29)	Gold Coin Services Singapore Pte. Ltd.	Brunei Darussalam
GOLD COIN FEED & Chinese Characters & Device - TM/50672 (Classes Nos. 1, 5, 31)	Gold Coin Services Singapore Pte. Ltd.	Brunei Darussalam
GOLD COIN FEED & Device - TM/50673 (Classes Nos. 1, 5, 31)	Gold Coin Services Singapore Pte. Ltd.	Brunei Darussalam
GOLD COIN FEED & Chinese Characters & Device (KH/T/2019/85358) (Classes Nos. 1, 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	Cambodia
GOLD COIN FEED & Device (KH/T/2019/85360) (Classes Nos. 1, 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	Cambodia
GOLD COIN FEED & Chinese characters & Device (#3021536) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
JIN QIAN BAO in Chinese Character (#3011619) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
GOLD COIN FEED device and Chinese characters (in b/w) (#38091645) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
GOLD COIN FEED device and Chinese characters (in b/w) (#38091646) (Class No. 30)	Gold Coin Management Holdings, Pte. Ltd.	China
GOLD COIN FEED device and Chinese characters (in b/w) (#38091647) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
GOLD COIN FEED & device (in b/w) (#38091648) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
GOLD COIN FEED & device (in b/w) (#38091649)	Gold Coin Management Holdings, Pte. Ltd.	China

(Class No. 30)		
GOLD COIN FEED & device (in b/w) (#38091759) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
Gold Coin, Chinese characters & Device (#300776) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
JIN QIAN HUANG in Chinese Characters (#8080015) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
JIN QIAN in Chinese Character (#3505730) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
GOLD COIN (#3505731) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
JIN QIAN LE in Chinese Characters (#8080016) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
金钱鸽 1 号 (Gold Coin Pigeon 1 in Chinese) (#59963535) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
金钱鸽 2 号 (Gold Coin Pigeon 2 in Chinese) (#59960171) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
金钱鸽 3 号 (Gold Coin Pigeon 3 in Chinese) (#59954804) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
虾中宝 (Shrimp in the Treasure in Chinese) (#59072092) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
虾之大 (Big Shrimp in Chinese) (#59072090) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
鳅博士 (Dr.Loach in Chinese) (#59072089) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
金奶宝 (Gold Milk Treasure in Chinese) (#59072085) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
VIDALIX in Chinese (#61414200) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
VIDALIX in Chinese (#61436683) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
VIDALIX in Chinese (#68560172) (Class No. 1)	Gold Coin Management Holdings, Pte. Ltd.	China
金虾泰 (#63030757) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
虾瑞泰 (#63011788) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
虾聚财 (#63039816) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
虾万金 (#63039829) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
赋益 (#63043896) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
GOLD COIN FEED & device (in b/w) (#69959138)	Gold Coin Management Holdings, Pte. Ltd.	China

(Class No. 3)		
GOLD COIN FEED & device (in b/w) (#69959950) (Class No. 1)	Gold Coin Management Holdings, Pte. Ltd.	China
Zeta in Chinese (#71709963) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
Zeta in Chinese (#71730499) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
FYTONIX in Chinese (#71711925) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
FYTONIX in Chinese (#71708795) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
FYTONIX in Chinese (#71715706) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
FYTONIX in Chinese (#71727659) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
VIDALIX (#69277964) (Class No. 1)	Gold Coin Management Holdings, Pte. Ltd.	China
VIDALIX (#69280815) (Class No. 3)	Gold Coin Management Holdings, Pte. Ltd.	China
VIDALIX (#66243440) (Backup App), 1649245 (Original App) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
DUOLIX in Chinese (#71728546) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
DUOLIX in Chinese (#71730481) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
DUOLIX in Chinese (#71731825) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
DUOLIX in Chinese (#71730491) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
GOLD COIN FEED UTOPIA (#75681151) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
GOLD COIN FEED UTOPIA (#75681160) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
UTOPIA (#73238417) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
UTOPIA (#73238425) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
Utopia: Reach Your Peak Performance (logo in b/w)(#73904821) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	China
Utopia: Reach Your Peak Performance (logo in b/w) (#73903874) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
Gold Coin Feeds Vanca (#76484491) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
Gold Coin Feeds Vinta (#76469356) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	China
Gold Coin, Chinese characters & Device -199601055 (Class No. 31)	Gold Coin Management Holdings Pte. Ltd.	Hong Kong
GOLD COIN FEED & device -304919446 (Classes Nos. 5, 31)	Gold Coin Management Holdings Pte. Ltd.	Hong Kong
GOLD COIN FEED device and Chinese characters -304919437 (Classes Nos. 5, 31)	Gold Coin Management Holdings Pte. Ltd.	Hong Kong

Gold Coin, WANG EMAS & Chinese characters device - 644125 (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	India
GOLD COIN FEED & device & chinese characters - 4175548 (Classes Nos. 5, 30, 31)	Gold Coin Management Holdings, Pte. Ltd.	India
GOLD COIN FEED & device - 4175549 (Classes Nos. 5, 30, 31)	Gold Coin Management Holdings, Pte. Ltd.	India
AYAMAS (#420840) (Class No. 29)	Gold Coin Services Singapore Pte Ltd	Indonesia
GOLD COIN & UANG MAS & DEVICE (#R002010000658) (Class No. 31)	Gold Coin Services Singapore Pte Ltd	Indonesia
GOLD COIN FEED & device (color) (#DID2019028609) (Class No. 29)	Gold Coin Services Singapore Pte Ltd	Indonesia
GOLD COIN FEED & device (color) (#DID2019028615) (Class No. 5)	Gold Coin Services Singapore Pte Ltd	Indonesia
GOLD COIN FEED & device (color) (#DID2019028616) (Class No. 31)	Gold Coin Services Singapore Pte Ltd	Indonesia
GOLD COIN FEED & device & chinese characters (colour) (#DID2019028610) (Class No. 29)	Gold Coin Services Singapore Pte Ltd	Indonesia
GOLD COIN FEED & device & chinese characters (colour) (#DID2019028619) (Class No. 31)	Gold Coin Services Singapore Pte Ltd	Indonesia
GOLD COIN FEED & device & chinese characters (colour) (#DID2019028620) (Class No. 5)	Gold Coin Services Singapore Pte Ltd	Indonesia
GOLD COIN UANG EMAS FEED device (b&w) (#DID2018043241) (Class No. 31)	Gold Coin Services Singapore Pte Ltd	Indonesia
GOLD COIN UANG EMAS FEED device (colour) (#DID2018043326) (Class No. 31)	Gold Coin Services Singapore Pte Ltd	Indonesia
GOLD COIN UANG MAS LOGO (#D00 15101) (Class No. 31)	Gold Coin Services Singapore Pte Ltd	Indonesia
TELOR MAS (#437065) (Class No. 29)	Gold Coin Services Singapore Pte Ltd	Indonesia
POWER SPECTA (#DID2018061784) (Class No. 31)	Gold Coin Services Singapore Pte Ltd	Indonesia
POWER CHAMPION (#DID2018061785) (Class No. 31)	Gold Coin Services Singapore Pte Ltd	Indonesia
POWER HEAL (#DID2018066265) (Class No. 31)	Gold Coin Services Singapore Pte Ltd	Indonesia
Gold Coin Seaweed (#DID2021086237) (Class No. 31)	Gold Coin Management Holdings Pte Ltd	Indonesia
Gold Coin Power Booster (#DID2021086257) (Class No. 31)	Gold Coin Management Holdings Pte Ltd	Indonesia
Gold Coin White Millet (#DID2021086271) (Class No. 31)	Gold Coin Management Holdings Pte Ltd	Indonesia
KUNEMAX (#DID2022062521) (Class No. 31)	Gold Coin Management Holdings Pte Ltd	Indonesia
SALTO (#DID2023007118) (Class No. 31)	Gold Coin Management Holdings Pte Ltd	Indonesia
FORTE (#DID2023010047) (Class No. 31)	Gold Coin Management Holdings Pte Ltd	Indonesia
UTOPIA (#DID2023066287)	Gold Coin Management	Indonesia

(Classes No. 5, 31)	Holdings Pte Ltd	
Utopia: Reach Your Peak Performance (#DID2023075437) (Classes No. 5, 31)	Gold Coin Management Holdings Pte Ltd	Indonesia
Gold Coin, Chinese characters & Device (N/012262) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	Macao
GOLD COIN FEED & device (N/154117) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Macao
GOLD COIN FEED & device (N/154118) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	Macao
GOLD COIN FEED & device & chinese characters (N/154119) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Macao
GOLD COIN FEED & device & chinese characters (N/154120) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	Macao
GOLD COIN & Device (M/066884) (Class No. 1)	Gold Coin Services Singapore Pte. Ltd.	Malaysia
GOLD COIN & Device (M/066886) (Class No. 21)	Gold Coin Services Singapore Pte. Ltd.	Malaysia
GOLD COIN & Device (M/066885) (Class No. 5)	Gold Coin Services Singapore Pte. Ltd.	Malaysia
GOLD COIN & Device (M/066887) (Class No. 29)	Gold Coin Services Singapore Pte. Ltd.	Malaysia
GOLD COIN & Device (M/066888) (Class No. 31)	Gold Coin Services Singapore Pte. Ltd.	Malaysia
GOLD COIN FEED & chinese characters & device (TM2019013270) (Class No. 5)	Gold Coin Services Singapore Pte Limited	Malaysia
GOLD COIN FEED & chinese characters & device (TM2019013273) (Class No. 1)	Gold Coin Services Singapore Pte Limited	Malaysia
GOLD COIN FEED & chinese characters & device (TM2019013274) (Class No. 31)	Gold Coin Services Singapore Pte Limited	Malaysia
GOLD COIN FEED & device (TM2019013282) (Class No. 1)	Gold Coin Services Singapore Pte Limited	Malaysia
GOLD COIN FEED & device (TM2019013265) (Class No. 5)	Gold Coin Services Singapore Pte Limited	Malaysia
GOLD COIN FEED & device (TM2019013269) (Class No. 31)	Gold Coin Services Singapore Pte Limited	Malaysia
Gold Coin, WANG EMAS & Chinese characters Device (87002355) (Class No. 29)	Gold Coin Services Singapore Pte Limited	Malaysia
UTOPIA (#TM2023023783) Classes No. 5, 31)	Gold Coin Management Holdings Pte Ltd	Malaysia
Utopia: Reach Your Peak Performance (#TM2023026741) Classes No. 5, 31)	Gold Coin Management Holdings Pte Ltd	Malaysia
GOLD COIN FEED & Device & Chinese Characters (Colour) (4/20760/2019) (Class Nos. 5 and 31)	Gold Coin Management Holdings, Pte. Ltd.	Myanmar
GOLD COIN FEED & Device (Color)	Gold Coin Management	Myanmar

(4/20759/2019) (Class Nos. 5 and 31)	Holdings, Pte. Ltd.	
GOLD COIN & Device (4/2027/2012,4/1123/2007) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	Myanmar
Gold Coin, WANG EMAS & Chinese characters Device (A52255) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	Papua New Guinea
GOLD COIN & Device (S/018303) (Class No, 31)	Gold Coin Management Holdings, Pte. Ltd.	Sabah
GOLD COIN & Device (S/018302) (Class No. 29)	Gold Coin Management Holdings, Pte. Ltd.	Sabah
GOLD COIN & Device (S/018300) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Sabah
GOLD COIN & Device (S/018301) (Class No. 21)	Gold Coin Management Holdings, Pte. Ltd.	Sabah
GOLD COIN & Device (S/018299) (Class No. 1)	Gold Coin Management Holdings, Pte. Ltd.	Sabah
GOLD COIN & Device (R/017137) (Class No. 1)	Gold Coin Management Holdings, Pte. Ltd.	Sarawak
GOLD COIN & Device (R/017136) (Class No. 21)	Gold Coin Management Holdings, Pte. Ltd.	Sarawak
GOLD COIN & Device (R/017135) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	Sarawak
GOLD COIN & Device (R/013574) (Class No. 29)	Gold Coin Services Singapore Pte Limited	Sarawak
GOLD COIN BRAND WANG EMAS with Chinese Characters device (R/013576) (Class No. 5)	Gold Coin Services Singapore Pte Limited	Sarawak
GOLD COIN & Device (T7462342A) (Class No. 1)	Gold Coin Management Holdings, Pte. Ltd.	Singapore
GOLD COIN & Device (T7462346D) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	Singapore
GOLD COIN & Device (T7462345F) (Class No. 29)	Gold Coin Management Holdings, Pte. Ltd.	Singapore
GOLD COIN & Device (T7462344H) (Class No. 21)	Gold Coin Management Holdings, Pte. Ltd.	Singapore
GOLD COIN & Device (T7462343Z) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Singapore
GOLD COIN BRAND ZUELLIG WANG EMAS with Chinese Characters & device (T9105225I) (Class No. 1)	Gold Coin Management Holdings, Pte. Ltd.	Singapore
GOLD COIN FEED & chinese characters & device (40201910888P) (Classes Nos. 1, 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	Singapore
GOLD COIN FEED & device (40201910897X) (Classes Nos. 1, 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	Singapore
GOLD COIN & Device (39635) (Class No. 31)	Gold Coin Services Singapore Pte Limited	Sri Lanka
GOLD COIN FEED & device (241189) (Class No. 5)	Gold Coin Services Singapore Pte Limited	Sri Lanka
GOLD COIN FEED & device (241176) (Class No.31)	Gold Coin Services Singapore Pte Limited	Sri Lanka
GOLD COIN FEED & device & chinese characters (241193) (Class No.31)	Gold Coin Services Singapore Pte Limited	Sri Lanka
GOLD COIN FEED & device & chinese characters (241190) (Class No. 5)	Gold Coin Services Singapore Pte Limited	Sri Lanka
VIDALIX (262885)	Gold Coin Services Singapore	Sri Lanka

(Class No. 5)	Pte Limited	
VIDALIX (262886) (Class No. 31)	Gold Coin Services Singapore Pte Limited	Sri Lanka
BOOSTIX (262879) (Class No. 5)	Gold Coin Services Singapore Pte Limited	Sri Lanka
BOOSTIX (262880) (Class No. 31)	Gold Coin Services Singapore Pte Limited	Sri Lanka
FYTONIX (262881) (Class No. 5)	Gold Coin Services Singapore Pte Limited	Sri Lanka
FYTONIX (262882) (Class No. 31)	Gold Coin Services Singapore Pte Limited	Sri Lanka
GOLD COIN SPECIALITIES & Thai Characters and Device (Kor87762) (Class No. 31)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
Gold Coin, WANG EMAS & Chinese characters Device (Kor135370) (Class No. 42)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
GOLD COIN FEED & device (211108419) (Class No.5)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
GOLD COIN FEED & device (211108439) (Class No.29)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
GOLD COIN FEED & device (211108441) (Class No.31)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
GOLD COIN FEED device and chinese characters (211108448) (Class No.5)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
GOLD COIN FEED device and chinese characters (211108418) (Class No.29)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
GOLD COIN FEED device and chinese characters (211108421) (Class No.31)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
Zeta ZAD Logo (201100582) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
Zeta TOF Logo (2011005830) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
Zeta TOF Xtra Logo (201102101) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
Zeta L-Tonic Logo (201102102) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
Zeta Plus Logo (201102103) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
Zeta 8 Logo (201100584) (Class No. 5)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
Eco-Fix Plus (#210133544) (Class No. 5)	Klean Greentech Co. Ltd	Thailand
UTOPIA (#230132553) (Class No. 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
Utopia: Reach Your Peak Performance (logo in color) (#230132557) (Class No. 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	Thailand
GOLD COIN FEED & Device (123293) (Class No. 31)	Gold Coin Services Singapore Pte Limited	Vietnam
GOLD COIN FEED LIVESTOCK AQUIACULTURE & Device (123294) (Class No. 31)	Gold Coin Services Singapore Pte Limited	Vietnam
Gold Coin, Chinese characters and Device (5263) (Class Nos. 29, 30, 31)	Gold Coin Services Singapore Pte Limited	Vietnam
Gold Coin, Kim Tien & Device	Gold Coin Services Singapore	Vietnam

(66493) (Class Nos. 29, 31)	Pte Limited	
GOLD COIN FEED device and chinese characters (395639) (Classes Nos. 5, 29, 30, 31)	Gold Coin Services Singapore Pte Limited	Vietnam
GOLD COIN FEED & device (395640) (Classes Nos. 5, 29, 30, 31)	Gold Coin Services Singapore Pte Limited	Vietnam
UTOPIA (#4-2023-34187) (Class No. 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	Vietnam
Utopia: Reach Your Peak Performance (logo in color) (#4-2023-39786) (Class No. 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	Vietnam
Utopia: Reach Your Peak Performance (#4-2023-39787) (Class No. 5, 31)	Gold Coin Management Holdings, Pte. Ltd.	Vietnam

The Food Group has other pending trademark applications to individual countries such as Indonesia, Thailand, Bangladesh, Brunei Darussalam, China, Macau, Malaysia, Singapore, Sri Lanka, and Vietnam.

ANNEX "G-5"

Real Estate Group Patents, Copyrights and Franchises

The Real Estate Group owns, or has pending trademark applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. These are filed or pending at local jurisdictions.

Trademark	Registration Date	Expiration Date
ABOITIZLAND AND DEVICE, with color claim	March 11, 2020	March 11, 2030
ABOITIZLAND	April 15, 2010	April 15, 2030
THE OUTLETS	December 4, 2014	December 4, 2024
THE OUTLETS AND DEVICE, with color claim	February 26, 2015	February 26, 2025
Ajoya word mark	March 9, 2017	March 24, 2027
Ajoya device mark	March 24, 2017	March 24, 2027
Foressa word mark	March 24, 2017	March 24, 2022
Foressa device mark	June 15, 2017	March 24, 2027
Seafront Residences word mark	July 14, 2017	July 14, 2027
Seafront Residences device mark	August 10, 2017	August 10, 2027
The Outlets Logo	July 14, 2017	July 14, 2027
Seafront Villas word mark	July 14, 2017	July 14, 2027
Seafront Villas device mark	August 14, 2017	August 17, 2077
Lima Exchange word mark	December 7, 2017	December 7, 2027
Lima Exchange device mark	October 26, 2017	October 26, 2027
Lima Land word mark	April 12, 2018	April 12, 2028
Lima Land device mark	March 22, 2018	March 22, 2028
Lima Technology Center word mark	June 15, 2018	June 15, 2028
Lima Technology Center device mark	April 12, 2018	April 12, 2028
The Villages at Lipa word mark	October 16, 2018	October 16, 2028
The Villages at Lipa device mark	October 16, 2018	October 16, 2028

ANNEX "G-6"

Infrastructure Group Patents, Copyrights and Franchises

The Infrastructure Group owns, or has pending trademark applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. These are filed Philippine IPO.

	Trademarks	Registration Date	Expiration Date
1	Aboitiz InfraCapital word mark (Class Nos. 35, 36 and 37)	December 29, 2019	December 29, 2029

The Republic Cement Group has registered with the Philippine IPO the following trademarks for its corporate and product brand logos.

RCBM

	Description of the mark	Registration Date
1	PORTLAND DUO	November 24, 2011
2	PORTLAND PLUS	August 9, 2012
3	REPUBLIC LOGO	September 28, 2012
4	FORTUNE LOGO	September 28, 2012
5	RAPIDSET LOGO	September 28, 2012
6	LIGHT MICRO FILLER TECHNOLOGY WORDMARK	May 23, 2013
7	WALLMASTER WORMDARK	September 28, 2012
8	WALLMASTER & DEVICE	September 28, 2012
9	WM LOGO	September 28, 2012
10	TIBAY ENHANCERS	August 21, 2014
11	FORTUNE WORDMARK	October 17, 2013
12	REPUBLIC WORDMARK	October 17, 2013
13	RAPIDSET	September 27, 2013
14	RAPIDSET WORDMARK	August 7, 2014
15	PORTLAND DUO II	March 27, 2014
16	PORTLAND PLUS	June 19, 2014
17	LIGHT MICRO-FILLER TECHNOLOGY	June 12, 2014
18	KAPIT-BALAY WORDMARK	December 25, 2014
19	TIBAY ENHANCERS	September 11, 2014
20	KAPIT BALAY and device	December 25, 2014
21	MASTER OF FINISHING WORDMARK	January 5, 2017
22	CONTINENTAL DEVICE MARK	December 17, 2015
23	UNIVERSAL FALCON WORDMARK	January 19, 2020
24	MAXIPAVE WORDMARK	January 19, 2020
25	DRAGON WORDMARK	January 19, 2020
26	HYDROGUARD WORDMARK	January 19, 2020

27	RAPIDSET PREMIUM	February 10, 2020
28	KAPIT-BALAY MANSORY & DEVICE (BLACK AND WHITE)	February 10, 2020
29	KAPIT-BALAY MANSORY & DEVICE (BLACK AND WHITE)	February 10, 2020
30	WITH IWAS-CRACK ENHANCERS WORDMARK	September 11, 2020
31	BIO LITEWORDMARK	December 18, 2020
32	BIO LITE	December 18, 2020
33	BIO MIX WORDMARK	December 18, 2020
34	BIO MIX	December 18, 2020
35	Lakas at Pulido	September 10, 2021

RCSI

	Description of the mark	Registration Date
1	TAHANAN KO WORDMARK	March 7, 2013
2	TAHANAN KO & DEVICE	March 7, 2013
3	DEVICE MARK	August 22, 2013
4	TIBAY TEST	December 29, 2016
5	FLOW FAST LAB ON WHEELS	December 12, 2019
6	ECOLOOP WORDMARK	January 19, 2021
7	ECOLOOP (BLACK AND WHITE)	January 19, 2021
8	ECOLOOP SYLIZED (IN COLOR)	July 25, 2021

RCMI

	Description of the mark	Registration Date
1	MINDANAO EXCLUSIVELY MANUFACTURED FOR BANGON MARAWI	December 26, 2019
2	M LOGO	October 18, 2012
3	WITH IWAS-CRACK ENHANCERS WORDMARK	September 11, 2020
4	MINDANAO CEMENT	January 1, 2021
5	Mindanao Cement M Logo	February 19, 2021

ANNEX "H"

AboitizPower Certificates of Compliance

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Name	Type	Location	Capacity	Fuel	Economic Life/Term of COC	
COC No. 18-12-M-0030L	Hedcor, Inc.	Irisan 3	Hydroelectric Power Plant	Tadiangan, Tuba, Benguet	1.20 MW	Hydro	November 5, 2018 - November 4, 2023[16]	December 11, 2018
COC No.18-12-M-00334L	Hedcor, Inc.	Bineng 3	Hydroelectric Power Plant	Bineng, La Trinidad, Benguet	5.625 MW	Hydro	November 5, 2018 - November 4, 2023[17]	December 11, 2018
COC No. 18-12-M-00329L	Hedcor, Inc.	Ampohaw	Hydroelectric Power Plant	Banengbeng, Sablan, Benguet	8.00 MW	Hydro	November 5, 2018 - November 4, 2023[18]	December 11, 2018
Provisional Authority to Operate	Hedcor, Inc.	La Trinidad	Hydroelectric Power Plant	La Trinidad, Benguet	20.4 MW	Hydro	October 5, 2022 - October 5, 2023[19]	November 3, 2021
COC No. 18-12-M-00336L	Hedcor, Inc.	Sal-angan	Hydroelectric Power Plant	Ampucao, Itogon, Benguet	2.40 MW	Hydro	November 5, 2018 - November 4, 2023[20]	December 11, 2018
COC No. 17-04-M-00032L	Hedcor, Inc.	Irisan 1	Hydroelectric Power Plant	Brgy. Tadiangan, Tuba, Benguet	3.89 MW	Hydro	April 30, 2017 – April 29, 2022[21]	April 19, 2017
COC No. 20-08-M-00061M	Hedcor, Inc.	Talomo 1	Hydroelectric Power Plant	Brgy. Malagos, Davao City	1 MW	Hydro	February 16, 2020 - February 15, 2025	August 12, 2020
COC No. 20-08-M-00062M	Hedcor, Inc.	Talomo 2	Hydroelectric Power Plant	Brgy. Mintal, Davao City	0.6 MW	Hydro	February 16, 2020 - February 15, 2025	August 12, 2020
COC No. 20-08-M-00063M	Hedcor, Inc.	Talomo 2A	Hydroelectric Power Plant	Brgy. Tugbok, Davao City	0.65 MW	Hydro	February 16, 2020 - February 15, 2025	August 12, 2020
COC No. 20-08-M-00064M	Hedcor, Inc.	Talomo 2B	Hydroelectric Power Plant	Brgy. Tugbok, Davao City	0.3 MW	Hydro	February 16, 2020 - February 15, 2025	August 12, 2020
COC No. 20-08-M-00065M	Hedcor, Inc.	Talomo 3	Hydroelectric Power Plant	Catalunan, Pequeño, Davao City	1.92 MW	Hydro	February 16, 2020 - February 15, 2025	August 12, 2020

[16] For submission of COC Re-filing Application in accordance with ERC Resolution No. 17, Series of 2023, entitled "A Resolution Adopting the 2023 Revised Rules for the Issuance of Certificates of Compliance for Generation Facilities" (the "2023 Revised COC Rules").
[17] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.
[18] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.
[19] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.
[20] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.
[21] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
COC No. 18-12-M-00327L	Hedcor, Inc.	Ferdinand L. Singit Plant (FSL)	Hydroelectric Power Plant	Poblacion, Bakun, Benguet	6.40 MW	Hydro	November 5, 2018 - November 4, 2023[22]	December 11, 2018
COC No. 18-12-M-00335L	Hedcor, Inc.	Lower Labay	Hydroelectric Power Plant	Ampusongan, Bakun, Benguet	2.40 MW	Hydro	November 5, 2018 - November 4, 2023[23]	December 11, 2018
COC No. 18-12-M-00328L	Hedcor, Inc.	Lon-oy	Hydroelectric Power Plant	Poblacion, Bakun, Benguet	3.60 MW	Hydro	November 5, 2018 - November 4, 2023[24]	December 11, 2018
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Sibulan A	Hydroelectric Power Plant	Brgy. Sibulan, Sta. Cruz, Davao del Sur	16.328 MW	Hydro	February 9, 2021 - February 8, 2022[25]	November 4, 2020
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Sibulan B	Hydroelectric Power Plant	Brgy. Sibulan, Sta. Cruz, Davao del Sur	26.256 MW	Hydro	November 23, 2020 - November 22, 2022[26]	November 4, 2020
COC No. 19-03-M-00346M	Hedcor Sibulan, Inc.	Tudaya 1	Hydroelectric Power Plant	Sta. Cruz, Davao del Sur	6.65 MW	Hydro	March 10, 2019- March 9, 2024	March 5, 2019
COC No. 18-06-M-00017L	Luzon Hydro Corporation	Bakun AC	Hydroelectric Power Plant	Amilongan, Alilem, Ilocos Sur	74.80 MW	Hydro	July 30, 2018 – July 29, 2023[27]	June 20, 2018
COC No. 19-03-M-00013M	Hedcor Tudaya, Inc.	Tudaya 2 – Unit 1	Hydroelectric Power Plant	Sta. Cruz, Davao del Sur	5.362 MW	Hydro	April 11, 2019-April 10, 2024	March 5, 2019
		Tudaya 2 – Unit 2			2.775 MW	Hydro		
Provisional Authority to Operate	Hedcor Sabangan, Inc.	Sabangan Hydro	Hydroelectric Power Plant	Brgy. Namatec, Sabangan, Mountain Province	14.139 MW	Hydro	September 29, 2021 - September 28, 2022[28]	September 29, 2021
COC No. 19-06-M-00174M	Hedcor Bukidnon, Inc.	Manolo Fortich 1	Hydroelectric Power Plant	Brgy. Santiago, Manolo Fortich, Bukidnon	45.936 MW	Hydro	June 18, 2019-June 17, 2024	June 18, 2019
COC No. 19-06-M-00175M	Hedcor Bukidnon, Inc.	Manolo Fortich 2	Hydroelectric Power Plant	Brgy. Dalirig, Manolo Fortich, Bukidnon	27.387 MW	Hydro	June 18, 2019-June 17, 2024	June 18, 2019
Provisional Authority to Operate	San Carlos Sun Power Inc.	San Carlos Sun Power Inc	Solar Power Plant	Brgy. Punao, San Carlos City, Negros Occidental	58.981 MWp DC	Solar	July 14, 2021 - July 13, 2022	July 7, 2021

[22] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.
[23] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.
[24] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.
[25] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.
[26] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.
[27] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.
[28] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
COC No. 17-04-M-15911M[29]	Cotabato Light and Power Company, Inc.	N/A	Bunker C-Fired Diesel Engine	CLPC Compound, Sinsuat Ave., Rosary Heights I, Cotabato City	9.927 MW	Diesel / Bunker C	January 10, 2017 - January 9, 2022[30]	April 19, 2017
			Blackstart		10 kW	Diesel		
COC No. 18-03-M-00002V	East Asia Utilities Corporation	N/A	Bunker C/Diesel Fired Power Plant	Barrio Ibo, MEPZ 1, Lapu-Lapu City, Cebu	49.60 MW	Bunker C/ Diesel	June 11, 2018 – June 10, 2023[31]	March 27, 2018
COC No. 18-03-M-00001V	Cebu Private Power Corporation	N/A	Bunker C/Diesel Fired Power Plant	Old Veco Compound, Brgy. Ermita, Carbon, Cebu City	70.59 MW	Bunker C/ Diesel	June 4, 2018 – June 3, 2023	March 27, 2018
COC No. 18-12-M-00020M	Western Mindanao Power Corporation	N/A	Bunker C-Fired Power Plant	Malasugat, Sangali, Zamboanga City	112 MW	Bunker C/Diesel	August 27, 2018 – August 26, 2023	December 4, 2018
		N/A	Blackstart		160 kW	Diesel		
COC No. 18-12-M-00021M	Southern Philippines Power Corporation	N/A	Bunker C-Fired Diesel Power Plant	Brgy. Baluntay, Alabel, Sarangani Province	61.72 MW	Bunker C/ Diesel	August 27, 2018 – August 26, 2023	December 4, 2018
			Blackstart		160 kW	Diesel		
Provisional Authority to Operate	SN Aboitiz Power – Magat, Inc. (Magat Hydroelectric Power Plant)	Magat Hydroelectric Power Plant – Unit 1	Hydroelectric Power Plant	Ramon, Isabela and A. Lista, Ifugao	90 MW	Hydro	November 29, 2021 - November 28, 2022[32]	November 18, 2020
		Magat Hydroelectric Power Plant – Unit 2			90 MW			
		Magat Hydroelectric Power Plant – Unit 3			90 MW			
		Magat Hydroelectric Power Plant – Unit 4			90 MW			
		Blackstart Diesel Generator Set	Blackstart		344 kW	Diesel	25 years	
COC No. 18-04-M-00150L	SN Aboitiz Power – Magat, Inc.	Maris Main Canal I Hydroelectric Power Plant	Hydroelectric Power Plant	Brgy. Ambatali, Ramon, Isabela	8.50 MW	Hydro	April 4, 2018 – April 3, 2023[33]	April 4, 2018
Provisional Authority to Operate[34]	SN Aboitiz Power – Benguet, Inc.	Binga Hydroelectric Power Plant – Unit 1	Hydroelectric Power Plant	Brgy. Tinongdan, Itogon, Benguet	35.02 MW	Hydro	March 12, 2022 - March 11, 2023	March 2, 2022
		Binga Hydroelectric Power Plant –	Hydroelectric Power Plant		35.02 MW			

[29] Cotabato Light's 9.927 MW Diesel Plant and 10 MW Blackstart Diesel Generator's COC is valid until January 9, 2022. ERC issued a certification dated January 12, 2023 stating that the COC/PAO is currently being evaluated.
[30] The Company's PAO has been filed and is currently being evaluated by the ERC.
[31] For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.
[32] Validity of the PAO is extended until November 28, 2024
[33] Validity of the PAO is extended until April 3, 2024
[34] SNAboitiz Power – Benguet's Ambuklao Hydroelectric Power Plant Units 1 to 3, Auxillary Generator Set, and Blackstart Generator Set's COC are valid until August 30, 2022. ERC issued a certification dated October 20, 2022 stating that the COC/PAO is currently being evaluated.

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
		Unit 2						
		Binga Hydroelectric Power Plant – Unit 3	Hydroelectric Power Plant		35.02 MW			
		Binga Hydroelectric Power Plant – Unit 4	Hydroelectric Power Plant		35.02 MW			
		Binga Hydroelectric Power Plant	Blackstart Generator Set		320 KW	Diesel		
		Binga Hydroelectric Power Plant	Diesel Auxiliary Generator Set		330.40 KW	Diesel		
Provisional Authority to Operate	SN Aboitiz Power – Benguet, Inc.	Ambuklao Hydroelectric Power Plant – Unit 1	Hydroelectric Power Plant	Brgy. Ambuklao, Bokod, Benguet	34.85 MW	Hydro	August 31, 2021 - August 30, 2022[35]	September 1, 2021
		Ambuklao Hydroelectric Power Plant – Unit 2			34.85 MW			
		Ambuklao Hydroelectric Power Plant – Unit 3			34.85 MW			
		Ambuklao Hydroelectric Power Plant	Auxiliary Generator Set		320 KW	Diesel		
		Ambuklao Hydroelectric Power Plant	Blackstart Generator Set		314 KW	Diesel		
Provisional Authority to Operate	SN Aboitiz Power – Magat, Inc.	Magat Battery Energy Storage System	Battery Energy Storage System	General Aguinaldo, Ramon, Isabela	32.425 / 32.428 Aggregated Rated Capacity (MWDC/ MWh)		December 19, 2023 – December 18, 2024	December 19, 2023
COC No. 21-11-M-00016M	STEAG State Power, Inc.	N/A	Coal Fired Power Plant	Phividec Industrial Estate, Balacanas, Villanueva, Misamis Oriental	232 MW	Coal	August 30, 2021 – August 29, 2026	November 13, 2021
COC No. 22-12-S-04892M	STEAG State Power, Inc.	N/A	Emergency Generating Set	Phividec Industrial Estate, Balacanas, Villanueva, Misamis Oriental	1.25 MW	Diesel	December 22, 2022 – December 22, 2027	December 23, 2022
COC No. 19-09-S-00013M	STEAG State Power, Inc.	N/A	Diesel Engine	Phividec Industrial Estate, Balacanas, Villanueva, Misamis Oriental	400 kW	Diesel	September 5, 2019 - September 4, 2024	September 5, 2019

[35] Validity of the PAO is extended up to August 30, 2024

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Bay, Plant A, Unit 1	Geothermal Power Plant	Brgy. Bitin, Bay, Laguna	63.2 MW	Geo-thermal Steam	November 30, 2022 – November 30, 2024	December 18, 2023
		Makban – Bay, Plant A, Unit 2			63.2 MW			
		Makban – Bay, Plant D, Unit 7			20.0 MW			
		Makban – Bay, Plant D, Unit 8			20.0 MW			
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Calauan, Plant B, Unit 3	Geothermal Power Plant	Brgy. Limao, Calauan, Laguna	63.2 MW	Geo-thermal Steam	November 30, 2022 – November 30, 2024	December 18, 2023
		Makban – Calauan, Plant B, Unit 4			63.2 MW			
		Makban – Calauan, Plant C, Unit 5			55.0 MW			
		Makban – Calauan, Plant C, Unit 6			55.0 MW			
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Sto. Tomas, Plant E, Unit 9	Geothermal Power Plant	Brgy. Sta. Elena, Sto. Tomas, Batangas	20.0 MW	Geo-thermal Steam	November 30, 2022 – November 30, 2024	December 18, 2023
		Makban – Sto. Tomas, Plant E, Unit 10			20.0 MW			
Provisional Authority to Operate	AP Renewables, Inc.	Tiwi Plant A, Unit 1	Geothermal Power Plant	Brgy. Naga, Tiwi, Albay	60 MW	Geo-thermal Steam	November 30, 2022 – November 30, 2024	December 18, 2023
		Tiwi Plant A, Unit 2			60 MW			
Provisional Authority to Operate	AP Renewables, Inc.	Tiwi Plant C, Unit 5	Geothermal Power Plant	Brgy. Cale, Tiwi, Albay	57 MW	Geo-thermal Steam	November 30, 2022 – November 30, 2024	December 18, 2023
		Tiwi Plant C, Unit 6			57 MW			
Provisional Authority to Operate	AP Renewables, Inc.	MakBan Binary 1	Geothermal Power Plant	Brgy. Sta. Elena, Sto. Tomas, Batangas	7.0 MW	Brine	November 30, 2022 – November 30, 2024	December 18, 2023
Provisional Authority to Operate	Therma Marine, Inc.	Mobile 1	Diesel Power Plant	Brgy. San Roque, Maco, Davao de Oro	100.33 MW	Diesel	April 19, 2023 – April 18, 2024	December 1, 2023
			Blackstart		1.68 MW	Diesel		
Provisional Authority to Operate	Therma Marine, Inc.	M1 - BESS	Auxilliary Battery Energy Storage System	Brgy. San Roque, Maco, Davao de Oro	31.547 MW	BESS	August 23, 2022 – August 22, 2024	December 1, 2023

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
Provisional Authority to Operate	Therma Marine, Inc.	Mobile 2	Diesel Power Plant	Brgy. Sta. Ana, Nasipit, Agusan del Norte	100.33 MW	Diesel	April 6, 2021 – April 5, 2024	December 1, 2023
			Blackstart		1.68 MW	Diesel		
Provisional Authority to Operate	Therma Mobile, Inc.	Barge 1/ Mobile 3	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd. Navotas City,	66 MW	Bunker C/ Diesel	July 9, 2022 - July 8, 2024	December 18, 2023
COC No. 17-07-M-00306L	Therma Mobile, Inc.	Barge 2/ Mobile 4	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	56 MW	Bunker C/ Diesel	July 9, 2022 - July 8, 2024	December 18, 2023
COC No. 17-07-M-00307L	Therma Mobile, Inc.	Barge 3/ Mobile 5	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	57 MW	Bunker C/ Diesel	July 9, 2022 - July 8, 2024	December 18, 2023
COC No. 17-07-M-00308L	Therma Mobile, Inc.	Barge 4/ Mobile 6	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	52 MW	Bunker C/ Diesel	July 9, 2022 - July 8, 2024	December 18, 2023
Provisional Authority to Operate	Therma Power-Visayas, Inc.	Naga Oil-Fired Power Plant (NOPP) and Blackstart Diesel Engine Generating Unit	Oil-Fired Power Plant and Blackstart	Brgy. Colon, Naga City, Cebu	44.58 MW	Bunker C and Diesel	December 19, 2023 – December 18, 2024	January 9, 2024
					440 kW			
Provisional Authority to Operate	Therma South, Inc.	Unit 1	Coal Fired Power Plant	Brgy. Binugao, Toril District, Davao City	150.025 MW	Coal	January 5, 2024 – January 4, 2025	January 24, 2024
		Unit 2			150.025 MW	Coal		
COC No. 19-06-M-00176V	Therma Visayas, Inc.	Therma Visayas Circulating Fluidized Bed Coal-Fired Power Plant	Circulating Fluidized Bed Coal-Fired Power Plant	Brgy. Bato, Toledo City, Cebu	353.94 MW	Coal	April 15, 2019 - April 14, 2024	June 26, 2019
COC No. 19-07-M-00040L	TeaM Energy Corporation *(Administrator: Therma Luzon, Inc.)*	Pagbilao Coal Fired Power Plant	Coal Fired Thermal Power Plant	Isla Grande, Ibabang Polo, Pagbilao, Quezon	751.4 MW	Coal	July 20, 2019 - July 19, 2024	July 9, 2019
			Black Start		800 kW	Diesel		
COC No. 18-02-M-00145L	Pagbilao Energy Corporation	Pagbilao Unit 3 Coal Fired Thermal Power Plant	Coal Fired Thermal Power Plant	Isla Grande, Ibabang Polo, Pagbilao, Quezon	420 MW	Coal	February 20, 2018 – February 19, 2023[36]	February 20, 2018
			Blackstart		1.04 MW	Diesel		

[36] On December 21, 2023, PEC has re-filed its application for the renewal of its COC with the ERC under the 2023 Revised COC Rules.

Title of Document	Issued under the Name of	Power Plant						Date of Issuance
COC No. 17-11-M-00282L	GNPower Mariveles Coal Plant Ltd. Co.	Unit 1	Coal Fired Power Plant	Brgy. Alas-asin, Mariveles, Bataan	325.8 MW	Coal	December 3, 2017 – December 2, 2022[37]	November 21, 2017
		Unit 2			325.8 MW			
		N/A	Blackstart		1.68 MW	Diesel		
COC No. 21-12-M-00203L	GNPower Dinginin Ltd. Co.	Unit 1	Supercritical Coal-Fired Power Plant	Coastal Area, Sitio Dinginin, Brgy. Alas-asin, Mariveles, Bataan	724.965 MW	Coal	December 2, 2021 - December 1, 2026	December 2, 2021
COC No. 21-04-S-04285L		N/A	Diesel	Sitio Dinginin, Brgy. Alas-asin, Mariveles, Bataan	2.400 MW	Diesel	Apri 30, 2021 to April 29, 2026	April 30, 2021

[37] GMEC's renewal of its COC is ongoing, and is given by the ERC up to October 3, 2024 to complete its renewal under the 2023 Revised COC Rules.

aboitiz
Equity Ventures

SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Aboitiz Equity Ventures, Inc.** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2023** and **2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

[redacted]
ENRIQUE M. ABOITIZ JR.
Chairman of the Board

[redacted]
SABIN M. ABOITIZ
President & Chief Executive Officer

[redacted]
JOSE EMMANUEL U. HILADO
Senior Vice President - Chief Financial Officer

Signed this **5th day** of **March, 2024.**

aboitiz
Equity Ventures

Republic of the Philippines)
MAKATI CITY
Taguig City) S.S.

Before me, a notary public in and for the city named above, personally appeared:

Name	Passport/CTC	Date/Place Issued
Enrique M. Aboitiz Jr.	[redacted]	
Sabin M. Aboitiz	[redacted]	
Jose Emmanuel U. Hilado	[redacted]	

who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this _____ day of MAR 19 2024 **2024.**

Doc. No. 198;
Page No. 101;
Book No. 21;
Series of **2024.**

ATTY. JOEL FERRER FLORES
Notary Public for Makati City
Until December 31, 2024
Appointment No. M-115(2023-2024)
Roll of Attorney No. 77376
MCLE Compliance VIII NO. 0001393-
Jan. 03, 2023 Until Apr. 14, 2028
PTR No.10073945/ Jan.02.2024/Makati City
IBP No.330740/ Jan.02.2024/Pasig City
1107 D Bataan St., Guadalupe Nuevo, Makati City

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	E	0	2	5	3	6				

COMPANY NAME

A	B	O	I	T	I	Z		E	Q	U	I	T	Y		V	E	N	T	U	R	E	S	,		I	N	C	.	
A	N	D		S	U	B	S	I	D	I	A	R	I	E	S															

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

3	2	n	d		S	t	r	e	e	t	,		B	o	n	i	f	a	c	i	o		G	l	o	b	a	l	
C	i	t	y	,		T	a	g	u	i	g		C	i	t	y	,		M	e	t	r	o		M	a	n	i	l	
a	,		P	h	i	l	i	p	p	i	n	e	s																	

Form Type	Department requiring the report	Secondary License Type, If Applicable
A C F S	C R M D	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
AEV_BoardSecretariat@aboitiz.com	(2) 8886-2800	None

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
8241	April 22	December 31

CONTACT PERSON INFORMATION

The designated contact person *MUST* be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Timothy Joseph P. Abay	timothy.abay@aboitiz.com	(02) 8886-2496	Not available

CONTACT PERSON's ADDRESS

c/o Aboitiz Equity Ventures, Inc., 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Aboitiz Equity Ventures, Inc.
32nd Street, Bonifacio Global City,
Taguig City, Metro Manila
Philippines

Opinion

We have audited the consolidated financial statements of Aboitiz Equity Ventures, Inc. and its subsidiaries (the Group), which comprise the consolidated balance sheets as at December 31, 2023 and 2022 and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Goodwill

Under PFRSs, the Group is required to annually test the amount of goodwill for impairment. As of December 31, 2023, the goodwill attributable to the cash-generating units (CGUs) of GNPower Mariveles Energy amounted to Center Ltd. Co. and Gold Coin Management Holdings Pte. Ltd. amounted to ₱57.9 billion or 7% of total consolidated assets, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to estimation uncertainty, specifically discount and growth rates, revenue assumptions, and material price inflation.

The Group's disclosures about goodwill are included in Note 14 to the consolidated financial statements.

Audit Response
We involved our internal specialist in assessing the methodologies and assumptions used. We compared the key assumptions used, such as growth rate and revenue assumptions against the historical performance of the CGUs, industry outlook and other relevant external data. We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill.

Revenue Recognition of Distribution Utilities

The distribution utilities' revenue from the sale of electricity amounting to ₱53.4 billion accounts for 17% of the Group's consolidated revenues and is material to the Group. This matter is significant to the audit because the revenue recognized depends on the electric consumption captured, the rates applied across different customers, and the systems involved in the billing process. Electric consumption captured is based on the meter readings taken on various dates for the different types of customers (i.e., industrial, commercial, and residential customers) within the franchise areas of operations of the distribution utilities.

The Group's disclosures related to this matter are provided in Notes 2 and 26 to the consolidated financial statements.

Audit Response
We obtained an understanding and evaluated the design and tested the controls over the billing and revenue process which includes the capture and accumulation of meter data in the billing system and calculation of billed amounts, and uploading of billed amounts from the billing system to the financial

reporting system. We performed a test calculation of the rates using the Energy Regulatory Commission-approved rates and formulae, then compared them with the rates used in billing statements.

Accounting for Investment in an Associate

The Group has an investment in Union Bank of the Philippines (UBP), which is a universal bank that is publicly listed in the Philippine Stock Exchange and accounted for under the equity method. For the year ended December 31, 2023, the Group's share in the net income of UBP amounted to ₱4.5 billion and accounts for 10% of the Group's consolidated net income. The Group's share in UBP's net income is significantly affected by the level of provisioning of its loans and receivables applying the expected credit loss (ECL) model. This matter is significant to our audit because the application of the ECL model requires significant management judgment and estimates.

The Group's disclosures on investments in associates are in Notes 2 and 10 to the consolidated financial statements.

Audit Response
We obtained the financial information of UBP for the year ended December 31, 2023 and recomputed the Group's share in net income of UBP and assessed the disclosures of the investment in associate in the consolidated financial statements.

We obtained an understanding of the methodologies and models used for UBP's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, and to consider the time value of money and the best available forward-looking information. We also inspected and considered the results of the model validation on the risk rating performed by management's specialist.

We (a) assessed UBP's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place; (c) tested UBP's application of internal credit risk rating system, by reviewing the ratings of sample credit exposures; (d) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of credit enhancements provided by any party; (e) tested exposure at default considering outstanding commitments and repayment scheme; (f) checked the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of UBP's lending portfolios and broader industry knowledge; and (g) tested the effective interest rate used in discounting the ECL.

Further, we checked the data used in the ECL models by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.

We recalculated impairment provisions on a sample basis. We involved our internal specialists in the performance of the above procedures.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jhoanna Feliza C. Go.

SYCIP GORRES VELAYO & CO.

Jhoanna Feliza C. Go
Partner
CPA Certificate No. 0114122
Tax Identification No. 219-674-288
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-103-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10079942, January 5, 2024, Makati City

March 5, 2024

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts in Thousands)

	December 31, 2023	December 31, 2022 (As Restated - Note 2)	January 1, 2022 As Restated - Note 2)
ASSETS			
Current Assets			
Cash and cash equivalents (Note 4)	**₱112,293,582**	₱101,526,260	₱147,534,035
Trade and other receivables (Note 5)	**58,202,031**	61,319,148	48,020,420
Inventories (Note 6)	**45,569,654**	46,161,542	31,992,459
Derivative asset (Note 37)	**355,510**	2,669,218	1,383,903
Other current assets (Notes 7 and 8)	**37,963,070**	46,282,770	25,418,264
Total Current Assets	**254,383,847**	257,958,938	254,349,081
Noncurrent Assets			
Property, plant and equipment (Notes 13 and 19)	**229,700,594**	224,711,720	220,018,207
Investments and advances (Note 10)	**224,141,125**	195,855,745	154,815,613
Intangible assets (Note 14)	**81,887,996**	78,375,252	74,338,411
Investment properties (Notes 15 and 31)	**14,077,502**	14,423,957	12,227,553
Deferred income tax assets - net (Note 32)	**1,830,300**	1,519,532	1,742,644
Trade receivables - net of current portion (Note 5)	**377,214**	329,538	366,651
Derivative asset - net of current portion (Note 37)	**—**	395,644	75,718
Net pension assets (Note 30)	**262,814**	487,129	293,168
Other noncurrent assets (Notes 8 and 16)	**27,213,267**	33,720,624	15,145,672
Total Noncurrent Assets	**579,490,812**	549,819,141	479,023,637
TOTAL ASSETS	**₱833,874,659**	₱807,778,079	₱733,372,718
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables (Notes 17, 35 and 40)	**₱56,145,901**	₱59,347,137	₱45,779,404
Bank loans (Note 18)	**41,040,449**	45,367,586	35,415,424
Current portions of:			
Long-term debts (Note 19)	**15,218,412**	17,926,663	18,608,778
Long-term obligation on Power Distribution System (PDS) (Note 14)	**40,000**	40,000	40,000
Lease liabilities (Notes 13 and 22)	**245,762**	9,420,133	8,291,721
Derivative liability (Note 37)	**506,335**	330,809	1,180,048
Income tax payable	**724,243**	555,580	382,223
Total Current Liabilities	**113,921,102**	132,987,908	109,697,598

(Forward)

	December 31, 2023	December 31, 2022 (As Restated - Note 2)	January 1, 2022 As Restated - Note 2)
Noncurrent Liabilities			
Noncurrent portions of:			
Long-term debts (Note 19)	**₱316,356,779**	₱285,612,355	₱253,069,865
Lease liabilities (Notes 22)	**3,101,890**	18,440,790	25,964,507
Trade payables (Notes 17 and 35)	**1,185,415**	1,107,359	982,617
Long-term obligation on PDS (Note 14)	**82,730**	105,390	125,532
Customers' deposits (Note 20)	**9,112,905**	8,314,885	7,374,767
Decommissioning liability (Note 21)	**7,363,729**	5,654,234	5,686,224
Deferred income tax liabilities - net (Note 32)	**6,234,460**	4,310,881	2,533,306
Net pension liability (Note 30)	**1,169,205**	756,404	493,293
Derivative liability - net of current portion (Note 37)	**—**	330,592	174,664
Total Noncurrent Liabilities	**344,607,113**	324,632,890	296,404,775
Total Liabilities	**458,528,215**	457,620,798	406,102,373
Equity Attributable to Equity Holders of the Parent			
Capital stock (Note 23)	**5,694,600**	5,694,600	5,694,600
Additional paid-in capital (Note 23)	**13,013,197**	13,013,197	13,013,197
Equity reserve (Notes 2, 9 and 10)	**29,423,103**	29,491,200	29,491,200
Accumulated other comprehensive income (Note 25)	**(2,306,957)**	(4,424,925)	(235,375)
Retained earnings (Notes 10 and 24)			
Appropriated	**88,800,000**	79,800,000	9,200,000
Unappropriated	**138,476,219**	132,206,361	187,906,486
Treasury stock at cost (Note 23)	**(1,145,431)**	(647,672)	(647,672)
	271,954,731	255,132,761	244,422,436
Non-controlling Interests	**103,391,713**	95,024,520	82,847,909
Total Equity	**375,346,444**	350,157,281	327,270,345
TOTAL LIABILITIES AND EQUITY	**₱833,874,659**	₱807,778,079	₱733,372,718

See accompanying Notes to Consolidated Financial Statements.

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings Per Share Amounts)

	Years Ended December 31		
	2023	2022 (As Restated - Note 2)	2021 (As Restated - Note 2)
REVENUES			
Sale of:			
Power (Note 26)	**₱205,818,244**	₱193,625,879	₱134,043,812
Goods	**91,737,828**	103,562,218	83,065,597
Real estate (Notes 15 and 26)	**9,476,487**	7,442,270	5,234,842
Service fees (Note 40)	**1,379,309**	1,373,478	716,387
Sale of swine at fair value (Note 8)	**585,893**	532,453	578,149
Others (Notes 16 and 35)	**1,621,328**	325,075	290,632
	310,619,089	306,861,373	223,929,419
COSTS AND EXPENSES			
Cost of generated and purchased power (Notes 27, 28, 35 and 40)	**135,433,770**	129,998,462	74,996,207
Cost of goods sold (Notes 6 and 28)	**81,329,202**	93,365,449	73,589,095
Operating expenses (Notes 28, 35, 38 and 39)	**50,806,725**	44,344,870	39,896,091
Cost of real estate sales (Note 6)	**5,004,708**	4,057,279	2,346,942
	272,574,405	271,766,060	190,828,335
OPERATING PROFIT	**38,044,684**	35,095,313	33,101,084
Share in net earnings of associates and joint ventures (Note 10)	**23,637,125**	20,781,865	17,245,643
Interest income (Notes 4, 7, 35 and 36)	**4,301,426**	1,867,224	530,851
Interest expense (Notes 22 and 36)	**(20,528,967)**	(17,856,684)	(17,042,156)
Other income (expense) - net (Notes 5, 31 and 35)	**6,060,374**	4,138,884	3,142,294
INCOME BEFORE INCOME TAX	**51,514,642**	44,026,602	36,977,716
PROVISION FOR INCOME TAX (Note 32)	**8,593,435**	5,366,748	4,561,177
NET INCOME	**₱42,921,207**	₱38,659,854	₱32,416,539
ATTRIBUTABLE TO:			
Equity holders of the parent	**₱23,546,289**	₱24,020,840	₱26,083,441
Non-controlling interests	**19,374,918**	14,639,014	6,333,098
	₱42,921,207	₱38,659,854	₱32,416,539
EARNINGS PER SHARE (Note 33)			
Basic and diluted, for net income for the year attributable to equity holders of the parent	**₱4.19**	₱4.27	₱4.63

See accompanying Notes to Consolidated Financial Statements.

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2023	2022 (As Restated – Note 2)	2021 (As Restated – Note 2)
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the parent	**₱23,546,289**	₱24,020,840	₱26,083,441
Non-controlling interests	**19,374,918**	14,639,014	6,333,098
	42,921,207	38,659,854	32,416,539
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified to consolidated statements of income:			
Movement in cumulative translation adjustments	**474,598**	1,357,951	2,534,198
Movement in cash flow hedges, net of tax	**(3,523,081)**	1,807,349	2,416,469
Share in movement in cumulative translation adjustments of associates and joint ventures (Note 10)	**(523,502)**	910,902	809,328
Share in movement in net unrealized mark-to-market gains (losses) on FVOCI investments of associates (Note 10)	**5,920,629**	(6,299,539)	(734,752)
Revaluation surplus, net of tax (Note 13)	**—**	642,672	—
Movement in net unrealized mark-to-market gains (losses) on FVOCI investments (Note 25)	**95,640**	(31,263)	(3,127)
	2,444,284	(1,611,928)	5,022,116
Items that will not be reclassified to consolidated statements of income:			
Share in movement in actuarial gains (losses) on defined benefit plans of associate and joint ventures, net of tax (Note 10)	**(227,641)**	250,113	235,055
Movement in actuarial gains (losses) on defined benefit plans, net of tax (Note 30)	**(436,800)**	266,598	333,096
	(664,441)	516,711	568,151
TOTAL COMPREHENSIVE INCOME	**₱44,701,050**	₱37,564,637	₱38,006,806
ATTRIBUTABLE TO:			
Equity holders of the parent	**₱25,664,257**	₱19,831,290	₱30,295,550
Non-controlling interests	**19,036,793**	17,733,347	7,711,256
	₱44,701,050	₱37,564,637	₱38,006,806

See accompanying Notes to Consolidated Financial Statements.

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

(Amounts in Thousands, Except Dividends Per Share Amounts)

	Attributable to equity holders of the parent									
					Retained Earnings					
	Capital Stock: Common (Note 23)	Additional Paid-in Capital (Note 23)	Equity Reserve (Notes 2 and 9)	Accumulated Other Comprehensive Income (Notes 10 and 25)	Appropriated (Note 24)	Unappropriated (Note 24)	Treasury Stock (Note 23)	Total	Non-controlling Interest	Total
Balances at January 1, 2023, as previously reported	**₱5,694,600**	**₱13,013,197**	**₱29,491,200**	**(₱4,424,925)**	**₱79,800,000**	**₱133,269,226**	**(₱647,672)**	**₱256,195,626**	**₱96,007,011**	**₱352,202,637**
Effects of adoption of PAS 12 (Note 2)	**—**	**—**	**—**	**—**	**—**	**(1,062,865)**	**—**	**(1,062,865)**	**(982,491)**	**(2,045,356)**
Balances at January 1, 2023, as restated	**5,694,600**	**13,013,197**	**29,491,200**	**(4,424,925)**	**79,800,000**	**132,206,361**	**(647,672)**	**255,132,761**	**95,024,520**	**350,157,281**
Net income for the year	**—**	**—**	**—**	**—**	**—**	**23,546,289**	**—**	**23,546,289**	**19,374,918**	**42,921,207**
Other comprehensive income (loss)	**—**	**—**	**—**	**2,117,968**	**—**	**—**	**—**	**2,117,968**	**(338,125)**	**1,779,843**
Total comprehensive income for the year	**—**	**—**	**—**	**2,117,968**	**—**	**23,546,289**	**—**	**25,664,257**	**19,036,793**	**44,701,050**
Cash dividends - ₱1.47 per share (Note 24)	**—**	**—**	**—**	**—**	**—**	**(8,276,431)**	**—**	**(8,276,431)**	**—**	**(8,276,431)**
Acquisition of treasury shares (Note 23)	**—**	**—**	**—**	**—**	**—**	**—**	**(497,759)**	**(497,759)**	**—**	**(497,759)**
Appropriation during the year - net (Note 24)	**—**	**—**	**—**	**—**	**9,000,000**	**(9,000,000)**	**—**	**—**	**—**	**—**
Cash dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(13,065,431)**	**(13,065,431)**
Acquisition of non-controlling interests	**—**	**—**	**(68,097)**	**—**	**—**	**—**	**—**	**(68,097)**	**—**	**(68,097)**
Changes in non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**2,395,831**	**2,395,831**
Balances at December 31, 2023	**₱5,694,600**	**₱13,013,197**	**₱29,423,103**	**(₱2,306,957)**	**₱88,800,000**	**₱138,476,219**	**(₱1,145,431)**	**₱271,954,731**	**₱103,391,713**	**₱375,346,444**
Balances at January 1, 2022, as previously reported	₱5,694,600	₱13,013,197	₱29,491,200	(₱235,375)	₱9,200,000	₱188,162,793	(₱647,672)	₱244,678,743	₱83,088,015	₱327,766,758
Effects of adoption of PAS 12 (Note 2)	—	—	—	—	—	(256,307)	—	(256,307)	(240,106)	(496,413)
Balances at January 1, 2022, as restated	5,694,600	13,013,197	29,491,200	(235,375)	9,200,000	187,906,486	(647,672)	244,422,436	82,847,909	327,270,345
Net income for the year, as restated	—	—	—	—	—	24,020,840	—	24,020,840	14,639,014	38,659,854
Other comprehensive income (loss)	—	—	—	(4,189,550)	—	—	—	(4,189,550)	3,094,333	(1,095,217)
Total comprehensive income (loss) for the year	—	—	—	(4,189,550)	—	24,020,840	—	19,831,290	17,733,347	37,564,637
Cash dividends - ₱1.62 per share (Note 24)	—	—	—	—	—	(9,120,965)	—	(9,120,965)	—	(9,120,965)
Appropriation during the year (Note 24)	—	—	—	—	70,600,000	(70,600,000)	—	—	—	—
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	(6,128,351)	(6,128,351)
Changes in non-controlling interests	—	—	—	—	—	—	—	—	571,615	571,615
Balances at December 31, 2022	₱5,694,600	₱13,013,197	₱29,491,200	(₱4,424,925)	₱79,800,000	₱132,206,361	(₱647,672)	₱255,132,761	₱95,024,520	₱350,157,281
Balances at January 1, 2021, as previously reported	₱5,694,600	₱13,013,197	(₱6,215,026)	(₱3,959,403)	₱9,200,000	₱165,976,675	(₱647,672)	₱183,062,371	₱40,537,628	₱223,599,999

	Attributable to equity holders of the parent									
					Retained Earnings					
	Capital Stock: Common (Note 23)	Additional Paid-in Capital (Note 23)	Equity Reserve (Notes 2 and 9)	Accumulated Other Comprehensive Income (Notes 10 and 25)	Appropriated (Note 24)	Unappropriated (Note 24)	Treasury Stock (Note 23)	Total	Non-controlling Interest	Total
Effects of adoption of PAS 12 (Note 2)	—	—	—	—	—	969,875	—	969,875	286,636	1,256,511
Balances at January 1, 2021, as restated	5,694,600	13,013,197	(6,215,026)	(3,959,403)	9,200,000	166,946,550	(647,672)	184,032,246	40,824,264	224,856,510
Net income for the year, as restated	—	—	—	—	—	26,083,441	—	26,083,441	6,333,098	32,416,539
Other comprehensive income	—	—	—	4,212,109	—	—	—	4,212,109	1,378,158	5,590,267
Total comprehensive income for the year	—	—	—	4,212,109	—	26,083,441	—	30,295,550	7,711,256	38,006,806
Cash dividends - ₱0.91 per share (Note 24)	—	—	—	—	—	(5,123,505)	—	(5,123,505)	—	(5,123,505)
Sale of non-controlling interest	—	—	35,498,196	(488,081)	—	—	—	35,010,115	36,987,711	71,997,826
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	(1,624,383)	(1,624,383)
Acquisition of non-controlling interests	—	—	208,030	—	—	—	—	208,030	(1,105,703)	(897,673)
Changes in non-controlling interests	—	—	—	—	—	—	—	—	54,764	54,764
Balances at December 31, 2021	₱5,694,600	₱13,013,197	₱29,491,200	(₱235,375)	₱9,200,000	₱187,906,486	(₱647,672)	₱244,422,436	₱82,847,909	₱327,270,345

See accompanying Notes to Consolidated Financial Statements.

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2023	2022 (As Restated - Note 2)	2021 (As Restated - Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱51,514,642**	₱44,026,602	₱36,977,716
Adjustments for:			
Interest expense (Note 36)	**20,528,967**	17,856,684	17,042,156
Depreciation and amortization (Note 28)	**15,127,901**	13,778,454	12,962,612
Net unrealized foreign exchange losses (gains)	**125,684**	(1,546,712)	281,255
Impairment loss on property, plant and equipment, goodwill and other assets (Notes 13, 14 and 16)	**224,774**	1,224,108	340,597
Write-off of project development costs (Note 31)	**308,871**	314,490	369,918
Loss (gain) on sale/disposal of:			
Property, plant and equipment and other assets (Notes 13 and 31)	**(90,108)**	158,832	(560,857)
Fair value through profit or loss (FVTPL) and FVOCI investments (Note 3)	**(61,408)**	(31,283)	(120,941)
Investment in a subsidiary and associate (Notes 9 and 10)	**—**	(183,299)	44,258
Unrealized mark-to-market losses (gains) on derivatives	**74,766**	(11,105)	851,375
Unrealized mark-to-market loss (gains) on FVTPL investments	**(84,425)**	191,710	4,727
Dividend income (Note 31)	**(8,107)**	(3,379)	(2,984)
Net unrealized valuation gains on investment property (Notes 15 and 31)	**(781,512)**	(527,154)	(976,228)
Interest income (Note 36)	**(4,301,426)**	(1,867,224)	(530,851)
Share in net earnings of associates and joint ventures (Note 10)	**(23,637,125)**	(20,781,865)	(17,245,643)
Gain from bargain purchase and remeasurement of previously held interest (Notes 9 and 29)	**(1,745,655)**	—	—
Operating income before working capital changes	**57,195,839**	52,598,859	49,437,110
Decrease (increase) in:			
Trade and other receivables	**2,433,677**	(16,881,735)	(9,466,903)
Inventories	**3,517,994**	(15,567,048)	(7,327,478)
Contract asset	**497,397**	—	—
Pension asset	**(97,263)**	8,292	2,348
Other current assets	**7,140,780**	(6,200,945)	(1,132,632)
Increase (decrease) in:			
Trade and other payables	**(7,204,104)**	18,938,169	7,773,934
Pension liability	**40,648**	183,342	65,169
Customers' deposits	**795,777**	980,007	401,496
Net cash flows generated from operations	**64,320,745**	34,058,941	39,753,044
Income and final taxes paid	**(6,494,082)**	(3,878,267)	(3,434,010)
Net cash flows from operating activities	**57,826,663**	30,180,674	36,319,034
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash dividends received (Note 10)	**4,491,446**	5,737,663	10,491,079
Interest received	**4,392,197**	1,543,936	528,326
Proceeds from sale of:			
FVTPL and FVOCI investments	**2,640,588**	151,289	800,415
Property, plant and equipment	**593,585**	119,332	89,136

(Forward)

	Years Ended December 31		
	2023	2022 (As Restated - Note 2)	2021 (As Restated - Note 2)
Acquisition through business combination, net of cash acquired (Note 9)	**(₱570,098)**	**₱—**	**₱—**
Disposal of a subsidiary, net of cash disposed (Note 9)	**—**	(190,312)	—
Additions to:			
Short-term cash deposits	**19,372,653**	(13,929,164)	(6,026,045)
FVTPL, including exchangeable notes and FVOCI investments (Notes 10 and 16)	**(406,902)**	(16,644,751)	(1,805,670)
Property, plant and equipment and investment properties (Notes 13 and 15)	**(21,762,234)**	(16,238,852)	(10,484,632)
Investments in and advances to associates (Note 10)	**(7,508,169)**	(30,731,074)	(2,678,043)
Increase in intangible assets (Note 14)	**(3,616,171)**	(2,540,531)	(4,297,612)
Decrease (increase) in other noncurrent assets	**177,158**	(1,755,165)	2,695,661
Proceeds from sale of common shares and redemption of preferred shares of associates and joint ventures (Note 10)	**—**	—	609,000
Net cash flows used in investing activities	**(2,195,947)**	(74,477,629)	(10,078,385)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of long-term debts - net of transaction costs (Note 19)	**49,326,661**	63,063,047	54,556,816
Net proceeds from (settlements of) bank loans	**(4,327,137)**	9,952,162	4,554,571
Acquisition of treasury shares (Note 23)	**(497,759)**	—	—
Proceeds from sale of non-controlling interest (Note 9)	**—**	—	71,997,886
Acquisition of non-controlling interests (Note 9)	**(128,882)**	—	(897,673)
Cash dividends paid to non-controlling interest	**(13,065,431)**	(6,128,351)	(1,624,383)
Cash dividends paid to equity holders of the parent (Note 24)	**(8,276,431)**	(9,120,965)	(5,123,505)
Interest paid	**(20,767,307)**	(14,785,307)	(13,242,432)
Payments of:			
Long-term debts (Note 19)	**(23,646,382)**	(37,113,280)	(47,621,110)
Lease liabilities, including accretion of interest	**(22,899,469)**	(10,232,070)	(9,611,197)
Net cash flows from (used in) financing activities	**(44,282,137)**	(4,364,764)	52,988,973
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**11,348,579**	(48,661,719)	79,229,622
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(581,257)**	2,653,944	2,338,002
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**101,526,260**	147,534,035	65,966,411
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱112,293,582**	₱101,526,260	₱147,534,035

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

Aboitiz Equity Ventures, Inc. (the Company) was originally incorporated in the Philippines as Cebu Pan Asian Holdings, Inc. and registered with the Philippine Securities and Exchange Commission (SEC) on September 11, 1989. The Company changed its corporate name to the present one on December 29, 1993 and its ownership was opened to the general public through an initial public offering of its shares on November 16, 1994 (see Note 23).

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in various business activities such as power generation, retail electricity supply, power distribution, food manufacturing, banking and financial services, real estate development, and infrastructure in the Philippines and several countries in Asia (see Note 34). The Company is the publicly-listed holding and management company of the Group. The parent and the ultimate parent of the Company is Aboitiz & Company, Inc. (ACO).

The registered office address of the Company is 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines.

The consolidated financial statements of the Group were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) of the Company on March 5, 2024.

2. Group Information, Basis of Preparation and Summary of Significant Accounting Policies

a. Group Information

The consolidated financial statements comprise the financial statements of the Company, subsidiaries controlled by the Company and a joint operation that is subject to joint control (collectively referred to as the Group). The following are the subsidiaries as of December 31:

	Nature of Business	Place of Incorporation	Percentage of Ownership			
			2023		2022	
			Direct	**Indirect**	Direct	Indirect
Aboitiz Power Corporation (AP) and Subsidiaries	Power	Philippines	**53.09**	**–**	51.99	**–**
AboitizPower International Pte. Ltd.	Holding	Singapore	**–**	**100.00**	**–**	100.00
Cleanergy Asia Power Holdings Pte. Ltd	Holding	Singapore	**–**	**100.00**	**–**	100.00

(Forward)

	Nature of Business	Place of Incorporation	Percentage of Ownership 2023 Direct	2023 Indirect	2022 Direct	2022 Indirect
AP Lariang Pte. Ltd.	Holding	Singapore	–	**100.00**	–	100.00
Aboitiz Energy Solutions, Inc. (AESI)	Power	Philippines	–	**100.00**	–	100.00
Adventenergy, Inc. (AI)	Power	Philippines	–	**100.00**	–	100.00
Balamban Enerzone Corporation (BEZ)	Power	Philippines	–	**100.00**	–	100.00
Mactan Enerzone Corporation (MEZ)	Power	Philippines	–	**100.00**	–	100.00
Malvar Enerzone Corporation (MVEZ)	Power	Philippines	–	**100.00**	–	100.00
East Asia Utilities Corporation (EAUC)	Power	Philippines	–	**100.00**	–	100.00
Lima Enerzone Corporation (LEZ)	Power	Philippines	–	**100.00**	–	100.00
Subic Enerzone Corporation (SEZ)	Power	Philippines	–	**100.00**	–	100.00
Cell Power Energy Corporation*	Power	Philippines	–	**100.00**	–	100.00
Cotabato Light & Power Co., Inc. (CLP)	Power	Philippines	–	**99.94**	–	99.94
Cotabato Ice Plant, Inc.	Manufacturing	Philippines	–	**100.00**	–	100.00
Davao Light & Power Co., Inc. (DLP)	Power	Philippines	–	**99.93**	–	99.93
STEAG State Power, Inc. (STEAG, see Note 9)	Power	Philippines	–	**69.40**	–	34.00
Cebu Private Power Corporation (CPPC)	Power	Philippines	–	**60.00**	–	60.00
Prism Energy, Inc. (PEI)	Power	Philippines	–	**60.00**	–	60.00
Visayan Electric Co., Inc. (VECO)	Power	Philippines	–	**55.26**	–	55.26
Aboitiz Renewables Inc. (ARI) and Subsidiaries	Power	Philippines	–	**100.00**	–	100.00
AP Renewables, Inc. (APRI)	Power	Philippines	–	**100.00**	–	100.00
Hedcor, Inc. (HI)	Power	Philippines	–	**100.00**	–	100.00
Amihan Frontier Energy, Inc.*	Power	Philippines	–	**100.00**	–	100.00
Hedcor Benguet, Inc.*	Power	Philippines	–	**100.00**	–	100.00
Hedcor Bukidnon, Inc. (Hedcor Bukidnon)	Power	Philippines	–	**100.00**	–	100.00
Hedcor Kabayan, Inc.*	Power	Philippines	–	**100.00**	–	100.00
PV Sinag Power, Inc.*	Power	Philippines	–	**100.00**	–	100.00
Amihan Power, Inc. *	Power	Philippines	–	**100.00**	–	100.00
Aboitiz Solar Power, Inc*	Power	Philippines	–	**100.00**	–	100.00
Hedcor Manolo Fortich, Inc.*	Power	Philippines	–	**100.00**	–	100.00
Hedcor Sabangan, Inc. (Hedcor Sabangan)	Power	Philippines	–	**100.00**	–	100.00
Hedcor Sibulan, Inc. (HSI)	Power	Philippines	–	**100.00**	–	100.00
Hedcor Tamugan, Inc. *	Power	Philippines	–	**100.00**	–	100.00
Hedcor Tudaya, Inc. (Hedcor Tudaya)	Power	Philippines	–	**100.00**	–	100.00
Aboitiz Power Distributed Renewables, Inc.	Power	Philippines	–	**100.00**	–	100.00
AP Renewable Energy Corporation*	Power	Philippines	–	**100.00**	–	100.00
Aboitiz Power Distributed Energy, Inc.	Power	Philippines	–	**100.00**	–	100.00
RE Resources, Inc.*	Power	Philippines	–	**100.00**	–	100.00
Cleanergy, Inc. (CI)*	Power	Philippines	–	**100.00**	–	100.00
Luzon Hydro Corporation (LHC)	Power	Philippines	–	**100.00**	–	100.00
Bakun Power Line Corporation*	Power	Philippines	–	**100.00**	–	100.00
Sinag Solar Power Corporation *	Power	Philippines	–	**100.00**	–	100.00
Retensol, Inc. *	Power	Philippines	–	**100.00**	–	100.00
Aseagas Corporation (Aseagas)*	Power	Philippines	–	**100.00**	–	100.00
Cordillera Hydro Corporation (CHC)*	Power	Philippines	–	**100.00**	–	100.00
Visayas Cleanergy, Inc.*	Power	Philippines	–	**100.00**	–	100.00
Tagoloan Hydro Corporation*	Power	Philippines	–	**100.00**	–	100.00
Luzon Hydro Company Limited*	Power	Philippines	–	**100.00**	–	100.00
Electricidad, Inc. *	Power	Philippines	–	**100.00**	–	100.00
Maaraw Renewable Energy Corporation*	Power	Philippines	–	**100.00**	–	100.00
Wind Renewable Energy Corporation*	Power	Philippines	–	**100.00**	–	100.00

(Forward)

	Nature of Business	Place of Incorporation	Percentage of Ownership			
			2023		2022	
			Direct	**Indirect**	Direct	Indirect
Luzon Alternative Energy Sources, Inc. *	Power	Philippines	**–**	**100.00**	–	100.00
Luzon Cleanergy Generation, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
Luzon Cleanergy, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
Maaraw Holdings Bais, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
Mindanao Cleanergy, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
North Luzon Green and Sustainable Energy, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
North Luzon Green Power, Inc*	Power	Philippines	**–**	**100.00**	–	100.00
North Luzon Natural Energy, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
Northern Sun Power, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
Northern Sun Radiance, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
South Cleanergy, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
South Luzon Energy Solutions, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
South Luzon Power Development, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
South Luzon Sustainable Energy, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
Cleanergy 1, Inc.*	Power	Philippines	**–**	**100.00**	–	–
Cleanergy 2, Inc.*	Power	Philippines	**–**	**100.00**	–	–
Cleanergy 1 Power, Inc*	Power	Philippines	**–**	**100.00**	–	–
Cleanergy 2 Power, Inc.*	Power	Philippines	**–**	**100.00**	–	–
Cleanergy 3 Power, Inc.*	Power	Philippines	**–**	**100.00**	–	–
Cleanergy 4 Power, Inc.*	Power	Philippines	**–**	**100.00**	–	–
Cleanergy 5 Power, Inc.*	Power	Philippines	**–**	**100.00**	–	–
Cleanergy 6 Power, Inc.*	Power	Philippines	**–**	**100.00**	–	–
Cleanergy 7 Power, Inc.*	Power	Philippines	**–**	**100.00**	–	–
Maaraw Holdings San Carlos, Inc. (MHSCI)	Holding	Philippines	**–**	**100.00**	–	100.00
San Carlos Sun Power, Inc. (Sacasun)	Power	Philippines	**–**	**100.00**	–	100.00
Hydro Electric Development Corporation*	Power	Philippines	**–**	**99.97**	–	99.97
Cornerstone Energy Development, Inc.*	Power	Philippines	**–**	**60.00**	–	–
Therma Power, Inc. (TPI) and Subsidiaries	Power	Philippines	**–**	**100.00**	–	100.00
Mindanao Sustainable Solutions, Inc.*	Services	Philippines	**–**	**100.00**	–	100.00
Therma Luzon, Inc. (TLI)	Power	Philippines	**–**	**100.00**	–	100.00
Therma Marine, Inc. (Therma Marine)	Power	Philippines	**–**	**100.00**	–	100.00
Therma Mobile, Inc. (Therma Mobile)	Power	Philippines	**–**	**100.00**	–	100.00
Therma South, Inc. (TSI)	Power	Philippines	**–**	**100.00**	–	100.00
Therma Power-Visayas, Inc. (TPVI)	Power	Philippines	**–**	**100.00**	–	100.00
Therma Central Visayas, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
Therma Subic, Inc.*	Power	Philippines	**–**	**100.00**	–	100.00
Therma Mariveles Holdings, Inc.	Holding	Philippines	**–**	**100.00**	–	100.00
GNPower Mariveles Energy Center Ltd. Co. (GMEC)	Power	Philippines	**–**	**78.33**	–	78.33
Therma Dinginin Holdings, Inc.	Holding	Philippines	**–**	**100.00**	–	100.00
Therma Cebu Energy Inc.*	Power	Philippines	**–**	**100.00**	–	–
Therma NatGas Power Inc.*	Power	Philippines	**–**	**100.00**	–	–
Therma Pagbilao Power Inc.*	Power	Philippines	**–**	**100.00**	–	–
Therma Quezon Energy Inc.*	Power	Philippines	**–**	**100.00**	–	–
Therma Visayas, Inc. (TVI)	Power	Philippines	**–**	**80.00**	–	80.00
Abovant Holdings, Inc.	Holding	Philippines	**–**	**60.00**	–	60.00
Aboitiz FeedAll Holdings, Inc. and Subsidiaries (FeedAll)	Holding	Philippines	**100.00**	**–**	100.00	–
Pilmico Foods Corporation (PFC) and Subsidiaries	Food manufacturing	Philippines	**–**	**100.00**	–	100.00
Filagri Holdings, Inc.	Holding	Philippines	**–**	**100.00**	–	100.00

(Forward)

	Nature of Business	Place of Incorporation	Percentage of Ownership 2023 Direct	2023 Indirect	2022 Direct	2022 Indirect
Pilmico Animal Nutrition Corporation (PANC)	Food manufacturing	Philippines	–	**100.00**	–	100.00
Filagri, Inc.	Food manufacturing	Philippines	–	**100.00**	–	100.00
AboitizLand, Inc. (AboitizLand) and Subsidiaries	Real estate	Philippines	**100.00**	–	100.00	–
Propriedad del Norte, Inc. (PDNI)	Real estate	Philippines	–	**100.00**	–	100.00
Cebu Industrial Park Developers, Inc. (CIPDI)	Real estate	Philippines	–	**60.00**	–	60.00
Cebu Industrial Park Services, Inc.	Services	Philippines	–	**100.00**	–	100.00
Misamis Oriental Land Development Corporation	Real estate	Philippines	–	**60.00**	–	60.00
ALLRise Development Corp.[A]	Real estate	Philippines	–	**100.00**	–	50.00
78 Point Blue, Inc.	Real estate	Philippines	–	**100.00**	–	100.00
Triplecrown Properties, Inc. (TCP)	Real estate	Philippines	–	**100.00**	–	100.00
Firmwall Systems, Inc. (FSI)	Real estate	Philippines	–	**100.00**	–	100.00
AEV International Pte. Ltd. (AEV International) and Subsidiaries	Holding	Singapore	–	**100.00**	–	100.00
Pilmico International Pte. Ltd. (PIPL) and Subsidiaries	Holding	Singapore	–	**100.00**	–	100.00
Pilmico Vietnam Company Limited (PVCL)	Food manufacturing	Vietnam	–	**100.00**	–	100.00
Abaqa International Pte Ltd.	Trading	Singapore	–	**100.00**	–	100.00
Gold Coin Management Holdings Pte. Ltd. (GCMH) and Subsidiaries	Holding	Singapore	–	**100.00**	–	100.00
GC Investment Holdings Limited	Holding	Hong Kong	–	**100.00**	–	100.00
Gold Coin (ZhangJiang) Company Ltd.	Feedmills	China	–	**100.00**	–	100.00
Gold Coin (Zhangzhou) Company Ltd.	Feedmills	China	–	**100.00**	–	100.00
Gold Coin Animal Husbandry (Zhangzhou) Co. Ltd*	Feedmills	China	–	**100.00**	–	100.00
Gold Coin (Zhuhai) Company Ltd.	Feedmills	China	–	**100.00**	–	100.00
Gold Coin Feedmill (Kunming) Co. Ltd.	Feedmills	China	–	**100.00**	–	100.00
Gold Coin Feedmill (Dongguan) Co. Ltd.	Feedmills	China	–	**100.00**	–	100.00
Gold Coin (Yunnan) Co. Limited*	Feedmills	China	–	**100.00**	–	100.00
Gold Coin Agriculture (Guangxi) Co. Ltd.	Feedmills	China	–	**100.00**	–	100.00
Gold Coin Management (Shenzhen) Co. Ltd.	Holding	China	–	**100.00**	–	100.00
Gold Coin Sabah Sdn. Bhd.	Holding	Malaysia	–	**100.00**	–	100.00
Gold Coin Feedmill (Dong Nai) Co. Ltd.	Feedmills	Vietnam	–	**100.00**	–	100.00
American Feeds Company Limited	Feedmills	Vietnam	–	**100.00**	–	100.00
Gold Coin Feedmill Ha Nam Co. Ltd. (GCFHN)	Feedmills	Vietnam	–	**100.00**	–	100.00
Glen Arbor Holdings (Singapore) Pte. Ltd. (GAHS)	Holding	Singapore	–	**100.00**	–	100.00
Gold Coin Group Limited	Holding	Hong Kong	–	**100.00**	–	100.00
Gold Coin Holdings Sdn Bhd	Holding	Malaysia	–	**100.00**	–	100.00
Gold Coin Feedmill Binh Duong Company (GCFBDC)	Feedmills	Vietnam	–	**100.00**	–	100.00
KLEAN Greentech Co. Ltd.	Feedmills	Thailand	–	**100.00**	–	100.00
Gold Coin Vietnam Holdings Pte. Ltd.	Holding	Singapore	–	**100.00**	–	100.00
Gold Coin Aqua Feed Incorporated	Holding	British Virgin Island	–	**100.00**	–	100.00
Gold Coin Aqua Feed (Singapore) Pte. Ltd.	Holding	Singapore	–	**100.00**	–	100.00
Gold Coin Specialities Sdn. Bhd. (GCSSB)	Feedmills	Malaysia	–	**100.00**	–	100.00
Gold Coin Specialities (Thailand) Co. Ltd.	Feedmills	Thailand	–	**100.00**	–	100.00
P.T. Gold Coin Trading Indonesia	Feedmills	Indonesia	–	**100.00**	–	100.00
P.T. Gold Coin Indonesia	Feedmills	Indonesia	–	**100.00**	–	100.00
P.T. Gold Coin Specialities	Feedmills	Indonesia	–	**99.90**	–	99.90
PT Ayam Unggul (PTAYAM)	Feedmills	Indonesia	–	**60.00**	–	60.00

(Forward)

	Nature of Business	Place of Incorporation	Percentage of Ownership 2023 Direct	2023 Indirect	2022 Direct	2022 Indirect
FEZ Animal Nutrition Pte Ltd	Holding	Singapore	–	**100.00**	–	100.00
FEZ Animal Nutrition Philippines, Inc.	Holding	Philippines	–	–	–	–
FEZ Animal Nutrition Pakistan (Private Limited)	Holding	Pakistan	–	**100.00**	–	100.00
Gold Coin Malaysia Group Sdn. Bhd. (GCMG)	Holding	Malaysia	–	**100.00**	–	100.00
Gold Coin Feedmills (Malaysia) Sdn. Bhd.	Feedmills	Malaysia	–	**100.00**	–	100.00
Gold Coin Feedmill (Sabah) Sdn. Bhd.	Feedmills	Malaysia	–	**100.00**	–	100.00
Gold Coin Sarawak Sdn. Bhd.	Feedmills	Malaysia	–	**72.80**	–	72.80
Bintawa Fishmeal Factory Sdn. Bhd.	Feedmills	Malaysia	–	**72.80**	–	72.80
Golden Livestock Sdn Bhd.	Holding	Malaysia	–	**100.00**	–	100.00
Pilmico Aqua Pte. Ltd.	Holding	Singapore	–	**100.00**	–	100.00
Aboitiz Data Innovation Pte. Ltd.	Data Analytics	Singapore	–	**100.00**	–	100.00
Archipelago Insurance Pte Ltd (AIPL)	Insurance	Singapore	**100.00**	–	100.00	–
AEV Aviation, Inc. (AEV Aviation)	Service	Philippines	**73.31**	**26.69**	73.31	26.69
Advanced Data Innovation Inc.	Real estate	Philippines	**100.00**	–	100.00	–
Cebu Praedia Development Corporation (CPDC)	Real estate	Philippines	**100.00**	–	100.00	–
Tenfold Ventures Corporation (formerly Weather Solutions, Inc.)	Services	Philippines	**100.00**	–	100.00	–
CCEP Aboitiz Beverages Philippines, Inc.	Holding	Philippines	**100.00**	–	–	–
Aboitiz Infracapital, Inc. (AIC) and Subsidiaries	Holding	Philippines	**100.00**	–	100.00	–
Lima Land, Inc. (LLI)	Real estate	Philippines	–	**100.00**	–	100.00
Lima Water Corporation (LWC)	Water Infrastructure	Philippines	–	**100.00**	–	100.00
Apo Agua Infrastructura, Inc. (Apo Agua)*	Water Infrastructure	Philippines	–	**70.00**	–	70.00

A) In 2023, ALAND acquired 50% of AllRise Development Corp.

** No commercial operations as of December 31, 2023.*

b. Basis of Preparation and Summary of Significant Accounting Policies

Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared on a historical cost basis, except for derivative financial instruments, investments in certain debt and equity securities, and investment properties which are measured at fair value, and agricultural produce and biological assets which are measured at fair value less estimated costs to sell. The consolidated financial statements are presented in Philippine peso, which is the Company's functional currency, and all values are rounded to the nearest thousands, except for earnings per share and exchange rates and as otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and a joint operation that is subject to joint control. The Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group 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; and
- The Group's voting rights and potential voting rights.

The Group reassesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Transactions with Non-controlling Interests

Non-controlling interests represent the portion of total comprehensive income or loss and net assets in the subsidiaries not held by the Group and are presented separately in the consolidated statement of income and consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from the equity attributable to equity holders of the parent. Transactions with non-controlling interests are accounted for as equity transactions. On acquisitions of non-controlling interests, the difference between the consideration and the book value of the share of the net assets acquired is reflected as being a transaction between owners and recognized directly in equity. Gain or loss on disposals to non-controlling interest holders is also recognized directly in equity.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the amendments to existing standards which were applied starting January 1, 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance.

- Amendments to PAS 8*, Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023.

- Amendments to PAS 12*, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

  The Group applied the requirements of this amendment and recognized deferred income tax assets and liabilities amounting to ₱7.8 billion and ₱8.3 billion, respectively, as of January 1, 2022 and ₱6.0 billion and ₱8.0 billion, respectively, as of December 31, 2022. Impact to retained earnings and non-controlling interest was a decrease amounting to ₱256.3 million and ₱240.1 million, respectively, as of January 1, 2022. Impact to retained earnings and non-controlling interest was a decrease amounting to ₱1.1 billion and ₱1.0 billion, respectively, as of December 31, 2022. Impact to the consolidated statements of income for the years ended December 31, 2023, 2022 and 2021 was an increase in the provision for income tax amounting to ₱1.3 billion, ₱1.5 billion and ₱1.8 billion, respectively.

  The adoption did not have any significant impact on the consolidated statements of cash flows.

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

  Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Group operates. The Group is in scope of the enacted or substantively enacted legislation. However, the legislation was enacted or substantively enacted close to the reporting date. Therefore, the Group is still in the process of assessing the potential exposure to Pillar Two income taxes as December 31, 2023. The potential exposure, if any, of Pillar Two on current income taxes is currently not known or reasonably estimable. The Group applied the mandatory temporary exception on the recognition and disclosure of the impact of Pillar Two on deferred income taxes in its consolidated financial statements as of and for the year ended December 31, 2023.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

The adoption of these amendments is expected to have no significant impact on the consolidated financial statements.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
  The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted and that fact must be disclosed.
  The adoption of these amendments is expected to have no significant impact on the consolidated financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

- Amendments to PAS 21*, Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Summary of Significant Accounting Policies

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the noncontrolling interest in the acquiree pertaining to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by PFRS. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability that is within the scope of PFRS 9 will be recognized either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest (based on the proportionate share of the Group in the identifiable net assets of the acquiree) over the Group's interest in the fair values of 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 as "bargain purchase gain" in the consolidated statement of income.

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.

Impairment of goodwill
Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

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, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized.

Common control business combination
Business combination of entities under common control is accounted for similar to pooling of interest method, which is scoped out of PFRS 3. Under the pooling of interest method, any excess of acquisition cost over the net asset value of the acquired entity is recorded in equity.

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated balance sheet based on current/noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for a least twelve months after reporting period

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Group’s valuation team (the Team) determines the policies and procedures for fair value measurement of its investment properties. External valuers (the Valuers) are involved in the periodic valuation of these assets. The respective subsidiary’s Team decides the selection of the Valuers after discussion with and approval by its Chief Financial Officer (CFO). Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Team also determines, after discussions with the chosen valuers, which valuation techniques and inputs to use for each case.

At each balance sheet date, the Team analyzes the movements in the values of the investment properties which are required to be re-measured or re-assessed in accordance with the subsidiary’s accounting policies. The Team, in coordination with the Valuers, also compares each of the changes in the fair value of each property with relevant external sources to determine whether the change is reasonable.

On the re-appraisal year, the Team and Valuers present the valuation results and the major assumptions used in the valuation to its CFO.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share in the profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each balance sheet date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the loss in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in consolidated statement of income.

Interest in Joint Operations

A joint arrangement is classified as a joint operation if the parties with joint control have rights to the assets and obligations for the liabilities of the arrangement. For interest in joint operations, the Group recognizes:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- share of the revenue from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

The accounting and measurement for each of these items is in accordance with the applicable PFRSs.

Foreign Currency Translation

The consolidated financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the balance sheet date, the assets and liabilities of subsidiaries and associates whose functional currencies are not the Philippine peso, are translated into the Group's presentation currency at the rate of exchange ruling at the balance sheet date, and their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising

on the translation are taken directly to other comprehensive income as cumulative translation adjustment. On disposal of any of these subsidiaries or associates, the cumulative translation adjustment recognized in other comprehensive income relating to the disposed entity is recognized in the consolidated statement of income.

Cash and Cash Equivalents

Cash and cash equivalents in the consolidated balance sheet consist of cash on hand and with banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. They are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Financial Instruments - Classification and Measurement

Classification of financial assets

Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:

- financial assets measured at amortized cost
- financial assets measured at fair value through profit or loss (FVTPL)
- financial assets measured at fair value through other comprehensive income (FVOCI), where cumulative gains or losses previously recognized are reclassified to profit or loss
- financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are not reclassified to profit or loss

Contractual cash flows characteristics

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from the financial asset represent solely payment of principal and interest (SPPI) on the principal amount outstanding.

In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI on the principal amount outstanding.

Business model

The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

The Group's business model refers to how it manages its financial assets in order to generate cash flows. The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

Financial assets at amortized cost

A financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the EIR method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in 'Interest income' in the consolidated statement of income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in 'Provision for credit and impairment losses' in the consolidated statement of income.

The Group's debt financial assets as of December 31, 2023 and 2022 consist of cash in banks, including restricted cash, cash equivalents, trade and other receivables. The Group assessed that the contractual cash flows of its debt financial assets are SPPI and are expected to be held to collect all contractual cash flows until their maturity. As a result, the Group concluded these debt financial assets to be measured at amortized cost.

Financial assets at FVOCI

A financial asset is measured at FVOCI if (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the ECL model.

The Group may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

Dividends are recognized in profit or loss only when:
- the Group's right to receive payment of the dividend is established
- it is probable that the economic benefits associated with the dividend will flow to the Group; and
- the amount of the dividend can be measured reliably.

As of December 31, 2023 and 2022, the Group has investments in debt securities that are measured at FVOCI.

Financial assets at FVTPL
Financial assets at FVTPL are measured at unless these are measured at amortized cost or at FVOCI. Included in this classification are equity investments held for trading and debt instruments with contractual terms that do not represent solely payments of principal and interest. Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the statement of income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the consolidated statement of income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Group may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Group, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL, and the gains or losses from disposal of financial investments.

The Group's investments in quoted equity securities and in unquoted equity shares are measured at FVTPL as of December 31, 2023 and 2022. The Group's exchangeable note is classified under this category as well (see Notes 7 and 10).

Classification of financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are measured at amortized cost, except for the following:

- financial liabilities measured at FVTPL
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement
- financial guarantee contracts
- commitments to provide a loan at a below-market interest rate
- contingent consideration recognized by an acquirer in accordance with PFRS 3

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVTPL, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

The Group's financial liabilities measured at amortized cost (which was initially recognized at fair value net of directly attributable transaction costs) as of December 31, 2023 and 2022 include trade and other payables, customers' deposits, bank loans, lease liabilities, long-term obligation on PDS and long-term debts (see Note 36).

Reclassifications of financial instruments

The Group reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Group and any previously recognized gains, losses or interest shall not be restated. The Group does not reclassify its financial liabilities.

The Group does not reclassify its financial assets when:

- A financial asset that was previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge no longer qualifies as such;
- A financial asset becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge; and
- There is a change in measurement on credit exposures measured at FVTPL.

Derivative Financial Instruments

Derivative financial instruments, including embedded derivatives, are initially recognized at fair value on the date in which a derivative transaction is entered into or bifurcated, and are subsequently remeasured at FVTPL, unless designated as effective hedge. Changes in fair values of derivative instruments not accounted as hedges are recognized immediately in the consolidated statement of income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

An embedded derivative within a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as either at amortized cost or at fair value depending on whether the cash flows of the hybrid contract are solely payments of principal and interest and the assessment of the business model within which the financial asset is held. On the other hand, an embedded derivative with a financial liability or a non-financial host is separated from the host and accounted for as a separate derivative if: its economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Separated embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modified the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group uses derivative financial instruments, such as foreign currency forward, IRS and commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

For the purpose of hedge accounting, the Group's hedges are classified as cash flow hedges. Hedges are classified as cash flow hedge when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

The Group's hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses foreign currency forward contracts as hedges of its exposure to foreign currency risk in forecast transactions, as well as commodity swap contracts for its exposure to volatility in the commodity prices. The Group also designates its foreign currency-denominated cash and cash equivalents, that have been set aside in anticipation of a highly probable foreign-currency denominated acquisition, as hedging instrument. The ineffective portion are recognized in other operating income or expenses as realized gain or loss on derivative instruments.

The Group designated all of the foreign currency forwards, commodity swap contracts and foreign-currency denominated cash and cash equivalents as hedging instruments. The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a nonfinancial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a nonfinancial asset or nonfinancial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to the consolidated statement of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in OCI must be accounted for depending on the nature of the underlying transaction as described above.

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, and only when:

- the rights to receive cash flows from the asset expires;
- 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 rights 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 retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay those cash flows to one or more entities, the Group treats the transaction as a transfer of a financial asset if the Group:

- has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and
- has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In transactions where the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and it retains control over the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset. When the Group's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Group's continuing involvement is the lower of (i) the amount of the asset and (ii) the maximum amount of the consideration received that the Group could be required to repay ('the guarantee amount'). When the Group's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in the case of a written put option on an asset that is measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price. When the Group's continuing involvement takes the form of a cash- settled option or similar provision on the transferred asset, the extent of the Group's continuing involvement is measured in the same way as that which results from non-cash settled options.

Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.

Financial liabilities

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Impairment of Financial Assets

The Group recognizes ECL for the following financial assets that are not measured at FVTPL:

- debt instruments that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the balance sheet date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL

For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the balance sheet date are recognized.

Stage 2: Lifetime ECL - not credit-impaired

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL - credit-impaired

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the balance sheet date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade', or when the exposure is less than 30 days past due.

Determining the stage for impairment

At each balance sheet date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the balance sheet date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL, is applied to trade receivables. The Group has established a provision matrix for customer segments that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Guarantee Contracts and Loan Commitments

Financial guarantees are contracts issued by the Group that require it to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are initially recognized in the consolidated financial statements at fair value. Subsequently, these are measured at the higher of:

- the amount of the loss allowance determined in accordance with the ECL model; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of PFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans that can be settled net in cash or by delivering or issuing another financial instrument or that are issued at below-market interest rates.

For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision. However, for financial instruments that include both a loan and an undrawn commitment (i.e. loan commitment) component where the Group cannot separately identify the expected credit losses on the loan commitment component from those on the loan component, the expected credit losses on the loan commitment should be recognized together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses should be recognized as a provision.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet 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 asset and settle the liability simultaneously. This is generally not the case with master netting agreements, and the related assets and liabilities are presented at gross in the consolidated balance sheet.

Redeemable Preferred Shares (RPS)

The component of the RPS that exhibits characteristics of a liability is recognized as a liability in the consolidated balance sheet, net of transaction costs. The corresponding dividends on those shares are charged as interest expense in the consolidated statement of income. On issuance of the RPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long-term liability on the amortized cost basis until extinguished on redemption.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Wheat grains and trading inventories	– purchase cost on a specific identification basis
Other raw materials and production supplies, fuel, materials, parts and supplies	– purchase cost on a moving average method
Finished goods and work in progress	– cost of direct materials, labor and a portion of manufacturing overhead based on normal operating capacity but excluding borrowing costs

NRV of wheat grains and other raw materials and finished goods is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. NRV of fuel and materials, parts and supplies is the current replacement costs. An

allowance for inventory losses and inventory shrinkage is provided, when necessary, based on management's review of inventory turnover in accordance with prescribed policies.

Real estate inventories
Real estate inventories include land, land and land improvements and residential lots for sale. Real estate inventories are carried at the lower of cost and NRV (i.e., estimated selling price less estimated costs to complete and sell). Cost includes costs incurred for the acquisition, development and improvement of the properties. The costs of inventory recognized in the consolidated statement of income is determined with reference to the specific costs incurred on the real estate sold and an allocation on a pro-rata basis on any non-specific costs.

Land and Improvements
Land and improvements consist of properties for future development and are carried at the lower of cost and NRV. NRV is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale. Cost includes those costs incurred for development and improvement of the properties. Cost of land and improvements is transferred to real estate inventories upon commencement of the real estate project.

Agricultural Activity
Agricultural produce
Agricultural produce (livestock and poultry) are measured at fair value less estimated costs to sell at point of harvest.

Biological assets
Biological assets are measured on initial recognition, and at each balance sheet date, at fair value less estimated costs to sell except when, on initial recognition, market-determined prices or values are not available and for which alternative estimates of fair value are determined to be clearly unreliable. In such cases, those biological assets are measured at accumulated costs less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such biological assets becomes reliably measurable, those biological assets are measured at fair value less estimated costs to sell.

Gains or losses arising on initial recognition of a biological asset (for market hogs, piglets, growing stock, broilers and others) at fair value less estimated costs to sell and from changes in their fair values less estimated costs to sell are included in the consolidated statement of income for the period in which they arise.

Biological assets measured at fair value less estimated costs to sell continue to be measured as such until disposed. Expenditures on biological assets subsequent to initial recognition, excluding the costs of day-to-day servicing, are capitalized.

Property, Plant and Equipment
Except for land, property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment in value. The initial cost

of property, plant and equipment comprises its purchase price, including import duties, if any, and nonrefundable taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost includes the cost of replacing part of such property, plant and equipment when that cost is incurred and the recognition criteria are met. Cost also include decommissioning liability relating to the decommissioning of power plant, if any. Repairs and maintenance costs are recognized in the consolidated statement of income as incurred.

Land is stated at cost less any accumulated impairment in value.

Depreciation and amortization of the Group's property, plant and equipment and assets under finance leases is calculated on a straight-line basis over the useful lives of the assets as follows:

Category	Estimated Useful Life (in years)
Buildings, warehouses and improvements	10 - 50
Power plant and equipment	2 - 50
Steam field assets	20 - 25
Transmission, distribution and substation equipment	12 - 40
Machinery and equipment	2 - 30
Transportation equipment	2 - 10
Office furniture, fixtures and equipment	2 - 25
Leasehold improvements	3 - 20
Tools and others	2 - 20

Leasehold improvements are amortized over the shorter of the lease terms and the lives of the improvements.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Fully depreciated assets are retained in the accounts until these are no longer in use. When assets are retired or otherwise disposed of, both the cost and related accumulated depreciation and amortization and any allowance for impairment losses are removed from the accounts and any resulting gain or loss is credited or charged to current operations. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income in the year the asset is derecognized.

The asset's residual values, useful lives and depreciation and amortization methods are reviewed and adjusted, if appropriate, at each financial year-end.

When each major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria satisfied.

Construction in progress represents structures under construction and is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of property, plant and equipment are capitalized during the construction period.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Category	Number of Years
Land	10-50
Building	2-50
Power plant	20-38
Manufacturing plant, equipment and others	2-20

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Service Concession Arrangements
Public-to-private service concession arrangements where: (a) the grantor controls or regulates what services the entities in the Group must provide with the infrastructure, to whom it must provide them, and at what price; and (b) the grantor controls - through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement, are accounted for under the provisions of Philippine Interpretation IFRIC 12, *Service Concession Arrangements*. Infrastructures used in a public-to-private service concession arrangement for its entire useful life (whole-of-life assets) are within the scope of this Interpretation if the conditions in (a) are met.

This interpretation applies to both: (a) infrastructure that the entities in the Group constructs or acquires from a third party for the purpose of the service arrangement; and (b) existing infrastructure to which the grantor gives the entity in the Group access for the purpose of the service arrangement.

Infrastructures within the scope of this Interpretation are not recognized as property, plant and equipment of the Group. Under the terms of contractual arrangements within the scope of this Interpretation, an entity acts as a service provider. An entity constructs or upgrades infrastructure

(construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time.

An entity recognizes and measures revenue in accordance with PFRS 15 for the services it performs. If an entity performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

When an entity provides construction or upgrades services, the consideration received or receivable by the entity is recognized at the stand-alone selling price of the related service. An entity accounts for revenue and costs relating to construction or upgrade services in accordance with PFRS 15. Revenue from construction contracts is recognized based on the percentage-of-completion method, measured by reference to the percentage of costs incurred to date to estimated total costs for each contract. The applicable entities account for revenue and costs relating to operation services in accordance with PFRS 15.

An entity recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. An entity recognizes an intangible asset to the extent that it receives a right (a license) to charge users of the public service.

When the applicable entities have contractual obligations it must fulfill as a condition of its license (a) to maintain the infrastructure to a specified level of serviceability or (b) to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the service arrangement, it recognizes and measures these contractual obligations in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, i.e., at the best estimate of the expenditure that would be required to settle the present obligation at the balance sheet date.

Borrowing cost attributable to the construction of the asset if the consideration received or receivable is an intangible asset, is capitalized during the construction phase. In all other cases, borrowing costs are expensed as incurred.

Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of the acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

Service concession right
The Group's intangible asset - service concession right pertains mainly to its right to charge users of the public service in connection with the service concession and related arrangements. This is recognized initially at the fair value which consists of the cost of construction services and the fair value of future fixed fee payments in exchange for the license or right. Following initial recognition, the intangible asset is carried at cost less accumulated amortization and any accumulated impairment losses.

The intangible asset - service concession right is amortized using the straight-line method over the estimated useful economic life which is the service concession period, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated economic useful life is ranging from 18 to 25 years. The amortization period and the amortization method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

Intangible assets - customer contracts
The Group's intangible assets - customer contracts pertain to contracts entered by subsidiaries relating to the provision of utility services to locators within an industrial zone.

These are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The intangible assets - customer contracts are amortized using the straight-line method over the remaining life of the contract, and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and method are reviewed at least at each financial year end. The amortization expense is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

Franchise
The Group's franchise pertains to VECO's franchise to distribute electricity within an area granted by the Philippine Legislature, acquired in the business combination in 2013. The franchise is initially recognized at its fair value at the date of acquisition. Following initial recognition, the franchise is carried at cost less accumulated amortization and any accumulated impairment losses. The Group's franchise is amortized using the straight-line method over the estimated economic useful life, and assessed for impairment whenever there is an indication that the franchise may be impaired. The estimated economic useful life of the franchise is 40 years. The amortization period and amortization method for franchise are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the franchise are accounted for by changing the amortization period or method, as appropriate,

and treated as a change in accounting estimates. The amortization expense on franchise is recognized in the consolidated statement of income in the expense category consistent with its function.

Project development costs
Project development costs include power plant projects in the development phase which meet the "identifiability" requirement under PAS 38, *Intangible Assets*, as they are separable and susceptible to individual sale and are carried at acquisition cost. These assets are transferred to "Property, plant and equipment" when construction of each power plant commences. During the period of development, the asset is tested for impairment annually.

Research and Development Expenditure
The Group's policy is to record research expenses in the consolidated statement of income in the period when they are incurred.

Development costs are recognized as an intangible asset on the consolidated balance sheet if the Group can identify them separately and show the technical viability of the asset, its intention and capacity to use or sell it, and how it will generate probable future economic benefits.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Investment Properties
Investment properties, which pertain to land, land improvements and buildings, are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are carried at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in fair values of investment properties are included in the consolidated statement of income in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development with a view to sale. For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an

owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the consolidated statement of income. When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the consolidated statement of income.

Impairment of Nonfinancial Assets

Property, plant and equipment, intangible assets, investments and advances and other current and noncurrent assets excluding restricted cash and PSALM deferred adjustment

The Group assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value 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 of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each balance sheet date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of accumulated depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Decommissioning liability

The decommissioning liability arose from the Group's obligation, under its contracts, to decommission, abandon and perform surface rehabilitation at the end of the useful lives of the steam field assets or upon abandonment of the plant. A corresponding asset is recognized as part of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding

of the discount is expensed as incurred and recognized in the consolidated statement of income as an "Accretion of decommissioning liability" under the "Interest expense" account. The estimated future costs of decommissioning are reviewed annually and adjusted prospectively.

Changes in the estimated future costs or in the discount rate applied are added or deducted from the cost of property, plant and equipment. The amount deducted from the cost of property, plant and equipment, shall not exceed its carrying amount.

If the decrease in the liability exceeds the carrying amount of the property, plant and equipment, the excess shall be recognized immediately in the consolidated statement of income.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Capital stock includes common stock and preferred stock.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are debited to the "Additional paid-in capital" account, net of tax. If additional paid-in capital is not sufficient, the excess is charged against an equity reserve account.

Retained Earnings

Retained earnings include accumulated earnings of the Company and reduced by dividends on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are approved by the BOD. Dividends for the year that are approved after the balance sheet date are dealt with as an event after the balance sheet date. Retained earnings may also include effect of changes in accounting policy as may be required by the transition provisions of new and amended standards.

Treasury Shares

The Group's own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent.

Sale of Power
Contracts with customers for the Power Group generally include power generation and ancillary services, power distribution and retail supply.

For power generation and ancillary services where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since these are not distinct within the context of the contract as the buyer cannot benefit from the contracted capacity alone without the corresponding energy and the buyer cannot obtain energy without contracting a capacity. The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer.

Revenue from power generation and ancillary services is recognized in the period actual capacity is generated. Revenue is recognized over time since the customer simultaneously receives and consumes the benefits as the seller supplies power.

In contracts with fixed capacity payments which are determined at contract inception, the fixed capacity payments for the entire contract period is determined at day 1 and is recognized over time. Specifically, on contracts where capacity payments are fixed but escalates throughout the contract period without any reference to market indices, the fixed escalation is recognized on a straight-line basis over the contract period.

Some contracts with customers provide unspecified quantity of energy, includes provisional Energy Regulatory Commission (ERC) rates, and volume and prompt payment discounts that give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved.

Power distribution and retail supply also qualify as a series of distinct goods or services that are substantially the same and have the same pattern of transfer accounted for as one performance obligation. Revenue is recognized over time based on amounts billed.

Sale of Goods
Revenue from the sale of goods is recognized at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The Group has concluded that it is the principal in its revenue arrangements because it controls the goods before transferring them to the customer.

Sale of Real Estate
Contracts with customers for the Real Estate Group's real estate segment generally include sale of lot, sale of house and lot and sale of unfurnished and fully furnished condominium units.

For the sale of lot, the lot and the development made on the lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract as the development of lot is used as an input to deliver a combined output.

For the sale of house and lot, the house and lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract. The obligation to deliver the house duly constructed in a specific lot is fully integrated in the lot in accordance with the approved plan.

If the sale of lot, house and lot and unfurnished and fully furnished condominium units occurs at completion, the Real Estate Group shall recognize revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the properties. Otherwise, if the sale occurs prior to completion, the Real Estate Group shall recognize revenue over time, using the output method (i.e., POC) as the appropriate measure of progress, satisfying the criterion of which the Real Estate Group's performance does not create an asset with an alternative use and the Real Estate Group has an enforceable right to payment for performance completed to date. This is based on the monthly project accomplishment report prepared by the project engineers which integrates the surveys of performance to date of the construction activities.

The buyer could enforce its rights to the promised property if the developer seeks to sell the unit to another buyer. This contractual restriction on the developer's ability to direct the promised property for another use is considered substantive as the property is not interchangeable with other properties that the entity could transfer to the buyer without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. The Real Estate Group also has enforceable right to payment for performance completed to date notwithstanding contract terminations.

In determining the transaction price for real estate sales, the Real Estate Group considers the existence of significant financing component. Contracts with real estate customers provide two alternative payment options, spot cash and installment payments, after the contracts are signed. For both payment options, the Real Estate Group concluded that there is a significant financing component because the timing between when the customer pays for the property and when the Real Estate Group transfers the property to the customer do not match and the period between transfers are more than a year. The transaction price for such contracts is determined by discounting the amount of promised consideration using the appropriate discount rate. The Real Estate Group also concluded that there is a significant financing component for those contracts where the customer elects to pay in advance considering the length of time between the customer's payment and the transfer of property to the customer, as well as the prevailing interest rates in the market.

Cost to obtain contract

The incremental costs of obtaining contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Cost of real estate sales" account in the consolidated statement of income.

Rendering of services
Service revenues are recognized when the related services are rendered based on agreed hourly billing rates. Customer payments for which services have not yet been rendered are classified as unearned revenue under "Trade and other payables" account in the consolidated balance sheet.

Rental income
Rental income arising from operating leases is accounted for on a straight-line basis over the related lease terms.

Dividend income
Dividend income is recognized when the Group's right to receive payment is established.

Interest income
Interest income is recognized as it accrues taking into account the effective yield on the asset.

Costs and Expenses
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Pension Benefits
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:
- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Current income tax relating to items recognized directly in OCI is recognized in the consolidated statement of comprehensive income and not in the consolidated statement of income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax
Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and carryforward benefits of net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carryforward benefits of NOLCO and excess of MCIT over RCIT can be utilized, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply 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 as at the balance sheet date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated balance sheet. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated balance sheet up to the extent of the recoverable amount.
For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) 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. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 a borrowing cost.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the probability of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events After the Reporting Period

Post year-end events that provide additional information about the Group's financial position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed when material.

Earnings Per Common Share

Basic earnings per common share are computed by dividing net income for the year attributable to the common shareholders of the parent by the weighted average number of common shares issued and outstanding during the year, after retroactive adjustments for any stock dividends declared and stock rights exercised during the year.

Diluted earnings per share amounts are calculated by dividing the net income for the year attributable to the common shareholders of the parent by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued for outstanding common stock equivalents. The Group does not have dilutive common stock equivalents.

Operating Segments

For management purposes, the Group is organized into five major operating segments (power, food manufacturing, financial services, real estate and infrastructure) according to the nature of the products and the services provided. The Group's identified operating segments are consistent with the segments reported to the BOD which is the Group's Chief Operating Decision Maker (CODM). Financial information on operating segments is presented in Note 34.

3. Summary of Significant Accounting Judgments, Estimates and Assumptions

The consolidated financial statements prepared in accordance with PFRSs require management to make judgment, estimates and assumptions that affect amount reported in the consolidated financial statements and related notes. The judgment, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates. Judgments, estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under circumstances. The following items are those matters which the Group assess to have significant risk arising from judgements and estimation uncertainties:

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determining functional currency

Based on the economic substance of the underlying circumstances relevant to the companies in the Group, the functional currency of the companies in the Group has been determined to be the Philippine peso, except for certain subsidiaries and associates whose functional currencies are the US dollar (US$), Singapore dollar, Vietnamese Dong, Indonesian Rupiah, Renminbi, Malaysian Ringgit or Thai Baht. The Philippine peso is the currency of the primary economic environment in which most of the companies in the Group operate and it is the currency that mainly influences their revenues and costs.

Service concession arrangements - Companies in the Group as Operators
Based on management's judgment, the provisions of Philippine Interpretation IFRIC 12 apply to SEZ's Distribution Management Service Agreement (DMSA) with Subic Bay Metropolitan Authority (SBMA); MEZ's Built-Operate-Transfer agreement with Mactan Cebu International Airport Authority (MCIAA); LHC's Power Purchase Agreement (PPA) with the National Power Corporation (NPC) and Apo Agua's Treated Bulk Water concession agreement with Davao City Water District (DCWD). SEZ, MEZ, LHC and Apo Agua's service concession agreements were accounted for under the intangible asset model.

Management has also determined that the provisions of Philippine Interpretation IFRIC 12 apply to STEAG's PPA with NPC. STEAG's service concession agreement was accounted for under the financial asset model.

Refer to the accounting policy on service concession arrangements for the discussion of intangible asset and financial asset models.

Determining fair value of customers' deposits
In applying PFRS 9 on transformer and lines and poles deposits, the Group has made a judgment that the timing and related amounts of future cash flows relating to such deposits cannot be reasonably and reliably estimated for purposes of establishing their fair values using alternative valuation techniques since the expected timing of customers' refund or claim for these deposits cannot be reasonably estimated. These customers' deposits amounted to ₱9.1 billion and ₱8.3 billion as of December 31, 2023 and 2022, respectively (see Notes 20).

Determining whether Independent Power Producer (IPP) Administration Agreement Contains a Lease
In accounting for its IPP Administration Agreement with PSALM, the Group has made a judgment that the IPP Administration Agreement of TLI is an arrangement that contains a lease. The Group has made a judgment that it has substantially acquired all the risks and rewards incidental to ownership of the power plant principally by virtue of its right to control the capacity of the power plant and its right to receive the transfer of the power plant at the end of the IPP Administration Agreement for no consideration. Accordingly, the Group accounted for the agreement as a lease and recognized a right-of use asset included as part of property, plant and equipment and lease liability at the present value of the agreed monthly payments to PSALM (see Note 22).

The power plant is depreciated over its estimated useful life as there is reasonable certainty that the Group will obtain ownership by the end of the lease term. As of December 31, 2023 and 2022, the carrying value of the ROU asset power plant amounted to ₱25.7 billion and ₱30.3 billion, respectively (see Note 13). The carrying value of the lease liability amounted to nil and ₱24.8 billion as of December 31, 2023 and 2022, respectively (see Note 22).

Determination of control, joint control or significant influence over an investee
Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On the other hand, joint control is the contractually agreed sharing of control of an

arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In the absence of control or joint control over an investee, there is a presumption that there is significant influence when an investor has 20% or more ownership over an investee.

Management has determined that by virtue of its majority ownership of voting rights in its subsidiaries as of December 31, 2022 and 2021, the Company had the ability to exercise control over these investees (see Note 2).

As disclosed in Note 10, the Group acquired 33 1/3% ownership in GMCAC. Management assessed that the Group has no control or joint control over GMCAC, however, management has concluded that it has significant influence because of the board seat it held in GMCAC derived through its 33 1/3% ownership.

Nonconsolidation of certain investees
The Group has 83.33% interest in Manila-Oslo Renewable Enterprise, Inc. (MORE) which has a 60% ownership interest in SN Aboitiz Power-Magat (SNAP-Magat), Inc., SN Aboitiz Power-Benguet (SNAP-Benguet), Inc., SN Aboitiz Power-RES, Inc. (SNAP-RES), and SN Aboitiz Power-Generation, Inc. (SNAP-Generation).

The Group has 60% and 70% interest in AA Thermal and GN Power Dinginin Ltd. Co. (GNPD), respectively.

The Group does not consolidate MORE, AA Thermal and GNPD since it does not have the ability to direct the relevant activities which most significantly affect the returns of MORE and its investees, AA Thermal and GNPD, and their respective investees. This is as a result of the agreements among the shareholders and partners which, among others, stipulate that the management and operation of MORE, AA Thermal and GNPD are vested in their respective BOD or "Management Committee" and the affirmative vote of the other shareholders or partners are required for the approval of certain company actions which include financial and operating undertakings.

The Group has 60% interest in AEV CRH Holdings, Inc. (AEV CRH) which has 99.09% ownership interest in Republic Cement and Building Materials, Inc. (RCBM), 99.63% ownership interest in Republic Cement Mindanao, Inc. (RCMI), 94.63% ownership interest in Republic Cement Iligan, Inc. (RCII) and 100% ownership interest in Luzon Continental Land Corporation (LCLC).

The Group does not consolidate AEV CRH since it does not have the ability to direct the relevant activities which most significantly affect the returns of AEV CRH and its investees. This is a result of the contractual arrangements that give the other party the power to direct the relevant non-nationalized activities of the subsidiaries of AEV CRH. Consequently, the Group accounts for MORE, a joint venture, and AEV CRH and GNPD, associates, using the equity method in the unaudited interim condensed consolidated financial statements.

Determining a joint operation
The Group has 50% interest in Pagbilao Energy Corporation (PEC). The Group assessed that the joint arrangement is a joint operation as the financial and operating activities of the operation are jointly controlled by the participating shareholders and are primarily designed for the provision of output to the shareholders.

Classification of financial instruments
The Group exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definition of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated balance sheets.

Contractual cash flows assessment
For each financial asset, the Group assesses the contractual terms to identify whether the instrument is consistent with the concept of SPPI.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Evaluation of business model in managing financial instruments
The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Identifying performance obligations
The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

The Group assesses performance obligations as a series of distinct goods and services that are substantially the same and have the same pattern of transfer if i) each distinct good or services in the series are transferred over time and ii) the same method of progress will be used (i.e., units of delivery) to measure the entity's progress towards complete satisfaction of the performance obligation.

For power generation and ancillary services where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since these are not distinct within the context of the contract as the buyer cannot benefit from the contracted capacity alone without the corresponding energy and the buyer cannot obtain energy without contracting a capacity.

The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer since the delivery of energy every month are distinct services which are all recognized over time and have the same measure of progress.

Power distribution and retail supply also qualify as a series of distinct goods or services which is accounted for as one performance obligation since the delivery of energy every month are distinct services which are recognized over time and have the same measure of progress.

For sale of developed lots, the lot and the development made on the lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract as the lot development is used as an input to deliver a combined output. For the sale of house and lot, the house and lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract. The obligation to deliver the house duly constructed in a specific lot is fully integrated in the lot in accordance with the approved plan.

Revenue recognition
The Group recognizes revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. The Group determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The Group concludes that:
- revenue from power generation, power distribution, ancillary services and retail supply are to be recognized over time, since customers simultaneously receives and consumes the benefits as the Group supplies power;
- when a contract is judged to be for the construction of a property, revenue is recognized using the POC method as construction progresses. The POC is made reference to the stage of completion of projects and contracts determined on the basis of the estimated completion of physical proportion of the contract work;
- for sale of goods, revenue is recognized at a point in time, generally on the delivery of goods.

Identifying methods for measuring progress of revenue recognized over time
The Group determines the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date.

For power generation and ancillary services, the Group determined that the output method is the best method in measuring progress since actual electricity is supplied to customers. The Group recognizes revenue based on:

For power generation and ancillary services:
a. For the variable energy payment, actual kilowatt hours consumed which are billed on a monthly basis.
b. For fixed capacity payments, the Group allocates the transaction price on a straight-line basis over the contract term. The allocated fixed payments are also billed on a monthly basis.

For power distribution and retail supply, the Group uses the actual kilowatt hours consumed, which are also billed on a monthly basis.

The Group recognizes revenues from real estate sales over time using output method in measuring progress. The use of output method is the best method in measuring progress since the entitlement of the customers to the output performed as of date is easily measured and observed on the basis that POC for the construction of real estate properties is determined using the estimated completion of physical proportion of the contract work.

Determining method to estimate variable consideration and assessing the constraint
The Group includes some or all the amounts of variable consideration estimated but only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group considers both the likelihood and magnitude of the revenue reversal in evaluating the extent of variable consideration the Group will subject to constraint. Factors such as i) highly susceptibility to factors outside the Group's influence, ii) timing of resolution of the uncertainty, and iii) having a large number and broad range of possible considerations amount are considered.

For Power Group, some contracts with customers provide unspecified quantity of energy, provisional ERC rates, and volume and prompt payment discounts that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The expected value method of estimation takes into account a range of possible outcomes while the most likely amount is used when the outcome is binary. It is determined that the expected value method is the appropriate method to use in estimating the variable consideration given the large number of customer contracts that have similar characteristics and the range of possible outcomes.

Allocation of variable consideration
Variable consideration may be attributable to the entire contract or to a specific part of the contract. For power generation, power distribution, ancillary services and retail supply revenue streams which are considered as series of distinct goods or services that are substantially the same and have the same pattern of transfer, the Group allocates the variable amount that is no longer subject to constraint to the satisfied portion (i.e., month) which forms part of the single performance obligation, and forms part of the monthly billing of the Group.

Distinction among real estate inventories, land and improvements, and investment properties
The Group determines whether a property is classified as real estate inventories, land and improvements or investment properties:

- Real estate inventories comprise properties that are held for sale in the ordinary course of business. Principally, these are residential properties that the Group develops and intends to sell before or on completion of construction.
- Land and improvements comprise land and related improvements that are part of the Group's strategic land banking activities for development or sale in the medium or long-term. These properties are neither developed nor available for sale and therefore not yet considered as part of real estate inventories.
- Investment properties comprise land, land improvements and buildings (principally composed of offices, commercial warehouses and retail properties) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation.

The Group considers each property separately in making its judgment.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows:

Estimating allowance for impairment losses on investments and advances

Investments and advances are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or impairment recovery for any significant change in the expected historical or projected future operating results of the investees. There were no impairment indicators in 2023 and 2022 based on management's assessment. The carrying amounts of the investments in and advances to associates and joint ventures amounted to ₱224.1 billion and ₱195.9 billion as of December 31, 2023 and 2022, respectively. The allowance for impairment losses amounted to ₱680.7 million as of December 31, 2023 and 2022 (see Note 10).

Assessing impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as of December 31, 2023 and 2022 amounted to ₱59.3 billion and ₱60.0 billion, respectively (see Note 14). Goodwill impairment amounted to nil, ₱431.6 million and nil in 2023, 2022 and 2021, respectively.

Estimating useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the estimation of the useful lives of property, plant and equipment is based on collective assessment of internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors and circumstances mentioned above. As of December 31, 2023 and 2022, the net book values of property, plant and equipment, excluding land and construction in progress, amounted to ₱173.2 billion and ₱172.6 billion, respectively (see Note 13).

Estimating residual value of property, plant and equipment

The residual value of the Group's property, plant and equipment is estimated based on the amount that the entity would obtain from disposal of the asset, after deducting estimated costs of disposal, if the asset is already of the age and in the condition expected at the end of its useful life. The estimated residual value of each asset is reviewed periodically and updated if expectations differ

from previous estimates. As of December 31, 2023 and 2022, the net book values of property, plant and equipment, excluding land, amounted to ₱194.0 billion and ₱186.0 billion, respectively (see Note 13).

Estimating useful lives of intangible asset - service concession rights
The Group estimates the useful lives of intangible asset arising from service concessions based on the period over which the asset is expected to be available for use which is 18 to 25 years. The Group has not included any renewal period on the basis of uncertainty, as of balance sheet date, of the probability of securing renewal contract at the end of the original contract term. As of December 31, 2023 and 2022, the net book value of intangible asset - service concession rights amounted to ₱16.9 billion and ₱14.1 billion, respectively (see Note 14).

Estimating useful life of franchise
The Group estimates the useful life of VECO's distribution franchise based on the period over which the asset is estimated to be available for use which is 40 years. As of December 31, 2023 and 2022, the carrying value of franchise amounted to ₱2.3 billion and ₱2.3 billion, respectively (see Note 14).

Assessing impairment of nonfinancial assets
The Group assesses whether there are any indicators of impairment for nonfinancial assets at each balance sheet date. These nonfinancial assets (other current assets, property, plant and equipment, intangible assets (excluding goodwill), and other noncurrent assets) are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Determining the recoverable amount of these assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect its consolidated financial statements. Future events could cause the Group to conclude that the other current assets, property, plant and equipment, intangible assets (excluding goodwill) and other noncurrent assets are impaired. Any resulting impairment loss could have a material adverse impact on the consolidated balance sheets and consolidated statements of income. The aggregate net book values of these assets as of December 31 are as follows:

	2023	2022
Property, plant and equipment (see Note 13)	**₱229,700,594**	₱224,711,720
Other current assets (see Note 7)	**12,561,989**	17,730,130
Intangible assets excluding goodwill (see Note 14)	**22,541,877**	18,384,823
Other noncurrent assets (see Note 16)	**14,987,925**	11,905,767
	₱279,792,385	₱272,732,440

Impairment losses and write-offs recognized on these nonfinancial assets in 2023, 2022 and 2021 amounted to ₱0.5 billion, ₱1.1 billion and ₱0.7 billion, respectively.

Measurement of ECL
ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the balance sheet date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.
- *Financial assets that are credit-impaired at the balance sheet date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- *Undrawn loan commitments:* as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.
- *Financial guarantee contracts:* as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

The Group leverages existing risk management indicators (e.g. internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allows the Group to identify whether the credit risk of financial assets has significantly increased.

Inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), defined as follows:

- *Probability of default*
  The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures. The 12-months and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the balance sheet date and future economic conditions that affect credit risk.

- *Loss given default*
  Loss Given Default represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money. LGD varies by type of counterparty, type of seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD.

- *Exposure at default*
  EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the balance sheet date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by customer segment.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies including contracted debt sales and price.

The assumptions underlying the ECL calculation, such as how the maturity profile of the PDs change, are monitored and reviewed on a quarterly basis.

Simplified approach for trade receivables and contract assets
The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the industrial segment, the historical default rates are adjusted. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Incorporation of forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The macro-economic variables include the following key indicators for the Philippines: unemployment rates, inflation rates, gross domestic product growth and net personal income growth.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

An increase in the Group's allowance for ECL of trade and other receivables will increase the Group's recorded expenses and decrease current assets. As of December 31, 2023 and 2022, allowance for ECL amounted to ₱5.0 billion and ₱4.8 billion, respectively. Trade and other receivables, net of allowance for ECL, amounted to ₱58.6 billion and ₱61.6 billion as of December 31, 2023 and 2022, respectively (see Note 5).

Estimating allowance for inventory obsolescence
The Group estimates the allowance for inventory obsolescence based on the status of inventories. The amounts and timing of recorded expenses for any period would differ if different judgments or different estimates are made. An increase in allowance for inventory obsolescence would increase recorded expenses and decrease current assets. As of December 31, 2023 and 2022, allowance for inventory obsolescence amounted to ₱95.6 million and ₱27.3 million, respectively. The carrying amounts of inventories, including land and improvements, net of valuation allowance, amounted to ₱45.6 billion and ₱46.2 billion as of December 31, 2023 and 2022, respectively (see Note 6).

Estimating the incremental borrowing rate (IBR)
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The carrying amount of the lease liabilities amounted to ₱3.3 billion and ₱27.9 billion as of December 31, 2023 and 2022, respectively (see Note 22).

Estimating decommissioning liability
Under the Geothermal Resource Service Contract (GRSC), the Group has a legal obligation to decommission, abandon and perform surface rehabilitation on its steam field asset at the end of its useful life. The Group also has a legal obligation under its land lease agreements to decommission the power plants at the end of its lease term. The Group recognizes the present value of the obligation to decommission the plant, abandon and perform surface rehabilitation of the steam field asset and capitalizes the present value of this cost as part of the balance of the related property, plant and equipment, which are being depreciated and amortized on a straight-line basis over the useful life of the related asset.

These costs are accrued based on in-house estimates, which incorporates estimates of the amount of obligations and interest rates, if appropriate. Assumptions used to compute the provision are reviewed and updated annually. Each year, the provision is increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with charges being recognized as accretion expense, included under "Interest expense" in the consolidated statements of income.

Changes in the decommissioning liability that result from a change in the current best estimate of cash flows required to settle the obligation or a change in the discount rate are added to (or deducted from) the amount recognized as the related asset and the periodic unwinding of the discount on the liability is recognized in the consolidated statement of income as it occurs.

While the Group has made its best estimate in establishing the decommissioning provision, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning activities, the ultimate provision requirements could either increase or decrease significantly from the Group's current estimates.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Decommissioning liability amounted to ₱7.4 billion and ₱5.7 billion as of December 31, 2023 and 2022, respectively (see Note 21).

Recognition of deferred income tax assets
The Group reviews the carrying amounts of deferred income tax assets at each balance sheet date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. The Group has deferred income tax assets amounting ₱5.8 billion and ₱4.9 billion as of December 31, 2023 and 2022, respectively (see Note 32).

Details of the Group's recognized and unrecognized deferred income tax assets are discussed in Note 32.

Pension benefits
The costs of defined benefit pension plans, as well as the present value of the pension obligation, are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

Net benefit expense amounted to ₱554.8 million in 2023, ₱697.9 million in 2022 and ₱448.6 million in 2021. The net pension assets as of December 31, 2023 and 2022 amounted to ₱262.8 million and ₱487.1 million, respectively. Net pension liabilities as of December 31, 2023 and 2022 amounted to ₱1,169.2 million and ₱756.4 million, respectively (see Note 30).

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Further details about the assumptions used are provided in Note 30.

Fair value less estimated costs to sell of biological assets
The Group determines the most reliable estimate of fair value less estimated costs to sell of its biological assets. Fair value reflects the most recent market transaction price provided that there has been no significant change in economic circumstances between the date of transaction and balance sheet date. Point-of-sale cost is estimated based on recent transactions and is deducted from the fair value in order to measure the biological assets at balance sheet date.

As of December 31, 2023 and 2022, the carrying value of the biological assets amounted to ₱1.3 billion and ₱1.2 billion, respectively (see Note 8).

Fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 37 for further disclosures.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently re-measured to fair value at each balance sheet date. The determination of the fair value is based on discounted cash flows.

Revaluation of investment properties
The Group carries its investment properties at fair value, with changes in fair value being recognized in the consolidated statements of income. The Group engaged an independent valuation specialist to assess the fair values of these properties. For these assets, the valuation methodology used was Sales Comparison Approach. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison (see Note 15).

Legal contingencies
The estimate of probable costs for the resolution of possible claims has been developed in consultation with outside counsels handling the Group's defense in these matters and is based upon an analysis of potential results. No provision for probable losses arising from legal contingencies was recognized in the Group's consolidated financial statements for the years ended December 31, 2023, 2022 and 2021.

4. Cash and Cash Equivalents

	2023	2022
Cash on hand and in banks	**₱33,296,987**	₱41,041,124
Short-term deposits	**78,996,595**	60,485,136
	₱112,293,582	₱101,526,260

Cash in banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Interest income earned from cash and cash equivalents amounted to ₱3.7 billion in 2023, ₱1.0 billion in 2022 and ₱0.5 billion in 2021, respectively (see Note 36).

5. Trade and Other Receivables

	2023	2022
Trade receivables		
Power (see Note 36)	**₱29,946,688**	₱30,196,685
Food manufacturing	**9,837,176**	10,296,324
Real estate	**12,688,722**	11,299,169
Holding and others	**1,924,844**	4,742,730
	54,397,430	56,534,908
Nontrade receivables	**7,113,014**	8,125,105
Dividends receivable (see Note 10)	**878,720**	792,000
Advances to contractors	**661,951**	285,715
Others	**554,331**	702,915
	63,605,446	66,440,643
Less allowance for expected credit losses	**5,026,201**	4,791,957
	58,579,245	61,648,686
Less noncurrent portion	**377,214**	329,538
	₱58,202,031	₱61,319,148

Trade receivables, except real estate receivables, are generally non-interest bearing and on 10 - 30 days' terms.
For terms and conditions relating to related party receivables, refer to Note 35.

Advances to contractors refer to noninterest-bearing advance payments made for acquisition of inventories and services which are offset against progress billings to be made by the suppliers.

Nontrade receivable relates mostly to claims from insurance against the property damage and business interruption insurance policies of TSI, HI and APRI and advances to partners in GMEC. This account also includes, reimbursable expenses from contractors and customers of the real estate group. As of December 31, 2022, the receivable from disposal of property held for sale in 2021 is also included in non-trade receivables.

Other receivables include accrued interest income.

Trade Receivables of Real Estate Group
Trade receivables consist mostly of installment contract receivables from real estate customers. Installment contract receivables are collectible in monthly installments over a period of two to three years and are noninterest-bearing. Current and noncurrent portion of these receivables amounted to ₱12.3 billion and ₱0.4 billion, respectively, as of December 31, 2023, and ₱11.0 billion and ₱0.3 billion, respectively, as of December 31, 2022.

Trade receivables of real estate group include contract assets amounting to ₱5.9 billion and ₱5.3 billion as of December 31, 2023 and 2022, respectively. Contract assets represent excess of recognized revenues from contracts with real estate customers determined based on percentage-of-completion, against amounts billed to customers.
The rollforward analysis of allowance for expected credit losses is presented below:

December 31, 2023

	Trade Receivables			
	Power	**Food Manufacturing**	**Real Estate**	**Total**
At beginning of year	**₱3,329,397**	**₱1,306,221**	**₱156,339**	**₱4,791,957**
Step-acquisition to subsidiary (see Note 9)	**327,151**	**—**	**—**	**327,151**
Provision (reversal) (see Note 28)	**(227,964)**	**221,346**	**1,292**	**(5,326)**
Write-off	**(133,245)**	**—**	**(1,430)**	**(134,675)**
Effect of foreign exchange rates and others	**80,823**	**(33,729)**	**—**	**47,094**
At end of year	**₱3,376,162**	**₱1,493,838**	**₱156,201**	**₱5,026,201**

December 31, 2022

	Trade Receivables			
	Power	Food Manufacturing	Real Estate	Total
At beginning of year	₱3,018,981	₱1,255,906	₱155,696	₱4,430,583
Disposal of a subsidiary (see Note 9)	—	(65,877)	—	(65,877)
Provisions (see Note 28)	133,735	146,065	851	280,651
Write-off	(215,685)	—	(208)	(215,893)
Effect of foreign exchange rates and others	392,366	(29,873)	—	362,493
At end of year	₱3,329,397	₱1,306,221	₱156,339	₱4,791,957

6. Inventories and Land and Improvements

Inventories

	2023	2022
At cost:		
Fuel	**₱4,589,745**	₱8,092,930
Materials, parts and supplies	**9,600,518**	8,601,104
Real estate inventories	**10,751,854**	8,726,858
Raw materials	**2,692,704**	2,146,021
Land and improvements	**8,401,135**	4,662,718
Finished goods (see Note 28)	**2,172,712**	2,928,323
Work in progress	**12,922**	36,198
At NRV:		
Wheat grains and other raw materials	**6,924,493**	9,569,405
Materials, parts and supplies	**423,571**	1,397,985
	₱45,569,654	₱46,161,542

The cost of inventories recognized as part of cost of generated power in the consolidated statements of income amounted to ₱56.0 billion in 2023, ₱52.2 billion in 2022 and ₱27.5 billion in 2021 (see Note 28). The cost of inventories recognized as part of operating expenses in the consolidated statements of income amounted to ₱548.9 million in 2023, ₱337.8 million in 2022 and ₱272.1 million in 2021 (see Note 28).

Cost of inventories carried at NRV amounted to ₱7.5 billion and ₱11.0 billion as of December 31, 2023 and 2022, respectively.

A summary of the movement in real estate inventories is set out below:

	2023	2022
At January 1	**₱8,726,858**	₱5,571,339
Construction/development costs incurred	**3,556,875**	4,807,896
Contract cost asset related to capitalized sales commissions	**37,506**	116,400
Transfers from land and improvements	**2,009,360**	1,078,415
Reversal of capitalized commission related to forfeited units	**4,809**	(33,201)
Amortization of capitalized contract cost asset (recognized as cost of real estate inventories sold)	**(43,254)**	(102,720)
Cost of real estate inventories sold	**(3,723,004)**	(2,711,271)
Transfers from investments properties	**189,837**	—
Others	**(7,133)**	—
At December 31	**₱10,751,854**	₱8,726,858

A summary of the movement in land and improvement is set out below:

	2023	2022
At January 1	**₱4,662,718**	₱2,898,818
Additions	**5,528,838**	2,681,268
Transfers to real estate inventories	**(2,009,360)**	(1,078,415)
Other transfers/adjustments	**218,939**	161,047
At December 31	**₱8,401,135**	₱4,662,718

7. Other Current Assets

	2023	2022
Exchangeable notes (see Notes 10 and 16)	**₱15,608,623**	₱—
Restricted cash	**5,269,703**	6,023,425
Prepaid expenses	**5,416,416**	5,563,710
Input VAT	**2,545,186**	3,407,192
Insurance assets	**1,947,434**	4,911,073
Short-term cash deposits	**1,543,016**	20,915,669
Concession contract asset (see Note 16)	**1,368,375**	—
Advances to suppliers	**1,281,994**	1,536,681
Biological assets (see Note 8)	**1,059,858**	1,062,040
Advances to NGCP	**551,506**	551,506
Others	**1,370,959**	2,311,474
	₱37,963,070	₱46,282,770

Restricted cash represents proceeds from sale of power under the control of trustees of TVI and TSI's lenders as per loan agreement (see Note 19). The asset will be used to pay the current portion of loans payable, interest payments and operating costs in the following period.

Short-term cash deposits are fixed-term deposits with maturities of more than three months to less than one year from dates of acquisition. These earn interest at the respective bank deposit rates. Interest income earned from short-term cash deposits amounted to ₱277.0 million in 2023, ₱750.0 million in 2022 and ₱0.3 million in 2021, respectively (see Note 36).

Prepaid expenses mainly include prepaid taxes and prepayments for insurance.

Advances to NGCP pertains to TVI's cost of construction and installation of substation and transmission facilities which are subject for reimbursement.

"Others" include asset held for sale and income tax refundable.

8. Biological Assets

	2023	2022
Presented under Other Current Assets (see Note 7):		
Market hogs	**₱583,459**	₱505,405
Piglets	**281,566**	319,260
Growing stocks	**153,057**	236,595
Others	**41,776**	780
	1,059,858	1,062,040
Presented under Other Noncurrent Assets:		
Bearers (breeders) (see Note 16)	**210,978**	158,792
	₱1,270,836	₱1,220,832

As of December 31, 2023 and 2022, biological assets are measured at fair value under Level 3 input. Fair values are determined based on average market selling prices at balance sheet date. Market hogs, piglets, growing stocks and others are measured at fair value less estimated costs to sell.

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. The reconciliation of changes in the carrying amount of consumable biological assets follows:

	2023	2022
At beginning of year	**₱1,220,832**	₱1,276,294
Additions	**877,553**	884,268
Sales at fair value	**(585,893)**	(532,453)
Transferred to breeding herd	**(259,370)**	(300,608)
Increase (decrease) in fair value (see Note 31)	**15,693**	(111,768)
Others	**2,021**	5,099
At end of year	**₱1,270,836**	₱1,220,832

Consumable biological assets are included under "Other current assets" account while bearers are included under "Other noncurrent assets" account in the consolidated balance sheets (see Notes 7 and 16).

9. Acquisitions and Disposals of Shares of Stock of Subsidiaries

a. AP's acquisition of STEAG

STEAG is the first coal-fired power plant in Mindanao operating with a 232 MW capacity.

Prior to the acquisition, AP holds a 34% stake in STEAG. La Filipina Uy Gongco Corporation holds the other 15% while the majority of shares are owned by Steag GmbH (Germany), STEAG's parent company, at 51%.

On September 15, 2022, STEAG GmbH entered into a Share Purchase Agreement with AP, for AP to purchase an additional 35.4% stake in STEAG. The total purchase price for the shares is US$36.1 million, plus locked box interest at a simple rate of 4% per annum (on the basis of a 365-day year) from January 1, 2021 to March 31, 2022.

In June 2023, all of the closing condition have been met for AP to complete the acquisition of the 35.4% ownership interest in STEAG from STEAG GmbH. As a result of the acquisition, AP's ownership in STEAG increased to 69.4% and STEAG (formerly an associate) became a subsidiary of AP.

The following are the fair values of the identifiable assets and liabilities assumed on acquisition date:

Assets:	
Cash and cash equivalents	₱1,562,017
Trade and other receivables	1,108,962
Inventories	2,254,849
Other current assets	409,700
Concession contract asset	9,937,575
Property and equipment	373,078
Pension asset	24,322
Other noncurrent assets	452,748
	16,123,251
Liabilities:	
Trade and other payables	1,477,444
Income tax payable	71,203
Deferred income tax liabilities, net	1,311,276
Lease liabilities	17,972
Long-term debt	2,687,509
	5,565,404
Total identifiable net assets at fair value	₱10,557,847
Total consideration	₱2,132,115
Fair value of previously-held interest in STEAG	3,589,668
Fair value of NCI	3,230,701
	8,952,484
Less: Total identifiable net assets at fair value	10,557,847
Bargain purchase gain	₱1,605,363

Cash flow on acquisition:	
Cash paid	2,132,115
Net cash acquired with the subsidiary	1,562,017
Net cash outflow	(₱570,098)

Remeasurement of the previously-held interest in STEAG as at the date of acquisition follows:

Carrying value of the previously held-interest	₱3,449,376
Fair value of previously-held interest	3,589,668
Gain on the remeasurement of previously-held interest	₱140,292

In 2023, STEAG contributed ₱4.5 billion to the consolidated revenue and ₱878.4 million to the net income of the Group. If the combination had taken place at the beginning of 2023, the Group's revenue would have been ₱314.9 billion and net income would have been ₱43.2 billion.

The gain on bargain purchase including gain on remeasurement is presented as part of "Other income" in the 2023 consolidated statement of income (see Note 31). The gain on this acquisition arose from changes to the fair value of the net identifiable assets during the period prior to the closing date.

Subsequent event
In February 2024, AP entered into an agreement with STEAG GmbH to acquire the latter's remaining 15.6% interest in STEAG.

b. Disposal of GCFL

In December 2022, the Group completed the sale of the Group's 100% interest in GCFL held through GCMH and Glen Arbor Holdings for a total consideration of $2.2 million (₱124.0 million) to New Anthoney's Farms (PVT) Ltd.

10. **Investments and Advances**

	2023	2022
Acquisition cost:		
Balance at beginning of year	**₱135,195,009**	₱104,462,005
Additions during the year	**7,435,310**	30,733,004
Step acquisition to subsidiary (see Note 9)	**(4,400,611)**	—
Balance at end of year	**138,229,708**	135,195,009
Accumulated share in net earnings:		
Balances at beginning of year	**67,104,216**	51,656,634
Share in net earnings for the year	**23,637,125**	20,781,865
Step acquisition to subsidiary (see Note 9)	**942,552**	—
Cash dividends received and receivable	**(4,571,340)**	(5,334,283)
Balance at end of year	**87,112,553**	67,104,216
Equity reserve	**1,014,136**	1,014,136
Share in net unrealized mark-to-market gains on FVOCI investments of associates	**(988,053)**	(6,908,680)
Share in cumulative translation adjustments of associates and joint ventures	**497,298**	1,020,800
Share in actuarial losses on retirement benefit plan of associates and joint ventures	**(1,125,637)**	(897,997)
	224,740,005	196,527,484
Less allowance for impairment losses	**680,731**	680,731
	224,059,274	195,846,753
Advances to associates	**81,851**	8,992
	₱224,141,125	₱195,855,745

The Group's investees and the corresponding equity ownership are as follows:

		Percentage of ownership		
	Nature of Business	**2023**	2022	2021
MORE[1] (see Note 3)	Holding	**83.33**	83.33	83.33
GNPD[1, 2 and 3]	Power generation	**70.00**	70.00	70.00
AEV CRH (see Note 3)	Holding	**60.00**	60.00	60.00
AA Thermal[1 & 2]	Holding	**60.00**	60.00	60.00
Cebu District Property Enterprise, Inc. (CDPEI)[1] *	Real estate	**50.00**	50.00	50.00
Union Bank of the Philippines (UBP)	Banking	**49.94**	49.92	49.66
Hijos de F. Escaño, Inc. (Hijos)	Holding	**46.73**	46.73	46.73
CRH ABOITIZ Holdings, Inc. (CRH ABOITIZ)	Holding	**45.00**	45.00	45.00
Mazzaraty Energy Corporation (MEC)	Retail electricity supplier	**44.87**	44.87	44.87
San Fernando Electric Light & Power Co., Inc. (SFELAPCO)	Power distribution	**43.78**	43.78	43.78
Pampanga Energy Ventures, Inc. (PEVI)	Holding	**42.84**	42.84	42.84
STEAG (see Note 9)	Power generation	**—**	34.00	34.00
GMR Megawide Cebu Airport Corporation (GMCAC)	Airport operations	**33.33**	33.33	—
Cebu Energy Development Corp. (CEDC)	Power generation	**26.40**	26.40	26.40
Redondo Peninsula Energy, Inc. (RP Energy) *	Power generation	**25.00**	25.00	25.00
Gold Coin Feed Mills (B) Sdn. Bhd.**	Feedmills	**20.00**	20.00	20.00
Southern Philippines Power Corporation (SPPC)	Power generation	**20.00**	20.00	20.00
Western Mindanao Power Corporation (WMPC)	Power distribution	**20.00**	20.00	20.00
Balibago Water Systems, Inc. (BWSI)[3]	Water distribution	**15.94**	15.94	15.94
Singlife Philippines Inc. [SLPI][4]	Insurance	**15.00**	15.00	15.00
Unity Digital Infrastructure Inc.[1]	Services	**50.00**	50.00	50.00
Sinag Naraw Power, Inc.*	Power	**44.00**	—	—
Jin Fu Boar Stud Farm (Mengzi) Co., Ltd***	Food manufacturing	**20.00**	20.00	—

[1]Joint ventures.

[2]Economic interest.

[3]Includes 30% economic interest through AA Thermal.

[4]Significant influence by virtue of the board seat held by the Group.

**No commercial operations as of December 31, 2023.*

***Registered in Malaysia and is part of GCMH Group.*

****Registered in China and is part of GCMH Group.*

Unless otherwise indicated, the principal place of business and country of incorporation of the Group's associates and joint ventures are in the Philippines. All investees above are associates except as otherwise indicated.

All ownership percentages presented in the table above are direct ownership of the Group except for GNPD and SFELAPCO. As of December 31, 2023, AA Thermal has an indirect ownership in GNPD of 50% while the Group's direct ownership in GNPD is 40% resulting to the Group's effective ownership in GNPD of 70%. PEVI has direct ownership in SFELAPCO of 54.83% while the Group's direct ownership in SFELAPCO is 20.29% resulting to the Group's effective ownership in SFELAPCO of 43.78%.

As of December 31, 2023 and 2022, the undistributed earnings of the associates and joint ventures included in the Group's retained earnings are not available for distribution to the stockholders unless declared by the associates and joint ventures (see Note 24).

2023

UBP
In 2023, the Company exercised its option to avail from UBP's stock rights offering amounting to ₱6.0 billion.

UDII
In 2023, the Group made capital contributions to UDII amounting to ₱1.4 billion.

2022

GMCAC
GMCAC's primary purpose is to engage in the business of building, rehabilitating, renovating, constructing, developing, operating, and maintaining the Mactan Cebu International Airport (MCIA), including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility.

GMCAC was established for the purpose of implementing the provisions of the Concession Agreement that was signed last April 22, 2014 between the Department of Transportation (DOTr), previously Department of Transportation and Communications (DOTC), and Mactan-Cebu International Airport Authority (MCIAA) (collectively, the Grantors), and Megawide Construction Corporation (MCC), an entity duly organized and registered in the Philippines and whose shares of stock are listed in the Philippine Stock Exchange, and GMR Infrastructure Limited (GIL), an entity duly organized and registered in India and whose shares of stock are listed in the Bombay Stock Exchange and National Stock Exchange. The Grantors are agencies of the Philippine Government vested with the power and authority to develop dependable and coordinated transportation systems and to principally undertake the economical, efficient, and effective control, management, and supervision of the MCIA.

On December 16, 2022, AIC entered into a Deed of Assignment with Megawide Construction Corporation (MCC) and GMR Airports International B.V. (GAIBV) for the assignment of a portion of their rights, titles, and interest in GMCAC. On said date, MCC assigned in favor of AIC 1,781.4 million GMCAC common shares for ₱6.6 billion while GAIBV ceded 306.5 million GMCAC common shares for ₱1.1 billion.

On the same date, AIC subscribed to 555.4 million common shares of GMCAC and infused equity amounting to ₱1.7 billion. This subscription together with the assignment by MCC and GAIBV of a portion of its interest in GMCAC resulted in AIC acquiring 33 and 1/3% minus one share ownership in GMCAC. As of December 31, 2023 and 2022, GMCAC is owned by MCC, GAIBV and AIC by 33 1/3% each.

Exchangeable notes
On December 16, 2022, AIC entered into an Exchangeable Note agreement with MCC and GAIBV where MCC and GAIBV will issue unsecured and non-interest bearing notes from MCC and GAIBV amounting to ₱7.8 billion each for the funds advanced by AIC to the two entities.

The Exchangeable Note allows MCC and GAIBV to exchange the note for a fixed number of shares of GMCAC at maturity date in 2024 or to settle in cash at any time before 2024 subject to an imposition of interest.

The Exchangeable Note does not meet the solely payment of principal and interest criterion and, as such, classified as financial asset at FVTPL. The Exchangeable Note contains an embedded derivative related to the exchange option and cash settlement feature and put option. The Group has determined that the embedded derivative cannot be bifurcated from the host contract and, as such, the entire Exchangeable Note is carried at fair value.

The fair value of the Exchangeable Note, including the embedded derivative, was determined using a binomial model. The key inputs and assumptions used in the model include the current stock price of GMCAC, the expected volatility of GMCAC's stock price, the risk-free interest rate, and the credit. AIC has performed a sensitivity analysis on the fair value of the Exchangeable Note, including the embedded derivative, with respect to changes in the key inputs and assumptions used in the binomial model.

Details of the fair value methodology and significant inputs used in 2023 and 2022 are as follows:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable inputs	Values
			Dividend yield	—%
			Historical stock volatility	29.45%
Exchangeable notes	₱15,608,623	Latice Binomial Model	Equity spot price	₱3.07

	Fair value at December 31, 2022	Valuation technique	Significant unobservable inputs	Values
			Dividend yield	—%
			Historical stock volatility	35.21%
Exchangeable notes	₱15,526,400	Binomial Model	Equity spot price	₱3.52

2022

UBP
In 2022, the Company exercised its option to avail from UBP's stock rights offering amounting to ₱20.2 billion.

UDII

In 2022, the Group made capital contributions to UDII amounting to ₱995.0 million.

The detailed carrying values of investees, which are accounted for under the equity method, follow:

	2023	2022
UBP	**₱91,616,006**	₱77,700,780
GNPD/ATI	**76,421,272**	60,096,334
AEV CRH	**23,795,694**	24,601,644
MORE	**10,092,085**	9,292,756
GMCAC	**9,805,370**	9,494,813
CEDC	**3,040,004**	3,075,932
UDII	**3,014,548**	1,865,697
CRH ABOITIZ	**1,688,649**	1,697,195
CDPEI	**1,677,288**	1,708,053
SFELAPCO/PEVI	**1,225,891**	1,110,270
BWSI	**683,695**	651,155
WMPC	**156,895**	174,927
RP Energy	**90,433**	93,418
SPPC	**81,996**	42,341
STEAG	**—**	3,592,972
Others	**669,448**	648,466
	₱224,059,274	₱195,846,753

The fair value of the investment in UBP for which there is a published price quotation amounted to ₱59.2 billion and ₱92.1 billion as of December 31, 2023 and 2022, respectively. Following is the summarized financial information of significant associates and joint ventures:

	2023	2022	2021
UBP			
Total current assets	**₱126,151,838**	₱158,162,594	₱189,859,889
Total noncurrent assets	**1,027,195,779**	942,556,587	646,963,055
Total current liabilities	**(919,036,162)**	(892,607,957)	(649,381,089)
Total noncurrent liabilities	**(50,493,627)**	(51,644,325)	(69,853,986)
Equity	**₱183,183,504**	₱155,622,125	₱116,810,507
Gross revenue	**₱78,566,313**	₱50,524,771	₱36,327,569
Operating profit	**11,776,963**	17,121,795	15,417,321
Net income attributable to equity holders of the parent	**9,011,542**	12,915,111	12,887,813
Total comprehensive income	**20,513,716**	217,026	11,779,111
Group's share in net income	**₱4,500,591**	₱6,316,778	₱6,376,021

(Forward)

	2023	2022	2021
AEV CRH			
Total current assets	**₱9,836,627**	₱12,340,769	₱9,043,918
Total noncurrent assets	**81,686,075**	83,687,326	85,060,615
Total current liabilities	**(14,938,523)**	(15,582,145)	(13,751,204)
Total noncurrent liabilities	**(36,255,491)**	(39,280,876)	(37,729,595)
Equity	**₱40,482,913**	₱41,206,807	₱42,664,241
Gross revenue	**₱24,964,668**	₱27,033,731	₱27,347,174
Operating profit	**354,411**	610,522	2,864,011
Net income (loss)	**(1,322,467)**	(1,020,435)	1,371,940
Group's share in net income (loss)	**(₱793,480)**	(₱612,261)	₱823,164
GNPD			
Total current assets	**₱37,860,527**	₱29,574,563	₱14,738,599
Total noncurrent assets	**102,063,473**	95,476,181	81,161,930
Total current liabilities	**(20,008,286)**	(13,056,358)	(5,173,546)
Total noncurrent liabilities	**(53,417,232)**	(68,893,301)	(64,794,734)
Equity	**₱66,498,482**	₱43,101,085	₱25,932,249
Gross revenue	**₱58,164,067**	₱54,402,996	₱18,531,437
Operating income	**24,923,576**	14,788,321	2,067,594
Net income	**23,776,067**	14,898,575	7,495,055
Other comprehensive loss	**(6,954)**	—	—
Group's share in net income	**₱9,497,339**	₱5,959,430	₱2,922,760
Additional information:			
Cash and cash equivalents	**₱27,311,823**	₱15,250,602	₱6,037,783
Current financial liabilities	**20,016,908**	11,354,278	1,295,090
Noncurrent financial liabilities	**51,862,000**	65,075,513	2,133,426
Depreciation and amortization	**112,107**	124,902	113,358
Interest income	**25,789**	27,177	26,868
Interest expense	**(198,984)**	(246,524)	(87,560)
Income tax expense	**16,391**	1,470,480	1,448,237
MORE			
Total current assets	**₱48,213**	₱63,207	₱655,296
Total noncurrent assets	**12,130,146**	11,122,609	9,672,667
Total current liabilities	**(35,112)**	(18,506)	(510,947)
Total noncurrent liabilities	**(39,100)**	(19,890)	(34,918)
Equity	**₱12,104,147**	₱11,147,420	₱9,782,098
Gross revenue	**₱301,889**	₱256,847	₱222,460
Operating profit	**2,027,514**	3,934,504	3,800,149
Net income	**2,017,867**	3,925,799	3,788,908
Other comprehensive income (loss)	**(11,142)**	36,024	16,501
Group's share in net income	**₱1,678,268**	₱3,271,499	₱3,157,424

(Forward)

	2023	2022	2021
Additional information:			
Cash and cash equivalents	**₱28,611**	₱46,149	₱55,669
Current financial liabilities	**35,112**	18,506	10,385
Noncurrent financial liabilities	**39,100**	—	8,209
Depreciation and amortization	**15,091**	15,765	18,628
Interest income	**605**	806	188
Interest expense	**(3,845)**	(904)	(1,501)
Income tax expense	**8,311**	7,619	10,149
STEAG			
Total current assets	**₱—**	₱5,633,304	₱3,510,163
Total noncurrent assets	**—**	9,390,560	9,155,136
Total current liabilities	**—**	(2,051,769)	(1,687,950)
Total noncurrent liabilities	**—**	(3,537,718)	(3,732,167)
Equity	**₱—**	₱9,434,377	₱7,245,182
Gross revenue	**₱—**	₱9,421,740	₱3,780,615
Operating profit	**—**	2,020,191	1,242,155
Net income	**—**	1,489,499	1,028,755
Other comprehensive income	**—**	41,931	73,301
Group's share in net income	**₱—**	₱381,856	₱218,730
CEDC			
Total current assets	**₱5,358,050**	₱5,498,731	₱4,546,675
Total noncurrent assets	**9,534,978**	10,286,602	11,074,007
Total current liabilities	**(3,713,509)**	(3,900,081)	(3,205,091)
Total noncurrent liabilities	**(4,092,414)**	(4,958,095)	(5,823,525)
Equity	**₱6,877,862**	₱6,927,157	₱6,592,066
Gross revenue	**₱12,165,195**	₱14,258,846	₱8,984,184
Operating profit	**4,375,718**	4,199,039	4,111,795
Net income	**2,366,269**	2,125,080	1,921,029
Other comprehensive income (loss)	**62,732**	60,743	(36,552)
Group's share in net income	**₱1,064,071**	₱909,994	₱839,766
SFELAPCO			
Total current assets	**₱1,451,888**	₱1,293,870	₱1,071,258
Total noncurrent assets	**3,285,675**	3,050,709	2,918,480
Total current liabilities	**(920,385)**	(822,482)	(699,925)
Total noncurrent liabilities	**(839,992)**	(738,362)	(772,733)
Equity	**₱2,977,186**	₱2,783,735	₱2,517,080
Gross revenue	**₱6,415,512**	₱5,142,904	₱4,674,301
Operating profit	**678,618**	658,375	1,336,613
Net income	**591,967**	560,139	517,748

(Forward)

	2023	2022	2021
Other comprehensive income (loss)	**(₱50,746)**	₱78,900	₱68,923
Group's share in net income	**₱263,941**	₱270,374	₱234,137
CRH ABOITIZ			
Total current assets	**(₱2,144)**	₱4,636,974	₱4,301,756
Total noncurrent assets	**255,185**	894,034	972,387
Total current liabilities	**679**	(1,914,806)	(1,649,191)
Total noncurrent liabilities	**(1)**	(123,861)	(137,845)
Equity	**₱252,363**	₱3,492,341	₱3,487,107
Gross revenue	**₱4,068**	₱23,345,275	₱24,523,388
Operating profit	**2,780**	912,964	1,853,270
Net income (loss)	**9,763**	(50,708)	1,155,742
Group's share in net income (loss)	**₱4,393**	(₱22,819)	₱520,084
BWSI			
Total current assets	**₱1,008,364**	₱1,000,885	₱1,170,651
Total noncurrent assets	**3,396,381**	3,210,892	2,740,581
Total current liabilities	**(1,156,857)**	(730,743)	(1,089,356)
Total noncurrent liabilities	**(606,902)**	(796,078)	(831,087)
Equity	**₱2,640,986**	₱2,684,956	₱1,990,789
Gross revenue	**₱2,415,528**	₱2,155,150	₱2,007,370
Gross profit	**1,237,169**	1,079,794	1,026,115
Net income	**548,218**	398,448	353,031
Group's share in net income	**₱83,041**	₱63,513	₱56,273
WMPC			
Total current assets	**₱849,438**	₱910,761	₱933,419
Total noncurrent assets	**206,963**	242,632	245,101
Total current liabilities	**(175,751)**	(162,654)	(210,852)
Total noncurrent liabilities	**(100,800)**	(110,028)	(67,288)
Equity	**₱779,850**	₱880,711	₱900,380
Gross revenue	**₱1,498,713**	₱1,793,183	₱1,596,258
Operating profit	**469,616**	615,791	630,603
Net income	**202,133**	277,729	351,931
Other comprehensive income	**—**	—	—
Group's share in net income	**₱41,968**	₱55,288	₱71,395
SPPC			
Total current assets	**₱458,880**	₱144,092	₱142,071
Total noncurrent assets	**127,670**	165,862	189,810

(Forward)

	2023	2022	2021
Total current liabilities	**(₱122,918)**	(₱44,172)	(₱37,565)
Total noncurrent liabilities	**(54,212)**	(53,687)	(53,015)
Equity	**₱409,420**	₱212,095	₱241,301
Gross revenue	**₱—**	₱—	₱—
Operating loss	**(4,940)**	(7,190)	(9,490)
Net income (loss)	**206,701**	(35,009)	(43,115)
Other comprehensive income	**—**	—	—
Group's share in net income (loss)	**₱39,656**	(₱6,028)	(₱4,878)
AA Thermal			
Total current assets	**₱10,467**	₱10,447	₱9,859
Total noncurrent assets	**16,775,941**	16,775,941	16,775,941
Total current liabilities	**(853)**	(144)	(89)
Total noncurrent liabilities	**(195)**	(218)	(152)
Equity	**₱16,785,360**	₱16,786,026	₱16,785,559
Gross revenue	**₱—**	₱—	₱—
Operating profit	**—**	—	—
Net income (loss)	**(660)**	468	(2,920)
Other comprehensive income	**—**	—	—
Group's share in net income	**₱—**	₱—	₱—
UDII			
Total current assets	**₱2,066,606**	₱701,811	₱—
Total noncurrent assets	**14,671,204**	3,815,575	—
Total current liabilities	**(691,674)**	(103,097)	—
Total noncurrent liabilities	**(9,994,261)**	(705,722)	—
Equity	**₱6,051,874**	₱1,906,290	₱—
Gross revenue	**₱642,486**	₱93,363	₱—
Operating profit	**(51,105)**	(178,623)	—
Net income	**(331,258)**	(178,623)	—
Other comprehensive income	**—**	—	—
Group's share in net income	**(₱165,629)**	(₱89,311)	₱—
Additional information:			
Cash and cash equivalents	**₱324,967**	₱392,919	₱—
Current financial liabilities	**691,674**	78,806	—
Noncurrent financial liabilities	**9,988,751**	704,940	—
Depreciation and amortization	**346,120**	62,160	—
Interest income	**10,187**	7,419	—

(Forward)

	2023	2022	2021
Interest expense	**₱279,137**	₱30,894	₱—
Income tax expense	**—**	—	—
GMCAC			
Total current assets	**₱2,227,470**	₱2,401,416	₱—
Total noncurrent assets	**35,697,263**	35,660,709	—
Total current liabilities	**(1,326,949)**	(3,551,516)	—
Total noncurrent liabilities	**(26,590,782)**	(25,545,364)	—
Equity	**₱10,007,002**	₱—	₱—
Gross revenue	**₱3,586,969**	₱—	
Operating profit	**1,382,424**	—	
Net income	**1,064,941**	—	
Other comprehensive income (loss)	**—**	—	
Group's share in net income	**₱354,945**		
Others*			
Total current assets	**₱1,278,440**	₱1,178,719	₱2,522,526
Total noncurrent assets	**9,388,572**	10,057,560	9,903,488
Total current liabilities	**(1,035,247)**	(989,577)	384,304
Total noncurrent liabilities	**(4,167,944)**	(4,148,194)	4,041,193
Gross revenue	**₱142,126**	₱121,110	₱134,657
Net income (loss)	**(238,190)**	63,041	(23,844)

**The financial information of insignificant associates and joint ventures are indicated under "Others".*

The amounts for SFELAPCO are based on appraised values which are adjusted to historical amounts upon equity take-up of the Group. Using cost method in accounting for property, plant and equipment, net income amounted to ₱601.9 million, ₱610.8 million and ₱517.7 million in 2023, 2022, and 2021, respectively.

11. Material partly - owned subsidiary

As of December 31, 2023 and 2022, the Company has 53.09% and 51.99% interest in AP, a holding company incorporated in the Philippines.

The summarized consolidated financial information as of December 31, 2023, 2022 and 2021 of AP is provided below:

	2023	2022 (As Restated*)	2021 (As Restated*)
Consolidated comprehensive income			
Revenue	**₱207,099,897**	₱193,993,588	₱134,359,221
Cost of sales	**135,433,770**	129,998,462	74,996,207
Operating expenses	**39,881,048**	34,192,152	31,153,218
Finance costs - net	**12,494,368**	12,741,652	13,247,132
Other income - net	**24,451,588**	15,650,300	9,693,261
Profit before tax	**43,742,299**	32,711,622	24,655,925
Income tax	**7,276,865**	4,701,005	3,862,403
Profit for the year	**₱36,465,434**	₱28,010,617	₱20,793,522
Total comprehensive income	**₱33,083,566**	₱34,467,829	₱27,070,038

*Income tax is restated as a result of *PAS 12 amendment*

Other financial information			
Total comprehensive income attributable to non-controlling interests	**₱3,353,505**	₱2,182,455	₱1,774,234
Dividends paid to non-controlling interests	**1,567,246**	1,380,664	1,687,998

Consolidated balance sheet

	2023	2022
Total current assets	**₱115,803,427**	₱132,976,387
Total noncurrent assets	**371,219,879**	344,399,383
Total current liabilities	**64,634,489**	74,567,875
Total noncurrent liabilities	**228,414,452**	224,675,376
Equity	**₱193,974,365**	₱178,132,519
Non-controlling interest	**₱13,836,299**	₱9,072,093

Consolidated cash flow

	2023	2022
Operating cash flows	**₱50,268,979**	₱34,213,337
Investing cash flows	**(15,086,375)**	(11,442,216)
Financing cash flows	**(45,434,740)**	(14,475,876)

12. **Joint Operation**

On May 15, 2014, the Group, through TPI, entered into a shareholders' agreement with TPEC Holdings Corporation (TPEC) for the development, construction and operation of the 400 MW Pagbilao Unit III in Pagbilao, Quezon through Pagbilao Energy Corporation (PEC). TPI and TPEC both agreed to provide their respective capital contributions and subscribe to common shares such that each stockholder owns 50% of the issued and outstanding shares of stock of PEC.

The financial and operating activities of the operation are jointly controlled by the participating shareholders and are primarily designed for the provision of output to the shareholders.

The Group's share of assets, liabilities, revenue, expenses and cash flows of joint operations are included in the consolidated financial statements on a line-by-line basis.

13. **Property, Plant and Equipment**

	2023	2022
Property, plant and equipment	**₱199,409,988**	₱189,854,993
Right-of-use asset (see Note 22)	**30,290,606**	34,856,727
	₱229,700,594	₱224,711,720

December 31, 2023

	Building, Warehouses and Improvements	Power Plant and Equipment and Steamfield assets (see Note 21)	Transmission, Distribution and Substation Equipment	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Leasehold Improvements	Land	Tools and Others	Construction in Progress	Total
Cost											
At January 1	**₱67,286,922**	**₱132,660,266**	**₱27,750,107**	**₱11,968,898**	**₱3,550,821**	**₱16,985,009**	**₱3,417,209**	**₱4,105,228**	**₱2,293,821**	**₱16,046,139**	**₱286,064,420**
Step acquisition to subsidiary (see Note 9)	**590,947**	**728,819**	**—**	**—**	**—**	**312,942**	**137,285**	**—**	**—**	**40,146**	**1,810,139**
Additions	**192,526**	**1,238,910**	**1,130,654**	**272,544**	**499,408**	**701,499**	**71,942**	**263,969**	**94,026**	**16,514,795**	**20,980,273**
Disposals	**(82,287)**	**(874,922)**	**(1,544)**	**(141,898)**	**(226,881)**	**(181,540)**	**(14,360)**	**(7,043)**	**(99,323)**	**(36,635)**	**(1,666,432)**
Reclassifications/transfers	**1,383,064**	**4,201,495**	**2,086,764**	**570,515**	**56,642**	**960,048**	**23,120**	**1,281,903**	**84,013**	**(9,136,277)**	**1,511,286**
At December 31	**69,371,172**	**137,954,568**	**30,965,981**	**12,670,059**	**3,879,990**	**18,777,958**	**3,635,196**	**5,644,057**	**2,372,537**	**23,428,168**	**308,699,686**
Accumulated depreciation and amortization											
At January 1	**15,572,519**	**49,099,868**	**7,965,193**	**6,993,921**	**2,201,123**	**7,805,387**	**1,313,611**	**207,349**	**732,481**	**—**	**91,891,452**
Step acquisition to subsidiary (see Note 9)	**432,753**	**643,192**	**—**	**—**	**—**	**263,095**	**98,021**	**—**	**—**	**—**	**1,437,061**
Depreciation and amortization (see Note 28)	**3,164,953**	**6,272,191**	**903,282**	**847,675**	**304,738**	**1,011,625**	**179,685**	**27,542**	**162,817**	**—**	**12,874,508**
Disposals	**(69,761)**	**(678,972)**	**(847)**	**(138,334)**	**(193,711)**	**(171,298)**	**(13,502)**	**(4,865)**	**(87,450)**	**—**	**(1,358,740)**
Reclassifications/transfers	**975,454**	**(1,027,266)**	**51,633**	**(119,287)**	**(19,675)**	**24,723**	**16,939**	**(247)**	**(24,803)**	**—**	**(122,529)**
At December 31	**20,075,918**	**54,309,013**	**8,919,261**	**7,583,975**	**2,292,475**	**8,933,532**	**1,594,754**	**229,779**	**783,045**	**—**	**104,721,752**
Accumulated Impairment											
At January 1	**9,955**	**1,472,757**	**93,117**	**—**	**2,088**	**94,778**	**251**	**—**	**—**	**2,645,029**	**4,317,975**
Impairment (see Note 31)	**8,849**	**220,000**	**—**	**20,598**	**—**	**524**	**—**	**—**	**—**	**—**	**249,971**
At December 31	**18,804**	**1,692,757**	**93,117**	**20,598**	**2,088**	**95,302**	**251**	**—**	**—**	**2,645,029**	**4,567,946**
Net Book Values	**₱49,276,450**	**₱81,952,798**	**₱21,953,603**	**₱5,065,486**	**₱1,585,427**	**₱9,749,124**	**₱2,040,191**	**₱5,414,278**	**₱1,589,492**	**₱20,783,139**	**₱199,409,988**

December 31, 2022

	Building, Warehouses and Improvements	Power Plant and Equipment (see Note 21)	Transmission, Distribution and Substation Equipment	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Leasehold Improvements	Land	Tools and Others	Construction in Progress	Total
Cost											
At January 1	₱61,446,891	₱126,267,975	₱25,319,519	₱11,624,708	₱2,813,608	₱16,100,110	₱3,349,237	₱3,874,417	₱6,178,670	₱10,105,230	₱267,080,365
Acquisition of subsidiaries	—	—	—	(53,578)	(2,262)	(2,235)	—	—	—	—	(58,075)
Additions	228,378	2,238,854	628,742	233,154	430,558	745,822	19,698	82,574	230,206	10,960,520	15,798,506
Disposals	(41,121)	(68,946)	(3,441)	(247,081)	(351,477)	(69,436)	(10,391)	(733)	(41,694)	(6,933)	(841,253)
Revaluation surplus	19,943	—	—	—	—	—	—	836,953	—	—	856,896
Reclassifications/transfers	5,632,831	4,222,383	1,805,287	411,695	660,394	210,748	58,665	(687,983)	(4,073,361)	(5,012,678)	3,227,981
At December 31	67,286,922	132,660,266	27,750,107	11,968,898	3,550,821	16,985,009	3,417,209	4,105,228	2,293,821	16,046,139	286,064,420
Accumulated depreciation and amortization											
At January 1	15,055,446	38,866,992	7,133,823	6,559,224	1,898,387	7,031,369	1,149,707	193,384	1,044,099	—	78,932,431
Acquisition of subsidiaries	—	—	—	(37,639)	(2,258)	(953)	—	—	—	—	(40,850)
Depreciation and amortization (see Note 28)	1,825,911	6,723,111	857,741	805,052	237,801	930,245	164,392	24,417	102,294	—	11,670,964
Disposals	(26,186)	(63,477)	(1,054)	(225,132)	(146,935)	(77,009)	(10,282)	(415)	(10,645)	—	(561,135)
Reclassifications/transfers	(1,282,652)	3,573,242	(25,317)	(107,584)	214,128	(78,265)	9,794	(10,037)	(403,267)	—	1,890,042
At December 31	15,572,519	49,099,868	7,965,193	6,993,921	2,201,123	7,805,387	1,313,611	207,349	732,481	—	91,891,452
Accumulated Impairment											
At January 1	9,955	787,496	77,541	—	2,088	66,360	251	—	—	2,645,029	3,588,720
Impairment (see Note 31)	—	685,261	15,576	—	—	28,418	—	—	—	—	729,255
At December 31	9,955	1,472,757	93,117	—	2,088	94,778	251	—	—	2,645,029	4,317,975
Net Book Values	₱51,704,448	₱82,087,641	₱19,691,797	₱4,974,977	₱1,347,610	₱9,084,844	₱2,103,347	₱3,897,879	₱1,561,340	₱13,401,110	₱189,854,993

In 2023 and 2022, the Group has determined that an impairment test has to be performed on certain segments of its property, plant and equipment amounting to ₱4.9 billion and ₱5.5 billion respectively. In performing an impairment test calculation, the Group determined the recoverable amount of the relevant property, plant and equipment through value in use (VIU). VIU is derived based on financial budgets prepared by senior management covering the project's entire life. Pre-tax discount rate of 9.45% to 11.51% in 2023 and 9.68% to 11.51% in 2022 was used.

The calculation of value in use of these property, plant and equipment are most sensitive to the following assumptions:

- Discount rate - Discount rate reflects the management's estimate of risks applicable to these projects. The benchmark used by the management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates, consideration has been given to various market information, including, but not limited to, government bond yield, bank lending rates and market risk premium.

- Material price inflation - Estimates are obtained from published indices from which the materials are sourced, as well as data relating to specific commodities. Forecast figures are used if data is publicly available, otherwise past actual material price movements are used as an indicator of future price movement.

- Growth rate - The long-term rate used to extrapolate future cash flows excludes expansions and potential improvements in the future. Management also recognized the possibility of new entrants, which may have significant impact on existing growth rate assumptions. Management however, believes that new entrants will not have a significant adverse impact on the forecasts included in the financial budget.

Management have reflected future economic uncertainty in the risk-adjusted cash flows, giving a more accurate representation of the risks specific to the projects.

In addition, the Group also performed an assessment whether there are specific equipment that should have been impaired.

This assessment resulted to the recognition of impairment losses in 2023 and 2022 amounting to ₱250.0 million and ₱729.3 million, respectively (see Note 31).

In 2023 and 2022, power plant equipment and steam field assets decreased by ₱1.3 billion and increased by ₱0.3 billion, respectively, due to the change in accounting estimate on decommissioning liability (see Note 21).

In 2023 and 2022, additions to "Construction in progress" include capitalized borrowing costs, net of interest income earned from short-term deposits, amounting to ₱558.7 million and ₱326.2 million, respectively (see Note 19). The rate used to determine the amount of borrowing costs eligible for

capitalization ranged from 4.54% to 8.02% and 4.49% to 4.82% which are the effective interest rate of the specific borrowings in 2023 and 2022, respectively.

Property, plant and equipment with carrying amounts of ₱48.1 billion and ₱64.4 billion as of December 31, 2023 and 2022, respectively, are used to secure the Group's long-term debts (see Note 19).

Fully depreciated property, plant and equipment with cost amounting to ₱12.0 billion and ₱5.7 billion as of December 31, 2023 and 2022, respectively, are still in use.

14. **Intangible Assets**

December 31, 2023

	Goodwill	Service concession rights	Franchise	Project development costs	Customer contracts	Software and licenses	Total
Cost:							
Balances at beginning of year	**₱59,990,429**	**₱18,281,255**	**₱3,078,431**	**₱1,532,444**	**₱99,746**	**₱1,175,522**	**₱84,157,827**
Additions during the year	**—**	**3,131,920**	**—**	**1,503,025**	**—**	**818,890**	**5,453,835**
Write-offs (see Note 31)	**—**	**—**	**—**	**(308,871)**	**—**	**—**	**(308,871)**
Exchange differences/Others	**(644,310)**	**(3,151)**	**—**	**(223,687)**	**—**	**(6,243)**	**(877,391)**
Balances at end of year	**59,346,119**	**21,410,024**	**3,078,431**	**2,502,911**	**99,746**	**1,988,169**	**88,425,400**
Accumulated amortization:							
Balances at beginning of year	**—**	**4,135,101**	**737,541**	**—**	**96,771**	**813,162**	**5,782,575**
Amortization (see Note 28)	**—**	**403,883**	**76,961**	**—**	**2,975**	**271,010**	**754,829**
Balances at end of year	**—**	**4,538,984**	**814,502**	**—**	**99,746**	**1,084,172**	**6,537,404**
Net book values	**₱59,346,119**	**₱16,871,040**	**₱2,263,929**	**₱2,502,911**	**₱—**	**₱903,997**	**₱81,887,996**

December 31, 2022

	Goodwill	Service concession rights	Franchise	Project development costs	Customer contracts	Software and licenses	Total
Cost:							
Balances at beginning of year	₱57,575,420	₱16,864,073	₱3,078,431	₱806,016	₱99,746	₱1,075,280	₱79,498,966
Additions during the year	—	1,307,844	—	1,133,198	—	99,489	2,540,531
Impairment/Write-off (see Note 31)	(431,622)	—	—	(314,490)	—	—	(746,112)
Exchange differences/Others	2,846,631	109,338	—	(92,280)	—	753	2,864,442
Balances at end of year	59,990,429	18,281,255	3,078,431	1,532,444	99,746	1,175,522	84,157,827
Accumulated amortization:							
Balances at beginning of year	—	3,739,190	660,581	—	92,803	667,981	5,160,555
Amortization (see Note 28)	—	395,911	76,960	—	3,968	145,181	622,020
Balances at end of year	—	4,135,101	737,541	—	96,771	813,162	5,782,575
Net book values	₱59,990,429	₱14,146,154	₱2,340,890	₱1,532,444	₱2,975	₱362,360	₱78,375,252

Goodwill

Goodwill acquired through business combinations have been attributed to the following cash-generating unit (CGU).

	2023	2022
GMEC	**₱43,736,997**	₱44,041,109
GCMH	**14,167,285**	14,483,837
LEZ	**467,586**	467,586
PVCL	**428,814**	449,581
HI	**220,228**	220,228
BEZ	**191,471**	191,471
LLI	**61,202**	61,202
GCFBDC	**59,447**	62,326
TCP & PB	**13,089**	13,089
	₱59,346,119	₱59,990,429

The recoverable amount of the CGUs has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period.

Key assumptions used in value in use calculation for December 31, 2023 and 2022

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Discount rates and growth rates

The discount rate applied to cash flow projections are from 8.54% to 13.55% in 2023 and from 9.68% to 16.97% in 2022, and cash flows beyond the five-year period are extrapolated using growth rates from 1.62% to 3.39%.

Revenue assumptions

2023

	LEZ	**BEZ**	**GMEC**	**HI**	**GCMH**	**PVCL**	**GCFBDC**	**LLI**	**TCP & PB**
Basis for Revenue Assumptions	**Electricity sales**				**Animal feeds sales**			**Lot sales**	**Rental**
Year 1	**-5%**	**-17%**	**-15%**	**-5%**	**7%**	**40%**	**-28%**	**18%**	**41%**
Year 2	**2%**	**9%**	**2%**	**9%**	**12%**	**49%**	**2%**	**19%**	**22%**
Year 3	**3%**	**2%**	**-2%**	**-2%**	**8%**	**6%**	**5%**	**16%**	**21%**
Year 4	**4%**	**10%**	**12%**	**-3%**	**6%**	**19%**	**5%**	**-2%**	**5%**
Year 5	**10%**	**1%**	**-3%**	**1%**	**5%**	**12%**	**5%**	**26%**	**5%**

2022

	LEZ	BEZ	GMEC	HI	GCMH	PVCL	GCFBDC	LLI	TCP & PB
Basis for Revenue Assumptions	Electricity sales				Animal feeds sales			Lot sales	Rental
Year 1	3%	9%	14%	9%	-1%	31%	3%	44%	12%
Year 2	-4%	-2%	-7%	8%	5%	75%	-37%	2%	41%
Year 3	-2%	9%	-11%	7%	6%	2%	4%	4%	22%
Year 4	3%	1%	-13%	-14%	14%	2%	4%	11%	21%
Year 5	5%	2%	-4%	-8%	2%	2%	4%	5%	5%

Materials price inflation
In 2023, the assumption used to determine the value assigned to the materials price inflation is 2.39% in 2024, and settles at 2.61% for the next 4 years until 2028. The starting point of 2024 is consistent with external information sources.

In 2022, the assumption used to determine the value assigned to the materials price inflation is 3.45% in 2023, 3.30% in 2024 and settles at 3.45% for the next 3 years until 2027.

Foreign exchange rates
In 2023, the assumption used to determine foreign exchange rate is a weakening Philippine peso which starts at a rate of ₱54.87 to a dollar in 2024, then depreciates annually at an average of 0.5% until 2028.

In 2022, the assumption used to determine foreign exchange rate is fluctuating Philippine peso which starts at a rate of ₱54.80 to a dollar in 2023, appreciates annually at an average of 1.5% until 2025, then depreciates annually at an average of 1.5% until 2027.

Based on the impairment testing, no impairment of goodwill was recognized in 2023. The Group recognized an impairment loss on a portion of its goodwill on the GCMH acquisition amounting to ₱431.6 million in 2022. This impairment loss is brought about by the decreased operations in certain foreign operations.

With regard to the assessment of value-in-use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

Service Concession Rights

Service concession arrangements entered into by the Group are as follows:

- On November 24, 1996, LHC entered into a PPA with NPC, its sole customer, for the construction and operation of a 70-megawatt hydroelectric power generating facility (the Power Station) in Bakun River in Benguet and Ilocos Sur Provinces on a build-operate-transfer scheme. Under the PPA, LHC shall deliver to NPC all electricity generated over a cooperation period of 25 years until February 5, 2026.

On the Transfer Date, as defined in the PPA, LHC shall transfer to NPC, free from any lien or encumbrance, all its rights, title and interest in and to the Power Station and all such data as operating manuals, operation summaries/transfer notes, design drawings and other information as may reasonably be required by NPC to enable it to operate the Power Station.

Since NPC controls the ownership of any significant residual interest of the Power Station at the end of the PPA, the PPA is accounted for under the intangible asset model as LHC has the right to charge users for the public service under the service concession arrangement.

The Power Station is treated as intangible asset and is amortized over a period of 25 years, which is the service concession period in accordance with Philippine Interpretation IFRIC 12. The intangible asset with a carrying value of ₱593.1 million and ₱898.6 million as of December 31, 2023 and 2022, respectively, was used as collateral to secure LHC's long-term debt (see Note 19).

- On May 15, 2003, the SBMA, AEV and DLP entered into a DMSA for the privatization of the SBMA Power Distribution System (PDS) on a rehabilitate-operate-and-transfer arrangement; and to develop, construct, lease, lease out, operate and maintain property, structures and machineries in the Subic Bay Freeport Zone (SBFZ).

  Under the terms of the DMSA, SEZ was created to undertake the rehabilitation, operation and maintenance of the PDS (the Project), including the provision of electric power service to the customers within the Subic Bay Freeport Secured Areas of the SBFZ as well as the collection of the relevant fees from them for its services and the payment by SBMA of the service fees throughout the service period pursuant to the terms of the DMSA. The DMSA shall be effective for a 25-year period commencing on the turnover date.

  For and in consideration of the services and expenditures of SEZ, it shall be paid by the SBMA the service fees equivalent to all the earnings of the Project, provided, however, that SEZ shall remit the amount of ₱40.0 million to the SBMA at the start of every 12-month period throughout the service period, regardless of the earnings of the Project. The said remittances may be reduced by the outstanding power receivables from SBMA, including streetlights power consumption and maintenance, for the immediate preceding year.

  Since SBMA controls ownership of the equipment at the end of the agreement, the PDS are treated as intangible assets and are amortized over a period of 25 years up to year 2028, in accordance with Philippine Interpretation IFRIC 12.

  The carrying value of the intangible asset arising from the service concession arrangement amounted to ₱504.4 million and ₱536.3 million as of December 31, 2023 and 2022, respectively.

- The transmission and distribution equipment of MEZ are located within Mactan Export Processing Zone (MEPZ) II. Since MCIAA controls ownership of the equipment at the end of the agreement, the equipment are treated as intangible assets and amortized over a period of 21 years up to year 2028, in accordance with Philippine Interpretation IFRIC 12.

  The carrying amount of the intangible asset arising from the service concession arrangement amounted to ₱63.8 million and ₱65.9 million as of December 31, 2023 and 2022, respectively.

- Service concession rights consist of the costs of construction of the treated bulk water supply facility, required for the delivery of treated bulk water to the Davao City Water District, pursuant to the concession agreement.

  The carrying amount of the intangible asset arising from the service concession arrangement amounted to ₱15.7 billion and ₱12.6 billion as of December 31, 2023 and 2022, respectively.

  The amortization of intangible assets is included in "Depreciation and amortization" under "Operating Expenses" in the consolidated statements of income (see Note 28).

15. Investment Properties

December 31, 2023

	Land	Buildings	Land Improvements	Construction-in-Progress	Total
At January 1	**₱8,997,947**	**₱4,244,676**	**₱693,052**	**₱488,282**	**₱14,423,957**
Additions	**300**	**51,152**	**21,726**	**527,632**	**600,810**
Gain on fair valuation (see Note 31)	**348,015**	**433,497**	**—**	**—**	**781,512**
Transfers/adjustments	**(1,213,066)**	**(489,887)**	**(25,824)**	**—**	**(1,728,777)**
At December 31	**₱8,133,196**	**₱4,239,438**	**₱688,954**	**₱1,015,914**	**₱14,077,502**

December 31, 2022

	Land	Land Improvements	Buildings	Construction-In-Progress	Total
At January 1	₱7,510,944	₱645,786	₱3,705,846	₱364,977	₱12,227,553
Additions	45,379	11,103	27,140	356,724	440,346
Gain on fair valuation (see Note 31)	298,764	—	228,390	—	527,154
Transfers/ adjustments	1,142,860	36,163	283,300	(233,419)	1,228,904
At December 31	₱8,997,947	₱693,052	₱4,244,676	₱488,282	₱14,423,957

Rental income earned from and direct operating expenses of investment properties amounted to ₱1.0 billion and ₱0.5 billion, respectively, in 2023; ₱1.6 billion and ₱0.7 billion, respectively, in 2022; and ₱0.9 billion and ₱0.1 billion, respectively, in 2021 (see Note 26).

As of December 31, 2023 and 2022, the fair values of the properties are based on valuations performed by an accredited independent valuer. The valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The fair values of the Group's investment properties were determined as follows:

- In valuing the land, the Group used the Sales Comparison Approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison.
- The appraiser gathers data on actual sales and/or listings, offers, and renewal options, and identifies the similarities and differences in the data, ranks the data according to their relevance, adjusts the sales prices of the comparable to account for the dissimilarities with the unit being appraised, and forms a conclusion as to the most reasonable and probable market value of the subject property.

The elements of comparison include location, physical characteristics, available utilities, zoning, and highest and best use. The most variable elements of comparison are the site's physical characteristics, which include its size and shape, frontage, topography and location.

Reproduction cost is the current cost of constructing a replica of the existing structures, employing the same design and similar building materials. The current cost of an identical new item.

- In valuing the land improvements and buildings, the Group used the Cost Approach and Income Approach, as applicable.

  Cost approach is a comparative approach to the value of property or another asset that considers as a substitute for the purchase of a given property, the possibility of constructing another property that is a replica of, or equivalent to, the original or one that could furnish equal utility with no undue cost resulting from delay. It is based on the reproduction or replacement cost of the subject property or asset, less total (accrued) depreciation. In the context of asset valuation, depreciation refers to the adjustments made to the cost of reproducing or replacing the asset to reflect physical deterioration, functional (technical) obsolescence and economic (external) obsolescence in order to estimate the value of the asset in a hypothetical exchange in the market when there is no direct sales evidence available. Sound value of an asset is determined by applying the two types of depreciation such as physical deterioration and functional obsolescence. Market Value reflects all the three types of depreciation.

  Income approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value.

Fair value investment properties are estimated under Level 3 inputs.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

	Fair value at December 31, 2023	**Valuation technique**	**Significant unobservable inputs**	**Range (weighted average)**
Land	**₱8,133,196**	**Sales Comparison Approach Market Approach**	**Price per square meter**	**₱1,200 - ₱550,000**
Buildings and land Improvements	**4,928,392**	**Market Approach Income Approach Cost Approach**	**Price per actual and current market listing Net income per square meter Estimated useful life Replacement cost**	**₱210,487 - ₱274,000 per square meter ₱48,549 - ₱50,381 per square meter 7 - 28 years ₱38,000 - ₱25,671,000**

	Fair value at December 31, 2022	Valuation technique	Significant unobservable inputs	Range (weighted average)
Land	₱8,997,947	Sales Comparison Approach Market Approach	Price per square meter Price per actual market and current listings	₱1,100 - ₱201,100
Buildings and land Improvements	4,937,728	Income Approach, Cost Approach	Net income per square meter, Reproduction cost, Remaining economic life	₱6,194 - ₱57,082 per square meter ₱1,212,000 - ₱24,975,000 15 – 30 years

For land, significant increases (decreases) in price per square meter would result in a significantly higher (lower) fair value of the properties.

For buildings and land improvements, significant increases (decreases) in estimated replacement cost and remaining economic life would result in a significantly higher (lower) fair value of the properties.

For buildings and land improvements, significant increases (decreases) in net income per square meter would result in a significantly higher (lower) fair value of the properties.

16. **Other Noncurrent Assets**

	2023	2022
Concession contract asset, net of current portion	**₱7,977,067**	₱—
Input VAT and tax credit receivable, net of allowance for impairment loss of ₱180.7 million in 2023 and ₱42.2 million in 2022 (see Note 31)	**5,805,371**	3,850,974
Prepaid taxes	**4,709,025**	3,643,246
Financial assets at FVOCI (see Note 37)	**3,353,210**	4,626,724
Prepaid rent and other deposits	**1,199,209**	963,963
Advances to contractors and projects	**1,199,154**	2,100,394
Advances to NGCP - net of current portion (see Note 7)	**565,732**	560,894
Deposit for future land acquisition	**398,213**	388,813
Bearer and breeder (see Note 8)	**210,978**	158,792
Financial assets at FVTPL	**107,292**	899,186
Debt investments at amortized cost	**11,063**	42,861
Exchangeable notes (see Notes 7 and 10)	**—**	15,526,400
Others	**1,676,953**	958,377
	₱27,213,267	₱33,720,624

Prepaid taxes are composed of creditable withholding taxes.

Interest income earned from financial assets amounted to ₱340.4 million in 2023, ₱145.4 million in 2022 and ₱73.7 million in 2021, respectively (see Note 36).

Others consist mainly of deferred VAT input.

Concession contract asset pertains to STEAG's PPA with NPC which has been accounted for under the provisions of Philippine Interpretation IFRIC 12. Under the terms of the PPA, STEAG will receive capital recovery fees from NPC representing recovery of STEAG's capital cost incurred in relation to the construction of the Power Station. These capital recovery fees are recognized at their discounted value in the consolidated financial statements using a prevailing market rate when STEAG was acquired by AP in June 2023 (see Note 9).

Concession contract asset due not later than one year is presented as current asset in the consolidated balance sheets (see Note 7).

For the year ended December 31, 2023, total finance income recognized as part of "Revenue – others" in the consolidated statement of comprehensive income amounted to ₱716.2 million.

17. Trade and Other Payables

	2023	2022
Trade payables (see Note 40)	**₱32,766,171**	₱35,528,606
Nontrade and other payables	**8,949,592**	11,226,916
Accrued expenses		
Interest	**3,615,917**	3,229,914
Taxes and fees	**1,581,545**	1,577,843
Others	**2,618,070**	2,443,410
Output VAT	**4,817,847**	4,175,422
Amounts due to contractors and other third parties	**2,977,997**	2,136,570
PSALM deferred adjustment (see Note 42)	**—**	54,503
Unearned revenue	**4,177**	81,312
	57,331,316	60,454,496
Less noncurrent portion	**1,185,415**	1,107,359
	₱56,145,901	₱59,347,137

Trade payables are non-interest bearing and are usually on 30-90 days' terms.

Trade payables include contract liabilities amounting to ₱2.7 billion and ₱3.5 billion as of December 31, 2023 and 2022, respectively.

Accrued taxes and fees represent accrual of real property tax, transfer tax and other fees. Accrued others mainly include personnel-related accruals, commissions, customer discounts, freight costs and professional fees.

Other payables represent withholding taxes, payroll related liabilities and other accrual of expenses arising in the ordinary course of business and are generally payable within 12 months from the balance sheet date. Other payables include insurance contract liabilities amounting to ₱2.4 billion and ₱6.0 billion as of December 31, 2023 and 2022, respectively.

Amounts due to contractors and other third parties include liabilities arising from construction projects (see Notes 13 and 14).

18. Bank Loans

	2023	2022
Philippine peso loans	**₱31,713,000**	₱26,544,000
US dollar loans	**4,467,823**	12,429,370
Chinese yuan loans	**1,980,370**	1,950,874
Vietnamese dong loans	**496,987**	1,303,316
Indonesian rupiah loans	**479,039**	747,169
Other foreign currency-denominated loans	**1,903,230**	2,392,857
	₱41,040,449	₱45,367,586

The bank loans are unsecured short-term notes payable obtained from local and foreign banks with annual interest rates ranging from 1.90% to 8.00% and 3.13% to 8.20% in 2023 and 2022, respectively. These loans will mature on various dates within the next 12 months.

The loans are covered by the respective borrower's existing credit lines with the banks and are not subject to any significant covenants and warranties.

19. **Long-term Debts**

	2023		2022	
	Annual Interest Rate	**Amount**	Annual Interest Rate	Amount
Company:				
Financial and non-financial institutions - unsecured	**3.30% - 7.53%**	**₱68,068,050**	2.84% - 7.53%	₱57,571,350
Subsidiaries:				
GMEC				
Financial institutions - unsecured	**LIBOR + 1.7% - 4.85%**	**29,728,547**	LIBOR + 1.7% - 4.85%	32,630,155
Therma Marine				
Financial institutions - secured	**4.54% - 7.68%**	**2,437,500**	4.54% - 5.86%	2,600,000
Hedcor Sabangan				
Financial institutions - secured	**4.92%**	**995,174**	4.92%	1,103,234
TVI				
Financial institutions - secured	**5.56% to 9.00%**	**22,439,131**	5.56% to 9.00%	24,479,053
AP				
Financial and non-financial institutions - Peso - unsecured	**3.82% - 8.51%**	**54,100,000**	3.82% - 8.51%	54,150,000
TSI				
Financial institutions - secured	**4.27%**	**16,884,883**	4.27%	18,117,893
APRI				
Financial institutions - secured	**4.91% - 6.67%**	**10,304,000**	4.91% - 6.67%	11,152,000
Hedcor Bukidnon				
Financial institutions - secured	**4.29% - 5.59%**	**7,498,401**	4.29% - 5.59%	8,114,434
HSI				
Fixed rate corporate notes - unsecured	**5.21% - 5.42%**	**2,550,000**	5.03% - 5.42%	3,004,398
PFC				
Financial institutions - unsecured	**5.16%**	**2,841,000**	4.50% - 5.16%	2,855,500
PANC				
Financial institutions - unsecured	**4.50% - 6.432%**	**3,360,000**	4.50% - 6.432%	3,430,000
VECO				
Financial institution - unsecured	**—%**	**—**	4.73% - 4.92%	190,881
DLP				
Financial institution - unsecured	**—%**	**—**	4.73% - 4.92%	143,250

(Forward)

	2023		2022	
	Annual Interest Rate	**Amount**	Annual Interest Rate	Amount
HI				
Financial institutions - secured	**5.00%**	**₱1,236,056**	7.41% - 7.87%	₱1,370,000
CLP				
Financial institution - unsecured	**—%**	**—**	4.92%	28,650
TPVI				
Financial institution - secured	**—%**	**—**	3.32%-5.06%	1,500,000
AESI				
Financial institution - unsecured	**4.87%**	**582,000**	4.87%	588,000
Hedcor Tudaya				
Financial institutions - secured	**4.92%**	**635,022**	4.92%	693,511
PVSINAG				
Financial institution - secured	**7.06% - 8.02%**	**8,850,000**	8.02%	3,600,000
ARI				
Financial institution - unsecured	**6.91%**	**12,000,000**	6.91%	12,000,000
TLI				
Financial institution - unsecured	**7.39%**	**34,000,000**	7.39%	15,000,000
STEAG				
Financial institution - secured	**LIBOR + 1.50% - 5.00%**	**2,404,165**	—%	—
Apo Agua				
Financial institutions - secured	**5.75% - 8.26%**	**11,045,689**	5.75% - 8.26%	9,000,000
LWC				
Financial institutions - secured	**5.47%**	**228,125**	5.47%	250,000
LLI				
Financial institution - unsecured	**5.76% - 6.59%**	**5,000,000**	5.47% - 6.59%	5,100,000
AEV International				
Bonds - unsecured	**4.20%**	**22,148,000**	4.20%	22,302,000
GCMH				
Financial institution - unsecured	**LIBOR + 1.44%**	**2,946,784**	LIBOR + 1.44%	2,230,200
PTAYAM				
Financial institution - unsecured	**JIBOR + 3.48%**	**126,054**	JIBOR + 3.48%	124,626
GCFHN				
Financial institution - unsecured	**—%**	**—**	2.50%	27,624
Gold Coin Feedmill (Dong Nai) Co. Ltd.				
Financial institution - unsecured	**4.69% - 4.81%**	**542,487**	—%	—
Aboitizland				
Financial institution - secured	**3.97% - 4.41%**	**1,800,000**	3.97% - 4.41%	1,900,000
TCP				
Financial institution - unsecured	**5.50% - 7.50%**	**146,350**	5.50% - 7.50%	176,350
FSI				
Financial institution - unsecured	**6.22% - 6.23%**	**135,054**	2.78%	143,531

(Forward)

	2023		2022	
	Annual Interest Rate	**Amount**	Annual Interest Rate	Amount
Joint Operation - PEC				
Financial institution - secured	**5.77% - 6.27%**	**₱8,698,783**	5.77% - 6.27%	₱9,951,718
Total		**333,731,255**		305,528,358
Deferred financing costs		**(2,156,064)**		(1,989,340)
		331,575,191		303,539,018
Less current portion		**15,218,412**		17,926,663
Noncurrent portion		**₱316,356,779**		₱285,612,355

The Company

The breakdown of the Company's long-term debt are as follows:

	2023	2022
Term loan	**₱9,850,000**	₱9,950,000
2023 Retail bonds	**17,450,000**	**—**
2022 Retail bonds	**20,000,000**	20,000,000
2021 Retail bonds	**10,000,000**	10,000,000
2020 Retail bonds	**696,700**	7,550,000
2019 Retail bonds	**5,000,000**	5,000,000
2015 Retail bonds	**5,071,350**	5,071,350
	₱68,068,050	₱57,571,350

In September 2023, the Company issued a total of ₱17.45 billion bonds, broken down into ₱5.81 billion 2-year bonds due 2025 at a fixed rate equivalent to 6.34%, ₱5.83 billion 5-year bonds due 2028 at a fixed rate equivalent to 6.48% and ₱5.81 billion 10-year bond due 2033 at a fixed rate equivalent to 6.80%.

In December 2022, the Company issued a total of ₱20.0 billion bonds, broken down into ₱9.1 billion 3.5-year bonds due 2026 at a fixed rate equivalent to 6.87% and a ₱10.1 billion 7-year bond due 2029 at a fixed rate equivalent to 7.53%.

In August 2021, the Company issued a total of ₱10.0 billion bonds, broken down into ₱5.0 billion 4-year and ₱5.0 billion 7-year bonds at fixed interest rates ranging from 3.30% to 4.32%.

In November 2020, the Company issued a total of ₱7.6 billion bonds, broken down into ₱6.9 billion 3-year and ₱0.7 billion 5-year bonds at fixed interest rates ranging from 2.84% to 3.31%.

In June 2019, the Company issued a total of ₱5.0 billion bonds, broken down into ₱3.4 billion 5-year and ₱1.6 billion 10-year bonds at fixed interest rates ranging from 6.02% to 6.32%.

All of the Company's issued retail bonds have been rated PRS Aaa by the Philippine Rating Services Corporation (PhilRatings).

The principal amount of the above bonds shall be payable on a lump sum basis on the respective maturity date at its face value. These bonds may be redeemed in advance by the Company based on stipulated early redemption option dates and on agreed early redemption price.

In April 2020, the Company executed an agreement with Metropolitan Bank and Trust Company (MBTC) for a 7-year loan in the amount of ₱10.0 billion at an annual fixed rate of 4.45%. In November 2020, ₱10.0 billion was drawn from this facility.

GMEC

On August 29, 2017, GMEC entered into a Notes Facility Agreement (NFA) with local banks with BDO Capital and Investment Corporation as Lead Arranger, with the maximum principal amount of US$800.0 million, the proceeds of which will be used to refinance GMEC's existing loan obligation and for other general corporate purposes.

On September 29, 2017, US$600.0 million was drawn from the NFA, out of which US$462.4 million was used to prepay the outstanding loans. In February 2018, the remaining principal amount of $200.0 million was drawn from the NFA.

Loans payable consist of the following dollar denominated loans as of December 31, 2023 and 2022 (in thousands):

	2023	2022	Interest Rate Per Annum	Payment Schedule
NFA				
Fixed Rate Loan	**$336,132**	$364,194	(i) Fixed rates of 2.5514% and 3.4049% plus 1.45% margin for the first seven-year period and (ii) Fixed Rate Loan Benchmark plus 1.45% margin for the subsequent	24 semi-annual payments starting from the first Interest Payment Date
LIBOR Loan	**200,775**	220,897	Six-month LIBOR plus 1.70% margin	
Working Capital				
BDO	**30,000**	30,000	LIBOR plus 4.21% applicable margin	Payable within six months
SCB	**—**	17,000	LIBOR plus 4.50% applicable margin	Payable within six months
PBCOM	**—**	8,476	Fixed Rate 7.00%	Payable within one year
Chinabank	**—**	30,000	LIBOR plus 4.00% and 3.75% applicable	Payable within six months
	30,000	85,476		
Total borrowings	**566,907**	670,567		
Less unamortized portion of deferred financing costs	**615**	342		
	566,292	670,225		
Less current portion	**78,489**	142,926		
Loans payable - net of current portion	**$487,803**	$527,299		

TMI

On February 23, 2021, TMI entered into a Loan Agreement with China Banking Corporation (CBC) for an aggregate principal amount of ₱2.6 billion. The loan proceeds will be utilized, among others, to finance capital expenditures for the development and integration of a Battery Energy Storage System, working capital requirements, and for other financing and corporate purposes of TMI. Total amount drawn as of December 31, 2021 is ₱1.8 billion. In 2022, TMI made additional drawdown totaling ₱810.0 million.

Interest is payable semiannually and rate is fixed for the five years from 4.54%-7.68%, with an adjustment for inflation on the five-year period thereafter. The principal amount is payable starting September 1, 2023 in 16 equal semi-annual installments.

HSAB

On December 16, 2021, HSAB entered into an Omnibus Notes Facility and Security Agreement (Agreement) with Bank of the Philippine Islands (BPI, Lender) for a loan facility in the principal amount of ₱1.2 billion for capital expenditures and other general purposes.

Based on the loan agreement, borrowing shall be for a term of ten (10) years reckoned from initial borrowing date. HSAB shall pay the first principal amount in six months from the initial borrowing date and shall continue on every six months interval. HSAB may not re-borrow any part of the loan that has already been paid.

This loan is subject to an annual interest fixed at 4.92% for the first 5 years. For the remaining five years, interest rate will be repriced. HSAB shall pay interest on the unpaid principal amount of the loan on each interest payment date. The interest rate shall be set on an interest rate setting date, and on the interest rate resetting date, as applicable.

TVI

On June 18, 2015, TVI entered into an omnibus agreement with local banks for a project loan facility with an aggregate principal amount of ₱32.0 billion. As of December 31, 2023 and 2022, ₱31.5 billion has been drawn from the loan facility.

The loan is available in two tranches, as follows:

- Tranche A, in the amount of ₱25.6 billion, with interest rate fixed for the first eight years and will be repriced and fixed for another seven years.
- Tranche B, in the amount of ₱5.9 billion, with a fixed interest rate for fifteen years.

70% of the principal amount of the loan is payable in 22 equal semi-annual installments, with the remaining 30% payable in full on the final maturity date. TVI may prepay the loan in part or in full beginning on the end of the fourth year from the initial advance or on the project completion date, whichever is earlier. Any prepayment shall be subject to a certain percentage of prepayment penalty on the principal to be prepaid.

The loan is secured by a mortgage of all its assets with carrying amount of ₱42.5 billion as of December 31, 2023, and a pledge of TVI's shares of stock held by its shareholders.

AP

The details of AP's long-term debt are as follows:

	2023	2022
Bonds due 2025	**₱550,000**	₱550,000
Bonds due 2025	**4,800,000**	4,800,000
Bonds due 2026	**7,250,000**	7,250,000
Bonds due 2026	**8,000,000**	8,000,000
Bonds due 2027	**3,000,000**	3,000,000
Bonds due 2027	**3,000,000**	3,000,000
Bonds due 2028	**2,500,000**	2,500,000
Bonds due 2028	**7,200,000**	7,200,000
Bonds due 2029	**7,000,000**	7,000,000
Financial institutions- unsecured	**10,800,000**	10,850,000
	₱54,100,000	₱54,150,000

In July 2017, AP issued a ₱3.0 billion 10-year bond due 2027 at an annual fixed rate equivalent to 5.34%.

In October 2018, AP issued a total of ₱10.2 billion bonds, broken down into a ₱7.7 billion 5.25-year bond due 2024 at an annual fixed rate equivalent to 7.51% and a ₱2.50 billion 10-year bond due 2028 at an annual fixed rate equivalent to 8.51%. In October 2022, AP prepaid the 5.25-year bond amounting to ₱7.7 billion.

In October 2019, AP issued ₱7.3 billion 7-year bond due 2026 at an annual fixed rate equivalent to 5.28%.

In July 2020, AP issued the fourth and last tranche of its ₱30.0 billion debt securities program, totaling to ₱9.6 billion, broken down into a ₱9.0 billion 2-year bonds due 2022 at an annual fixed rate equivalent to 3.13% and a ₱0.5 billion 5-year bonds due 2025 at an annual fixed rate equivalent to 3.94%. In July 2022, the AP fully paid the 2-year bond availed in 2020 amounting to ₱9.0 billion.

In March 2021, AP issued the first tranche of its ₱30.0 billion debt securities program equivalent to ₱8.0 billion (the "Series A Bonds") with an annual fixed rate of 3.82% due in 2026.

In July 2021, AP availed ₱6.0 billion 7-year fixed-rate notes due 2028 at an annual fixed rate equivalent to 4%.

In December 2021, AP issued the second tranche of its ₱30.0 billion debt securities program equivalent to ₱12.0 billion (the "Series B and Bonds") with an annual fixed rates of 4.00% and 5.03% due in 2025 and 2028, respectively.

In March 2022, the AP issued ₱3.0 billion 5-year bond due 2027 and ₱7.0 billion 7-year bond due 2029 at an annual fixed rate equivalent to 5.31% and 5.74%, respectively, and as part of the third tranche of its ₱30.0 billion debt securities program.

All of AP's issued retail bonds have been rated PRS Aaa by PhilRatings.

The principal amount of the bonds shall be payable on a lump sum basis on the respective maturity date at its face value. These bonds may be redeemed in advance by AP based on stipulated early redemption option dates and on agreed early redemption price.

In April 2019, AP executed and availed a US$300.0 million syndicated bridge loan facility loan agreement with foreign banks to finance the AA Thermal, Inc. acquisition. The loan bears a floating interest based on credit spread over applicable LIBOR plus 1.2% margin. The loan will mature on the 5th anniversary of the first utilization date.

In April and July 2021, AP prepaid a total of $245.0 million of the $300.0 million syndicated bridge loan facility availed in 2019 to finance the AA Thermal, Inc. acquisition. This loan is due in 2024.

In April 2022, the Company fully paid the remaining balance amounting to $55.0 million out of the $300.0 million loan.

Loss on extinguishment of the above loans amounted to ₱45.0 million and ₱447.5 million included as part of the "Interest expense and other financing costs" account in the consolidated statement of income for the years ended December 31, 2022 and 2021, respectively.

In November 2019, AP obtained a ₱5.0 billion 7-year long term loan from a local bank at an annual fixed rate of 5.28%.

In 2020, AP amended the "Mode of Payment" for the Principal from bullet payment to partial payments equal to 1% of total principal amount payable annually starting November 2020 and the remaining 94% upon maturity.

On July 13, 2021, AP reached a rate reduction agreement to amend the interest rates of the loan from fixed rate loan of 5.28% to the sum of a benchmark rate and a spread of 0.90%, divided by an applicable factor and 4.125% per annum, whichever is higher.

AESI

On April 16, 2020, AESI entered into a loan agreement with BPI with a principal amount of ₱600.0 million, which was fully drawn in 2020. The term of the loan is 10 years and interest is fixed at 4.87% for 5 years subject to reset 2 days prior to the 5th anniversary. The loan is payable in equal, semi-annual amortizations of at least one percent (1%) of the loan amount per annum, with balloon payment at maturity date.

TSI

On October 14, 2013, TSI entered into an omnibus agreement with local banks for a project loan facility with an aggregate principal amount of ₱24.0 billion, which was fully drawn in 2014.

On October 28, 2015, TSI entered into an additional loan agreement with principal amount of ₱1.7 billion, which was fully drawn in 2016.

The loan is secured by a mortgage of all its assets with carrying amount of ₱28.6 billion as of December 31, 2023, and a pledge of TSI's shares of stock held by the shareholders and TPI. Interest rate ranging from 4.50% - 5.15% is fixed for the first seven years and will be repriced and fixed for another five years. In 2018, upon release of AP guarantee, interest was increased by 0.5%.

Fifty percent of the principal amount of the loan is payable at semi-annual installments within 12 years with a two-year grace period, with the remaining 50% payable in full on the final maturity date.

TSI may prepay the loan in part or in full beginning on the end of the third year from the initial advance or on the project completion date, whichever is earlier. Any prepayment shall be subject to a certain percentage of prepayment penalty on the principal to be prepaid. In 2021, TSI prepaid its loan amounting to ₱2.26 billion which resulted in a prepayment penalty of ₱48.4 million including gross receipts tax.

In 2021, TSI also entered into amendments of its existing loan agreements with local banks to obtain additional financing intended to finance the prepayment of its loan, to pay costs, expenses and fees in relation to the loan prepayment and amendments and to re-leverage and optimize the capital structure of TSI. Moreover, the parties have agreed to amend certain financial terms of the existing loan agreements, including but not limited to the interest rate and final maturity date, and shall take effect after the prepayment.

The amendments resulted in the following:

a. TSI has drawn additional loan principal in the amount of ₱2.5 billion;
b. Interest rate for the initial 5-year period from the effective date of amendment until the 5th anniversary of the effective date will be the 3-day average of the 5-year BVAL rate plus a spread of 130 basis points (the original spread), divided by the applicable premium factor, subject to a floor rate of 4.25% per annum. For the subsequent 7-year period commencing on the date following the 5th anniversary of the effective date, interest rate will be the 3-day average of the 7-year BVAL rate plus a spread equivalent to the original spread, divided by the applicable premium factor, subject to a floor rate equivalent to the initial 5-year rate divided by the applicable premium factor; and,
c. 58.5% of the outstanding principal amount is payable in 18 equal semi-annual installments, 16.5% of the remaining principal amount is payable in another 5 equal semi-annual installments, with the remaining 25% payable in the final maturity date of the loan in 2033.

These amendments were considered as extinguishment of the old loan, accordingly, TSI recognized a loss amounting to ₱90.5 million for the year ended December 31, 2021.

APRI

On February 29, 2016, APRI entered into an omnibus agreement with BPI, Asian Development Bank (ADB) and Credit Guarantee and Investment Facility (CGIF). This has been certified to have met the requirements of the Climate Bond Standard. The loan proceeds were used for return of equity to shareholders and to fund necessary operating and capital expenditures.

The loan is available in two tranches, as follows:

a. The Notes Facility Agreement, in the amount of ₱10.7 billion, with interest rate already fixed for ten years. 41.6% of the principal amount is payable in ten equal semi-annual installments and the balance payable in another ten semi-annual installments;
b. The ADB Facility Agreement, in the amount of ₱1.8 billion, with interest rate fixed for five years and principal repayments made in ten equal semi-annual installments.

On December 23, 2021, APRI entered into a ₱12.0 billion loan facility agreement with BPI to refinance its existing term loan under the Omnibus Agreement; finance the design, development, construction, and operation of the 16 MW Binary Cycle Geothermal Plant to be developed in Tiwi, Albay (Project); and other general corporate purposes.

The loan is available in three tranches, as follows:

a. A portion of the Facility in the amount equivalent to the total amount outstanding under the Omnibus Agreement, duly supported by a Statement of Account to be provided by the Intercreditor Agent, and to be used to finance the its payment of all outstanding obligations under the Omnibus Agreement.
b. A portion of the Facility to be used by APRI for other general corporate purposes, in the amount equivalent to the resulting difference after deducting Tranche A and Tranche C from the maximum amount of the Facility.
c. A portion of the Facility to be used by APRI to finance the Project up to the total amount of ₱1.4 billion.

Tranche A and B were drawn from the initial borrowing date on December 23, 2021 and Tranche C was drawn on July 7, 2022, with the interest rate already fixed for 5 years. Maturity of all tranches shall be up to ten (10) years from initial drawdown date. 40% of the principal amount is payable in ten equal semi-annual installments, 20% is payable in succeeding four equal semi-annual installments, 30% is payable in succeeding five equal semi-annual installments, and the 10% balance is payable in the last installment.

The loan is secured by mortgage of its assets with carrying amount of ₱29.0 billion as of December 31, 2023, and pledge of APRI's shares of stock held by shareholders and assignment of Project Agreements and Project Accounts.

This loan refinancing is considered as an extinguishment of the old loan, accordingly, APRI recognized a loss amounting to ₱62.1 million for the year ended December 31, 2021.

Hedcor Bukidnon

On April 3, 2020, Hedcor Bukidnon entered into a loan agreement with BPI, up to the maximum principal amount of ₱225.0 million which was fully drawn in 2020, for the construction of the Transformer Facility and other general corporate purposes.

The term of the loan is 8 years and the loan shall be paid as follows: (i) payment of an aggregate amount equivalent to 70% of the total principal amount of the loans, by equal semi-annual amortizations beginning on the seventh interest payment date up to and including the maturity date; and (ii) payment of the amount equivalent to 30% of the total principal amount of the loans, on the maturity date.

On September 29, 2020, Hedcor Bukidnon entered into an omnibus agreement for a loan facility in the principal amount of ₱9.1 billion which was fully drawn in 2020 to refinance the project loan availed in 2015.

The term of the loan is 10 years and the loan shall be paid as follows: (i) payment of an aggregate amount equivalent to 70% of the total original amount of the Loan, by equal semi-annual amortizations beginning on the first interest payment date up to and including the Maturity Date; and (ii) payment of the amount equivalent to 30% of the total original amount of the loan, on the maturity date.

TPVI

On December 23, 2019, TPVI entered into a Loan Agreement with the PNB for an aggregate amount of ₱1.5 billion available in two drawdowns. The loan proceeds were utilized, among others, in funding necessary operating and capital expenditures. Drawdowns were made on December 26, 2019 and April 27, 2020 for ₱1.3 billion and ₱200.0 million respectively. The loan is payable for 15 years, with a grace period of 3 years. The mode of repayment is sculpted with balloon payment of 70%. TPVI will pay PNB an interest of 5.06% and 3.32% for the first 8 years, with the rate being expected to go up to 5.25% for the rest of the term due to: (1) continued inflation, and; (2) liquidity tightness due to funds held and additional borrowings by the Bureau of Treasury. The interest is payable semi-annually.

On December 27, 2023, the remaining principal of ₱1.50 billion was pre-terminated by TPVI. Accrued interest, catch-up adjustments for gross receipts tax on interest, and prepayment penalties amounting to ₱95.7 million were paid in connection with the pretermination.

HSI

On November 17, 2016, HSI entered into a NFA with various institutions with Metrobank - Trust Banking Group as the Notes Facility Agent, for a loan facility with an aggregate principal amount of up to ₱4.1 billion to return equity to shareholders, and for other general corporate purposes.

The unsecured notes were issued in ten tranches with interest payable semi-annually at annual fixed rates ranging from 4.05% - 5.42% with principal maturity as follows:

Tranche	Maturity Date	Principal Amount
1	Fifteen months from issue date	₱96.8 million
2	Two (2) years from issue date	₱96.8 million
3	Three (3) years from issue date	₱84.0 million
4	Four (4) years from issue date	₱84.0 million
5	Five (5) years from issue date	₱284.0 million
6 (Series A&B)	Six (6) years from issue date	₱388.4 million
7 (Series A&B)	Seven (7) years from issue date	₱445.8 million
8	Eight (8) years from issue date	₱451.4 million
9	Nine (9) years from issue date	₱508.1 million
10 (Series A&B)	Ten (10) years from issue date	₱1,660.7 million

Prior to maturity date, HSI may redeem in whole or in part the relevant outstanding notes on any interest payment date plus a one percent prepayment penalty.

PFC

PFC availed of ₱1.0 billion and ₱500 million loans from the NFA it signed on May 5, 2015, with Land Bank of the Philippines (LBP) as the Note Holder on May 11, 2015 and July 13, 2015, respectively. As provided for in the NFA, the 12-year corporate notes are issued as an exempt security pursuant to Section 9.2 of RA No. 8799 and Rule 9.2(2)(B) of the amended implementing rules of the Securities Regulation Code (SRC) (“exempt security”).

In October 2019, PFC availed of ₱1.4 billion from the NFA it signed with LBP as the Note Holder. The NFA provided for the issuance of 10-year corporate notes issued as an exempt security.

PFC may early redeem in whole or in part the relevant outstanding notes on any interest payment date without premium or penalty. If prepayment is made on a different date, a certain fee shall be charged on the principal to be prepaid.

PANC

On December 28, 2016, PANC availed of a total of ₱700 million loan from NFA signed on December 28, 2016 with Security Bank Corporation (SBC) as Note Holder.

On September 17, 2014, PANC availed of a total of ₱2.0 billion loan from NFA signed on September 17, 2014 with LBP as Note Holder.

The 2016 and 2014 notes are redeemable on a lump sum basis on their respective maturity dates at December 29, 2026 and September 22, 2026, respectively, at its face value. PANC may early redeem in whole or in part the relevant outstanding notes on any interest payment date without premium or penalty. If prepayment is made on a different date, a certain fee shall be charged on the principal to be prepaid.

On June 30, 2022, PANC availed ₱600.0 million from SBC with an annual interest rate of 6.35%. Principal maturity as follows:

- Annual principal repayment of ₱17.13 million starting June 30, 2026 until June 30, 2029;
- ₱137.16 million on June 30, 2030 and
- ₱197.16 million on June 30, 2031 till maturity date June 30, 2032

On July 8, 2022, PANC availed ₱400.0 million from SBC with an annual interest rate of 6.43%. Principal maturity is as follows:

- Annual principal repayment of ₱11.42 million starting June 30, 2026 until June 30, 2029,
- ₱91.44 million on June 30, 2030 and ₱131.44 million on June 30, 2031 till maturity date June 30, 2032

HI

On August 6, 2013, HI availed of a ten-year ₱900 million loan from a local bank. This loan is subject to a semi-annual principal payment with annual interest fixed at 5.25% for the first 5 years. For the remaining five years, interest rate will be repriced and fixed on the fifth anniversary from the drawdown date. The debt is secured by a pledge of HI's shares of stock held by ARI.

On December 14, 2018, HI entered into a Notes Facility Agreement with a local bank to borrow ₱1.4 billion, which will mature on August 31, 2033, to finance the rehabilitation and/or expansion of the Bineng hydropower plant, refinance its short-term loans and for other general corporate purposes. This loan is subject to a semi-annual principal payment with annual interest fixed at 7.87% for the first 5 years. For the next five years, interest rate will be repriced and fixed one banking day prior to August 31, 2023. For the remaining five years, interest rate will be repriced and fixed one banking day prior to August 31, 2028. The debt is secured by a continuing suretyship from ARI.

PV Sinag

On November 11, 2022, PV Sinag entered into an Omnibus Notes Facility and Security Agreement (Agreement) with BPI (Note Holder) for a loan facility in the principal amount of ₱3.6 billion for capital expenditures of project.

Based on the loan agreement, the borrowing shall be for a term of ten (15) years, reckoned from initial borrowing date. PV Sinag shall pay the first principal amount at the end of twelve (12) months after the First Issue Date, seventy percent (70%) of the principal amount outstanding shall be repaid in semi-annual installments, and the balance of thirty percent (30%) of the principal amount outstanding shall be paid on Maturity Date.

All payments of interest (including default interest) shall be computed on the basis of number of actual days elapsed in three hundred sixty (360) day year basis.

On March 15, 2023, PV Sinag made and executed an amended and restated Omnibus Notes Facility and Security Agreement with BPI.

The Note Holder hereby grants PV Sinag an aggregate amount up to ₱9.70 billion broken down as follows:

a. up to ₱6.10 billion worth of Series B notes issued on March 15, 2023 to fund the Laoag Solar Project; and
b. up to ₱3.60 billion worth of Series A notes issued on November 11, 2022 to fund the Cayanga-Bugallon Solar Project

ARI

On December 23, 2022, ARI entered into a Notes Facility Agreement with LBP as the issuer, with a principal amount of up to ₱20.0 billion worth of fixed-rate corporate notes, of which ₱12.0 billion was drawn on December 28, 2022, at an annual interest rate of 6.91%, to be repriced on the 5th anniversary of the first issue date.

Based on the facility agreement, interest is payable every six months. The principal's maturity date is 10 years after the issue date, inclusive of 12-month grace period. Ten percent (10%) of the principal amount shall be paid in equal semi-annual installments commencing after the expiration of the grace period until maturity date. Thereafter, the remaining ninety percent (90%) of the principal amount shall be paid on maturity date.

VECO

On December 20, 2013, VECO availed of a ₱2.0 billion loan from the NFA it signed on December 17, 2013 with the LBP. The unsecured notes were issued in ten tranches of ₱200 million with interest payable semi-annually at fixed annual rates ranging from 3.5% - 4.9% and principal amortized as follows:

Tranche	Maturity Date	Principal Repayment Amount
A, B	December 20, 2014 and 2015	₱200M balloon payment on maturity date
C	December 20, 2016	₱1M each on first 2 years; ₱198M on maturity date
D	December 20, 2017	₱1M each on first 3 years; ₱197M on maturity date
E	December 20, 2018	₱1M each on first 4 years; ₱196M on maturity date
F	December 20, 2019	₱1M each on first 5 years; ₱195M on maturity date
G	December 20, 2020	₱1M each on first 6 years; ₱194M on maturity date
H	December 20, 2021	₱1M each on first 7 years; ₱193M on maturity date
I	December 20, 2022	₱1M each on first 8 years; ₱192M on maturity date
J	December 20, 2023	₱1M each on first 9 years; ₱191M on maturity date

Prior to maturity date, VECO may redeem in whole or in part the relevant outstanding notes on any interest payment date without premium or penalty. If it redeems the notes on a date other than an interest payment date, then a certain percentage of prepayment penalty on the principal amount to be prepaid shall be imposed.

The loan was fully paid by VECO last December 20, 2023.

HTI

On December 16, 2021, HTI entered into an Omnibus Notes Facility and Security Agreement (Agreement) with BPI (Lender) for a loan facility in the principal amount of ₱752.0 million for capital expenditures and other general purposes.

Based on the loan agreement, borrowing shall be for a term of ten (10) years reckoned from initial borrowing date. HTI shall pay the first principal amount in six months from the initial borrowing date and shall continue on every six months interval. HTI may not re-borrow any part of the loan that has already been paid.

This loan is subject to an annual interest fixed at 4.92% for the first 5 years. For the remaining five years, interest rate will be repriced. HTI shall pay interest on the unpaid principal amount of the loan on each interest payment date. The interest rate shall be set on an interest rate setting date, and on the interest rate resetting date, as applicable.

DLP

On December 20, 2013, DLP availed of a ₱1.5 billion loan from the NFA it signed on December 17, 2013 with LBP. The unsecured notes were issued in ten tranches of ₱150 million with interest payable semi-annually at annual fixed rates ranging from 3.50% to 4.92% and principal amortized as follows:

Tranche	Maturity Date	Principal Repayment Amount
A, B	December 20, 2014 and 2015	₱150M balloon payment on maturity date
C	December 20, 2016	₱0.75M each on first 2 years; ₱148.5M on maturity date
D	December 20, 2017	₱0.75M each on first 3 years; ₱147.8M on maturity date
E	December 20, 2018	₱0.75M each on first 4 years; ₱147M on maturity date
F	December 20, 2019	₱0.75M each on first 5 years; ₱146.2M on maturity date
G	December 20, 2020	₱0.75M each on first 6 years; ₱145.5M on maturity date
H	December 20, 2021	₱0.75M each on first 7 years; ₱144.8M on maturity date
I	December 20, 2022	₱0.75M each on first 8 years; ₱144M on maturity date
J	December 20, 2023	₱0.75M each on first 9 years; ₱143.2M on maturity date

Prior to maturity date, DLP may redeem in whole or in part the relevant outstanding notes on any interest payment date without premium or penalty. If it redeems the notes on a date other than an interest payment date, then a certain percentage of prepayment penalty on the principal amount to be prepaid shall be imposed.

The loan was fully paid by DLP last December 20, 2023.

TLI

On October 21, 2022, TLI entered into a term loan agreement with a local bank intended for the settlement of monthly payments to PSALM in the amount of P15.0 billion. Interest rate is 7.39% floating rate every five years. 2% of the principal is payable on the third year in equal semi-annual installments, 8.5% is payable on the fourth year, 4.95% is payable in 11 equal semi-annual installments and the 40% is payable on the final maturity date of the loan.

A new loan was availed by TLI on November 8, 2023 for a total amount of ₱11.4 billion. Interest rate is 7.4% floating rate every five years.

CLP

On December 20, 2013, CLP availed of ₱300.0 million notes from the NFA it signed on December 17, 2013 with LBP. The unsecured notes were issued in ten tranches of ₱30.0 million with interest payable semi-annually at annual fixed rates ranging from 3.5% - 4.9% and principal amortized as follows:

Tranche	Maturity Date	Principal Repayment Amount
A, B	December 20, 2014 and 2015	₱30M balloon payment on maturity date
C	December 20, 2016	₱0.15M each on first 2 years; ₱29.7M on maturity date
D	December 20, 2017	₱0.15M each on first 3 years; ₱29.6M on maturity date
E	December 20, 2018	₱0.15M each on first 4 years; ₱29.4M on maturity date
F	December 20, 2019	₱0.15M each on first 5 years; ₱29.2M on maturity date
G	December 20, 2020	₱0.15M each on first 6 years; ₱29.1M on maturity date
H	December 20, 2021	₱0.15M each on first 7 years; ₱29M on maturity date
I	December 20, 2022	₱0.15M each on first 8 years; ₱28.8M on maturity date
J	December 20, 2023	₱0.15M each on first 9 years; ₱28.62M on maturity date

Prior to maturity date, CLP may redeem in whole or in part the relevant outstanding notes on any interest payment date without premium or penalty. If it redeems the notes on a date other than an interest payment date, then a certain percentage of prepayment penalty on the principal amount to be prepaid shall be imposed.

The loan was fully paid by CLP last December 20, 2023.

STEAG

On December 8, 2014, STEAG and BDO together with BDO Unibank Inc. Trust and Investments Group as Onshore Trustee, DB Trustees (Hong Kong) Limited as Offshore Trustee and STEAG GmbH, AP and La Filipina Uygongco Corporation as Sponsors agreed to further amend and restate the Original Omnibus Agreement to incorporate the Second BDO Facility Agreement. The Original Omnibus Agreement as amended on September 2, 2010 and December 8, 2014 is hereinafter referred to as the "Omnibus Agreement". The Second BDO Facility Agreement covers a 10-year $40.2 million term loan for general corporate expenses. The interest rate of the loan under the BDO Second Facility Agreement is fixed at 5% per annum and repayment for the principal is in accordance with a specified schedule with January 31, 2015 specified as first repayment date.

Apo Agua

On November 29, 2018, Apo Agua entered into an Omnibus Notes Facility and Security Agreement with various banks for a project loan facility in the aggregate principal amount of up to ₱9.0 billion to design, develop, procure, construct, operate and maintain a water treatment plant facility at Brgy. Gumalang, Davao City. The loan drawdown mode is staggered based on an agreed schedule. As of December 31, 2020, ₱9.0 billion has been drawn from this facility.

The loan is secured by a mortgage of all the assets of Apo Agua and a pledge of Apo Agua's shares held by its pledgors: AEV, the Parent Company, JVACC and JVAGHC. The term of the loan is 15 years and the first principal payment will be made at the earlier of fifty-four (54) months after the date of issuance of the agreement or six (6) months after commercial operation date whichever comes earlier. The remaining principal balance shall be paid in semi-annual equal installments. No payment shall be made to the principal during the grace period.

LWC

On December 15, 2021, LWC entered into a loan agreement with Rizal Commercial Banking Corporation amounting to ₱250 million with an interest rate of 5.47% and payable in 10 years.

AEV International

On July 20, 2018, AEV International availed of a syndicated loan facility with the amount of US$338 million (₱18.6 billion). The loan bears a floating interest rate computed based on applicable spread over LIBOR and will mature in five (5) years.

On December 28, 2018, the loan was partially prepaid in the amount of US$115 million (₱6.3 billion).

On January 31, 2022, AEV International settled its US$223.0 million (₱11.4 billion) syndicated loan with original maturity date of July 20, 2023.

In January 2020, AEV International issued a US dollar-denominated Regulation S-only senior unsecured notes, at an aggregate principal amount of US$ 400 million and a tenor of 10 years (the "Notes"). The Notes are unrated, have a fixed coupon rate of 4.2% payable semiannually, and are unconditionally and irrevocably guaranteed by the Company as the guarantor. The Notes are listed on the Singapore Exchange.

TCP

TCP entered into a various loan agreement with a local bank whereby the latter agreed to provide TCP an aggregate principal amount of loan up to ₱250.0 million to finance the construction of TCP's real estate projects. Interest is payable quarterly and was initially set at 8.65% per annum for the first 3 months, subject to reset thereafter.

Drawdown Date	Maturity Date	Outstanding as of December 31, 2023
June 19, 2018	June 16, 2028	₱10.6M
October 15, 2018	October 12, 2028	₱11.2M
July 26, 2019	July 23, 2029	₱13.0M
September 17, 2019	September 14, 2029	₱11.2M
September 13, 2018	September 11, 2028	₱13.5M
July 25, 2019	July 25, 2028	₱15.6M
September 30, 2019	July 25, 2028	₱10.3M
February 7, 2019	January 29, 2029	₱5.9M
September 27, 2019	February 4, 2029	₱12.7M
December 27, 2018	December 27, 2028	₱16.3M
March 6, 2019	July 22, 2029	₱15.0M
August 20, 2019	September 12, 2028	₱10.9M
		₱146.4M

AbotizLand

On September 16, 2021, AboitizLand entered into a loan agreement with BPI with a principal amount of P2.0 billion, which was fully drawn in 2021. The term of the loan is 5 years and bears a floating interest based on BVAL reference rate plus margin or floor rate, whichever is higher. At least 5% of the loan amount is payable on the 1st to the 3rd anniversary of the first drawdown, 15% on the 4th anniversary and balloon payment at maturity date. The loan is secured by landbank assets of the AboitizLand.

Drawdown Date	Maturity Date	Principal Amount
September 16, 2021	September 16, 2026	₱900.0M
October 1, 2021	September 16, 2026	₱600.0M
November 9, 2021	September 16, 2026	₱500.0M

LLI

In December 2021, LLI availed of P2.0 billion long term loan with BPI, payable over 5 years. Interest is initially set at 5.76%-5.97%, payable semi-annually.

Drawdown Date	Maturity Date	Principal Amount
December 6, 2021	December 6, 2026	₱1,413.50M
December 16, 2021	December 6, 2026	₱586.50M

GCMH and Subsidiaries

GCMH Group obtained loans from various lenders with floating interest rates ranging from 1.52% to 7.54% and from 1.59% to 8.6% in 2023 and 2022, respectively.

Long-term debt of Joint Operation

This pertains to TPI's share of the outstanding project debt of its joint operation.

In May 2014, PEC entered into an omnibus agreement with various local banks for a loan facility in the aggregate principal amount of up to ₱33.3 billion with maturity period of 15 years.

The loan facility is subject to a semi-annual interest payment with annual fixed interest ranging from 5.50% - 8.31%. The loans may be voluntarily prepaid in full or in part commencing on and from the third year of the date of initial drawdown with a prepayment penalty.

The loans are secured by a mortgage of substantially all its assets with carrying amount of ₱36.7 billion as of December 31, 2023, and a pledge of the shares of stock held by the joint operators.

Loan covenants

The loan agreements on long-term debts of the Group provide for certain restrictions with respect to, among others, mergers or consolidations or other material changes in their ownership, corporate

set-up or management, investment and guaranties, incurrence of additional debt, disposition of mortgage of assets, payment of dividends, and maintenance of financial ratios at certain levels.

These restrictions and requirements were complied with by the Group as of December 31, 2023 and 2022.

20. **Customers' Deposits**

	2023	2022
Bill and load	**₱5,900,708**	₱5,335,318
Lines and poles	**1,618,794**	1,406,384
Transformers	**1,342,309**	1,402,352
Others	**251,094**	170,831
	₱9,112,905	₱8,314,885

Transformers and lines and poles deposits are obtained from certain customers principally as cash bond for their proper maintenance and care of the said facilities while under their exclusive use and responsibility.

Effective April 1, 2010, the Amended Distribution Services and Open Access Rules (Amended DSOAR), increased the refund rate from 25% to 75% of the gross distribution revenue generated from the extension lines and facilities until such amounts are fully refunded.

Bill deposit serves to guarantee payment of bills by a customer which is estimated to equal one month's consumption or bill of the customer.

Both the Magna Carta and Distribution Services and Open Access Rules (DSOAR) also provide that residential and non-residential customers, respectively, must pay a bill deposit to guarantee payment of bills equivalent to their estimated monthly billing. The amount of deposit shall be adjusted after one year to approximate the actual average monthly bills. A customer who has paid his electric bills on or before due date for three consecutive years, may apply for the full refund of the bill deposit, together with the accrued interests, prior to the termination of the service; otherwise, bill deposits and accrued interests shall be refunded within one month from termination of service, provided all bills have been paid.

In cases where the customer has previously received the refund of his bill deposit pursuant to Article 7 of the Magna Carta, and later defaults in the payment of his monthly bills, the customer shall be required to post another bill deposit with the distribution utility and lose his right to avail of the right to refund his bill deposit in the future until termination of service. Failure to pay the required bill deposit shall be a ground for disconnection of electric service.

Other customer deposits pertain mainly to deposits from real estate buyers.

Interest expense on customers' deposits amounted to ₱2.5 million in 2023, ₱1.2 million in 2022, and ₱4.2 million in 2021 (see Note 36).

The Group classified customers' deposits under noncurrent liabilities due to the expected long-term nature of these accounts. The portion of customers' deposit to be refunded within the next 12 months amounted to ₱41.2 million and ₱39.1 million as of December 31, 2023 and 2022, respectively, and are presented as part of "Trade and other payables" (see Note 17).

21. **Decommissioning liability**

Decommissioning liability includes the estimated costs to decommission, abandon and perform surface rehabilitation on a subsidiary's steam field assets at the end of their useful lives, and the best estimate of the expenditure required to settle the obligation to decommission power plant at the end of its lease term (see Note 13).

	2023	2022
Balances at beginning of year	**₱5,654,234**	₱5,686,224
Change in accounting estimate (see Note 13)	**1,287,688**	(331,353)
Accretion of decommissioning liability (see Note 36)	**421,807**	299,363
Balances at end of year	**₱7,363,729**	₱5,654,234

The actual dismantling and removal cost could vary substantially from the above estimate because of new regulatory requirements, changes in technology, increased cost of labor, materials, and equipment or actual time required to complete all dismantling and removal activities. Adjustment, if any, to the estimated amount will be recognized prospectively as they become known and reliably estimable.

22. **Leases**

TLI

In 2009, TLI was appointed by PSALM as Administrator of the coal-fired power plant in Pagbilao, Quezon under the IPP Administration Agreement, giving TLI the right to receive, manage and control the capacity of the power plant for its own account and at its own cost and risk; and the right to receive the transfer of the power plant at the end of the IPP Administration Agreement for no consideration.

In view of the nature of the IPP Administration Agreement, the arrangement has been accounted for as a lease. Accordingly, TLI recognized the right-of-use asset and related liability of ₱44.8 billion

(equivalent to the present value of the minimum lease payments using TLI's incremental borrowing rates of 10% and 12% for dollar and peso payments, respectively) in the consolidated financial statements as part of "ROU - Power plant" and "Lease liabilities" accounts, respectively (see Notes 3 and 13).

In November 2023, TLI prepaid the full amount of the remaining lease payments amounting to ₱13.8 billion. This resulted to a reduction in the right-of-use asset account amounting to ₱3.6 billion.

APRI

On May 25, 2009, APRI entered into a lease agreement with PSALM for a parcel of land owned by the latter on which a portion of the assets purchased under the Asset Purchase Agreement (APA) is situated. The lease term is for a period of twenty-five (25) years commencing from the Closing Date as defined in the APA which falls on May 25, 2009. The rental fees for the whole term of 25 years amounting to ₱492.0 million were paid in full after the receipt by APRI of the Certificate of Effectivity on the lease.

GMEC

In August 2007, a 25-year lease agreement with Authority of the Freeport Area of Bataan for land at Bataan Economic Zone, used as an access road and right of way for electric power transmission lines.

In January 2010, a 50-year land lease agreement with PMR Group Retirement Plan, Inc. (PGRPI), used for its power plant facilities. GMEC, upon mutual agreement of PGRPI, has the right and option to extend the lease for a period of twenty-five years. In August 2016, GMEC entered into another lease agreement with PGRPI for land to be used for staff house.

Sacasun

Sacasun entered into a contract for lease of land where the power plant is located. The contract pertains to rent for 25 years renewable upon mutual agreement by the parties.

HI, HTI, HBI, HSAB, LHC and HSI

HI, HTI, HBI, HSAB, LHC and HSI entered into contracts with various lot owners for lease of land where their power plants are located. Terms of contract are for a period of 1 to 50 years renewable upon mutual agreement by the parties.

TMI

TMI entered into a lease contract with the Philippine Fisheries Development Authority on April 26, 2022 for some portions of the breakwater area of the Navotas Fishport Complex for a period of 15 years. They also have a lease contract with Montgomery Real Estate Lessor for their administrative office for a period of 15 years.

EAUC

Lease agreement with PEZA for a piece of land located inside Mactan Economic Zone for its power plant facilities for a period of 25 years.

TPVI

TPVI entered into a contract for lease of land where the power plant is located. The contract pertains to rent for 25 years renewable upon mutual agreement by the parties. The lease term may be renewed or extended for another 5 years upon the mutual written agreement of the parties.

CEDI

CEDI entered into a foreign Land Use Agreement with the Philippine Government for the exclusive right to occupy the, manage and develop forest land for the construction of its project effective until December 31, 2043. The lease contract has an escalation rate of 10.0%.

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

2023

	Right-of-use assets					
	Land	Building	Power Plant	Manufacturing Plant, Equipment and Others	Total	Lease Liability
As at January 1	**₱4,151,107**	**₱203,910**	**₱30,296,186**	**₱205,524**	**₱34,856,727**	**₱27,860,923**
Additions	**107,633**	**432,040**	**—**	**8,281**	**547,954**	**543,510**
Amortization expense	**(189,423)**	**(209,157)**	**(1,073,265)**	**(26,719)**	**(1,498,564)**	**—**
Capitalized amortization	**(4,584)**	**—**	**—**	**—**	**(4,584)**	**—**
Interest expense	**—**	**—**	**—**	**—**	**—**	**1,300,890**
Prepayment	**—**	**—**	**(3,564,570)**	**—**	**(3,564,570)**	**(3,564,570)**
Payments	**—**	**—**	**—**	**—**	**—**	**(22,899,469)**
Others	**(31,636)**	**(11,582)**	**—**	**(3,139)**	**(46,357)**	**106,368**
As at December 31	**₱4,033,097**	**₱415,211**	**₱25,658,351**	**₱183,947**	**₱30,290,606**	**₱3,347,652**

2022

	Right-of-use assets					
	Land	Building	Power Plant	Manufacturing Plant, Equipment and Others	Total	Lease Liability
As at January 1	₱3,506,339	₱319,773	₱31,405,054	₱227,827	₱35,458,993	₱34,256,228
Additions	717,828	135,855	—	1,696	855,379	850,620
Amortization expense	(165,612)	(184,057)	(1,108,868)	(26,933)	(1,485,470)	—
Capitalized amortization	(4,422)	—	—	—	(4,422)	—
Interest expense	—	—	—	—	—	2,418,570
Payments	—	—	—	—	—	(10,232,070)
Others	96,974	(67,661)	—	2,934	32,247	567,575
As at December 31	₱4,151,107	₱203,910	₱30,296,186	₱205,524	₱34,856,727	₱27,860,923

The carrying amount of the Group's right-of-use assets as of December 31, 2023 and 2022 is presented as part of "Property, plant and equipment" account.

The Group also has certain leases of equipment, meeting rooms and event sites with lease terms of 12 months or less. The Group applies the short-term lease recognition exemption of these leases.

Set out below, are the amounts recognized in the consolidated statements of income:

	2023	2022	2021
Amortization expense of right-of-use assets	**₱1,498,564**	₱1,485,470	₱1,489,196
Interest expense on lease liabilities	**1,300,890**	2,418,570	2,782,576
Rent expense - short-term leases	**290,497**	179,939	166,549
Rent expense - low value assets	**10,965**	8,461	7,855
	₱3,100,916	₱4,092,440	₱4,446,176

23. **Capital Stock**

Information on the Company's authorized capital stock as of December 31, 2023 and 2022 are as follows:

	Number of Shares
Authorized capital stock:	
Common shares, ₱1 par value	9,600,000,000
Preferred shares, ₱1 par value	400,000,000

Outstanding capital stock are as follows:

	Number of Shares	
	2023	2022
Common shares issued	5,694,599,621	5,694,599,621
Less treasury shares	74,813,864	64,374,164
Balance at end of year	5,619,785,757	5,630,225,457

On November 16, 1994, the Company listed with the Philippine Securities Exchange its 3,650,385,204 common shares with a par value of ₱1.00 per share to cover the initial public offering (IPO) of 821,486,204 common shares at an offer price of ₱5.70 per share. Gross proceeds from this issuance of new shares amounted to ₱4.6 billion. Transaction costs incidental to the IPO totaling ₱528.0 million were charged against "Additional paid-in capital" in the consolidated balance sheets.

On May 23, 1995 and August 30, 1996, the Company distributed 20% stock dividend equivalent to 730.08 million shares and 30% stock dividend equivalent to 1.31 billion shares, respectively. Both stock dividends were issued at ₱1.00 per share. At the end of 1996, common shares issued totaled 5.69 billion.

The preferred shares are non-voting, non-participating, non-convertible, cumulative re-issuable and redeemable and may be issued from time to time by the BOD in one or more series and fixed before issuance thereof, the number of shares in each series, and all designations, relative rights, preferences and limitations of the shares in each series. Preferred shares that are redeemed by the Company may be re-issued.

There were no preferred shares issued as of December 31, 2023 and 2022.

As of December 31, 2023, and 2022, the Company has 8,241 and 8,288 shareholders, respectively.

Treasury Shares

The Company purchased 10.4 million treasury shares for a consideration of ₱497.8 million. This brings total treasury shares held by the Company to 74.8 million shares with corresponding acquisition costs of ₱1.1 billion.

24. **Retained Earnings**

On March 3, 2023, the BOD approved the following:

a. Declaration of a regular cash dividend of ₱1.47 per share (₱8.3 billion) to all stockholders of record as of March 17, 2023. These dividends were taken out of the unrestricted retained earnings as of December 31, 2022, and were paid on March 30, 2023.

b. Appropriation of ₱20.0 billion of the Company's retained earnings as of December 31, 2022 for the debt payment of AEV and the reversal of appropriation of ₱11.0 billion for the prepayment of US dollar loans.

On March 4, 2022, the BOD approved the following:

a. Declaration of a regular cash dividend of ₱1.62 per share (₱9.1 billion) to all stockholders of record as of March 18, 2022. These dividends were taken out of the unrestricted retained earnings as of December 31, 2021, and were paid on March 30, 2022.

b. Appropriation of ₱70.6 billion of the Company's retained earnings as of December 31, 2021 for the additional capital infusion into UBP and AIC to finance their on-going projects, and for debt payment of AEV.

As mentioned in Note 19, the Company shall not permit its DE ratio to exceed 3:1 calculated based on the Company's year-end debts and consolidated equity.

The balance of retained earnings includes the accumulated equity in net earnings of subsidiaries, associates and joint arrangements amounting to ₱153.1 billion and ₱138.9 billion as of December 31, 2023 and 2022, respectively. Such amounts are not available for distribution until such time that the Company receives the dividends from the respective subsidiaries, associates and joint arrangements (see Note 10).

25. **Other Comprehensive Income**

	2023	2022
Cumulative Translation Adjustments		
Balance at beginning of year	**₱1,809,142**	₱2,862,189
Movements	**(1,251,055)**	(1,053,047)
Balance at end of year	**558,087**	1,809,142
Cash Flow Hedge Reserve		
Balance at beginning of year	**1,376,129**	399,055
Movements	**(2,126,157)**	977,074
Balance at end of year	**(750,028)**	1,376,129
Actuarial Losses on Defined Benefit Plans		
Balances at beginning of year	**(601,318)**	(867,916)
Movements	**(292,488)**	266,598
Balance at end of year	**(893,806)**	(601,318)
Net Unrealized Gains (losses) on Financial Assets at FVOCI		
Balance at beginning of year	**(31,381)**	(118)
Movements	**95,640**	(31,263)
Balance at end of year	**64,259**	(31,381)

	2023	2022
Share in Cumulative Translation Adjustments of Associates and Joint Ventures		
Balance at beginning of year	**₱237,512**	(₱849,471)
Movements	**15,059**	1,086,983
Balance at end of year	**252,571**	237,512
Share in Actuarial Losses on Defined Benefit Plans of Associates and Joint Ventures		
Balance at beginning of year	**(901,547)**	(1,122,519)
Movements	**(243,660)**	220,972
Balance at end of year	**(1,145,207)**	(901,547)
Share in Fair Value Changes on Financial Assets at FVOCI of Associates		
Balance at beginning of year	**(6,956,134)**	(656,595)
Movements	**5,920,629**	(6,299,539)
Balance at end of year	**(1,035,505)**	(6,956,134)
Revaluation surplus	**642,672**	642,672
	(₱2,306,957)	(₱4,424,925)

26. **Revenues**

a. Power

Sale from Distribution of Power

The Uniform Rate Filing Requirements (UFR) on the rate unbundling released by the ERC on October 30, 2001 specified that the billing for sale and distribution of power and electricity will have the following components: Generation Charge, Transmission Charge, System Loss Charge, Distribution Charge, Supply Charge, Metering Charge, the Currency Exchange Rate Adjustment and Interclass and Lifeline Subsidies. National and local franchise taxes, the Power Act Reduction (for residential customers) and the Universal Charge are also separately indicated in the customer's billing statements.

Pursuant to Section 43(f) of Republic Act (R.A.) No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), and Rule 15, section 5(a) of its Implementing Rules and Regulations (IRR), the ERC promulgated the Distribution Wheeling Rates Guidelines on December 10, 2004. These were subsequently updated and released on July 26, 2006 as the Rules for Setting Distribution Wheeling Rates (RDWR) for Privately Owned Utilities entering Performance Based Regulation (PBR).

Details of the PBR regulatory period and the date of implementation of the approved rates are as follows:

	CLP	DLP	VECO	SEZ
Current regulatory period	April 1, 2023 to March 31, 2027	July 1, 2024 to June 30, 2028	July 1, 2024 to June 30, 2028	October 1, 2025 to September 30, 2029
Date of implementation of approved distribution supply and metering charges	May 1, 2009	August 1, 2010	August 1, 2010	November 26, 2011

The reset process for the Third Regulatory Period to adjust the previously approved distribution supply and metering charges were deferred due to the changes on PBR rules.

The Energy Regulatory Commission has issued ERC Resolution No. 10, Series of 2021 Modifying the Rules for Setting the Distribution Wheeling Rates (RDWR) for Privately-Owned Distribution Utilities Entering Performance-Based Regulation (PBR) and ERC Resolution No. 11, Series of 2021 Adopting the Regulatory Asset Base (RAB) Roll-Forward Handbook for Privately-Owned Electricity Distribution Utilities.

Based on the RDWR, the regulatory periods shall be as follows:

i. CLP: April 1, 2023 to March 31, 2027
ii. DLP and VECO: July 1, 2024 to June 30, 2028
iii. SEZ: October 1, 2025 to September 30, 2029

The reset process for the Fourth Regulatory Period has not started for all private DUs as the above-mentioned ERC rules have not been published, which is a condition for their effectivity.

Total sale from distribution of power amounted to ₱53.4 billion, ₱57.2 billion and ₱44.4 billion in 2023, 2022 and 2021, respectively.

Sale from Generation of Power and Retail Electricity

Energy Trading through the Philippine Wholesale Electricity Spot Market (WESM)

Certain subsidiaries are trading participants and direct members under the generator sector of the WESM. These companies are allowed to access the WESM Market Management System through its Market Participant Interface (MPI). The MPI is the facility that allows the trading participants to submit and cancel bids and offers, and to view market results and reports. Under its price determination methodology as approved by the ERC, locational marginal price method is used in computing prices for energy bought and sold in the market on a per node, per hour basis. In the case of bilateral power supply contracts, however, the involved trading participants settle directly with their contracting parties.

Total sale of power to WESM amounted to ₱33.0 billion in 2023, ₱27.7 billion in 2022 and ₱14.7 billion in 2021, respectively.

Power Supply Agreements

i. Power Supply Contracts assumed under Asset Purchase Agreement (APA) and IPP Administration Agreement

   Revenue recognition for customers under the power supply contracts assumed under the APA and IPP Administration Agreements are billed based on the contract price which is calculated based on the pricing structure approved by the ERC. Rates are calculated based on the time-of-use pricing schedule with corresponding adjustments using the GRAM and the ICERA.

ii. Power Purchase/Supply Agreement and Energy Supply Agreement (PPA/PSA and ESA)

   Certain subsidiaries have negotiated contracts with NPC, Private Distribution Utilities, Electric Cooperatives and Commercial and Industrial Consumers referred to as PPA/PSA or ESA. These contracts provide a tariff that allows these companies to charge for capacity fees, fixed operating fees and energy fees.

iii. Feed-in-Tariff (FIT)

   Certain subsidiaries were issued a FIT Certificate of Compliance from the ERC which entitles them to avail the FIT rate. These subsidiaries also signed agreements with the National Transmission Corporation (NTC), the FIT administrator. These agreements enumerate the rights and obligations under the FIT rules and FIT-All guidelines, in respect to the full payment of the actual energy generation of the generator, at a price equivalent to the applicable FIT rate, for the entire duration of its FIT eligibility period.

Total sale of power under power supply agreements amounted to ₱70.0 billion in 2023, ₱70.0 billion in 2022 and ₱52.4 billion in 2021.

Ancillary Services Procurement Agreement (ASPA)
Certain subsidiaries have ASPA with the NGCP. Ancillary services are support services such as as frequency regulating, contingency and dispatchable reserves, reactive power support, and black start capability which are necessary to support the transmission capacity and energy that are essential in maintaining power quality and security of the grid.

Total sale of power under ASPA amounted to ₱4.2 billion in 2023, ₱3.5 billion in 2022 and ₱2.7 billion in 2021.

Retail Electricity Supply Agreements
Certain subsidiaries have negotiated contracts with contestable customers. These contracts provide supply and delivery of electricity where capacity fees, fixed operating fees and energy fees are at fixed price/kwh or time of use.

Total sale of power under retail electricity supply agreements amounted to ₱46.1 billion in 2023, ₱35.2 billion in 2022 and ₱19.9 billion in 2021, respectively.

b. Real estate revenues consist of the following:

	2023	2022	2021
Real estate sales	**₱8,450,860**	₱5,845,404	₱4,324,337
Rental income	**1,025,627**	1,596,866	910,505
	₱9,476,487	₱7,442,270	₱5,234,842

27. Purchased Power

Distribution
The Group's distribution utilities entered into contracts with NPC/PSALM and generation companies for the purchase of electricity, and into Transmission Service Agreements with NGCP for the transmission of electricity.

To avail of opportunities in the competitive electricity market, some of the Group's distribution utilities registered as direct participants of the WESM.

Total purchased power amounted to ₱26.5 billion, ₱29.6 billion, ₱19.8 billion in 2023, 2022 and 2021, respectively.

Generation
Purchased power takes place during periods when power generated from power plants are not sufficient to meet customers' required power as stated in the power supply contracts. Insufficient supply of generated energy results from the shutdowns due to scheduled maintenance or an emergency situation. The Group purchases power from WESM to ensure uninterrupted supply of power and meet the requirements in the power supply contracts.

The Group entered into Replacement Power Contracts with certain related parties (see Note 34). Under these contracts, the Group supplies power to counterparties when additional power is needed. Correspondingly, when faced with energy shortfalls, the Group purchases power from counterparties.

Total purchased power amounted to ₱15.4 billion, ₱23.9 billion, ₱16.3 billion in 2023, 2022 and 2021, respectively.

Retail Electricity Supply

The Group also purchases from WESM in order to supply its contestable customers.

Total purchased power amounted to ₱29.6 billion, ₱15.9 billion and ₱5.4 billion in 2023, 2022 and 2021, respectively.

28. **Costs and Expenses**

Cost of generated power consists of:

	2023	2022	2021
Fuel costs (see Note 6)	**₱56,001,318**	₱52,189,877	₱27,484,810
Steam supply costs (see Note 40)	**6,891,818**	7,514,100	4,950,813
Energy fees	**832,137**	664,405	746,182
Wheeling expenses	**182,310**	185,299	148,436
Ancillary charges	**65,317**	65,448	169,467
	₱63,972,900	₱60,619,129	₱33,499,708

Cost of goods sold consists of:

	2023	2022	2021
Raw materials used, purchases and changes in biological assets and inventories (see Notes 6 and 8)	**₱73,770,484**	₱88,125,036	₱67,976,574
Direct labor (see Note 29)	**709,591**	732,621	401,144
Manufacturing overhead			
Depreciation (see Note 13)	**1,432,620**	1,345,190	1,229,953
Indirect labor (see Note 29)	**791,186**	729,682	881,403
Power	**777,967**	912,901	773,469
Repairs and maintenance	**725,085**	756,517	594,034
Outside services	**504,311**	285,256	242,785
Fuel and lubricants	**339,077**	402,211	322,086
Employees' benefits (see Notes 29 and 30)	**269,708**	256,432	258,783
Office and general supplies	**145,299**	146,061	81,402
Insurance	**141,186**	157,157	132,250
Toll milling expenses	**134,549**	182,606	159,235
Taxes and licenses	**112,265**	102,709	89,074
Freight and handling	**112,094**	77,971	80,232
Rental	**97,047**	104,808	67,967
Medicines and vaccines	**50,112**	51,849	50,490
Pest control	**28,754**	29,844	29,999
Others	**432,256**	457,354	206,616
	6,093,516	5,998,548	5,199,778
Cost of goods manufactured	**80,573,591**	94,856,205	73,577,496
Finished goods inventory (see Note 6)			
Beginning of year	**2,928,323**	1,437,567	1,449,166
End of year	**(2,172,712)**	(2,928,323)	(1,437,567)
	₱81,329,202	₱93,365,449	₱73,589,095

Operating expenses consist of:

	2023	2022	2021
Depreciation and amortization (see Notes 13, 14 and 22)	**₱13,625,030**	₱12,433,264	₱11,732,659
Personnel costs (see Notes 29 and 30)	**12,021,193**	10,085,981	8,274,889
Outside services (see Note 35)	**4,538,803**	3,409,286	3,457,561
Taxes and licenses	**4,194,498**	3,366,300	3,680,613
Repairs and maintenance	**3,974,686**	4,200,084	3,330,570
Insurance	**3,457,067**	3,007,163	2,246,849
Freight and handling	**1,754,691**	1,961,078	1,512,732
Transportation and travel	**1,198,397**	925,990	605,629
Management and professional fees (see Note 35)	**1,255,816**	1,245,574	758,496
Advertising	**896,167**	711,404	457,670
Rent	**194,773**	138,132	111,030
Training and development	**165,462**	156,420	69,995
Utilities	**142,431**	173,780	100,316
Commissions	**83,144**	38,368	—
Fuel and lubricants	**13,658**	10,740	7,495
Provision for (reversal of) expected credit losses of trade receivables (see Note 5)	**(5,326)**	280,651	1,367,439
Others	**3,296,235**	2,200,655	2,182,148
	₱50,806,725	₱44,344,870	₱39,896,091

Other operating expenses consist of miscellaneous items, the most significant of which are materials and supplies.

Sources of depreciation and amortization are as follows:

	2023	2022	2021
Property, plant and equipment (see Note 13)	**₱12,874,508**	₱11,670,964	₱10,925,911
Right-of-use assets (see Note 22)	**1,498,564**	1,485,470	1,489,196
Intangible assets (see Note 14)	**754,829**	622,020	547,505
	₱15,127,901	₱13,778,454	₱12,962,612

29. **Personnel Costs**

	2023	2022	2021
Salaries and wages	**₱11,354,518**	₱9,406,853	₱7,955,165
Employee benefits (see Note 30)	**2,340,588**	2,175,690	1,553,659
	₱13,695,106	₱11,582,543	₱9,508,824

30. **Pension Benefit Plans**

Under the existing regulatory framework, Republic Act 7641, otherwise known as *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity. It further states that the employees' retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The Company and its subsidiaries have funded, noncontributory, pension benefit plans ("Plan") covering all regular and full-time employees and requiring contributions to be made to separately administered funds. The retirement benefit fund ("Fund") of each subsidiary is in the form of a trust being maintained and managed by AEV, under the supervision of the Board of Trustees (BOT) of the Plan. The BOT, whose members are also corporate officers, is responsible for the investment of the Fund assets. Taking into account the Plan's objectives, benefit obligations and risk capacity, the BOT periodically defines the investment strategy in the form of a long-term target structure.

The following tables summarize the components of net benefit expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated balance sheets for the respective plans.

Net benefit expense (recognized as part of personnel costs under operations)

	2023	2022	2021
Retirement expense recognized in the consolidated statements of income:			
Service cost	**₱543,006**	₱688,002	₱424,951
Net interest cost	**12,457**	9,056	21,377
Remeasurement of other long-term employee benefits	**(691)**	831	2,319
	₱554,772	₱697,889	₱448,647

	2023	2022	2021
Remeasurement gains (losses) recognized in the consolidated statements of comprehensive income:			
Actuarial gains (losses) on defined benefit plan	**(₱325,167)**	₱280,321	₱273,979
Return (losses) on assets excluding amount included in net interest cost	**(226,561)**	72,837	324,517
	(₱551,728)	₱353,158	₱598,496

Net pension liabilities

	2023	2022
Present value of obligation	**₱5,479,162**	₱4,139,439
Fair value of plan assets	**(4,572,771)**	(3,870,164)
Pension liability	**₱906,391**	₱269,275

Changes in the present value of the defined benefit obligation are as follows:

	2023	2022
At January 1	**₱4,139,439**	₱3,993,697
Net benefit costs in the consolidated statements of income		
Current service costs	**538,454**	683,353
Interest cost	**310,149**	202,451
Past service costs	**4,552**	4,649
Transfers and others	**(785)**	3,280
Remeasurement of other long-term employee benefits	**(691)**	831
Benefits paid	**(235,178)**	(465,197)
Remeasurements in other comprehensive income:		
Actuarial losses (gains) due to experience adjustments	**(106,125)**	270,904
Actuarial losses (gains) due to changes in financial assumptions	**431,292**	(551,225)
	₱5,081,107	₱4,142,743
Increase from step-acquisition (disposal) of subsidiaries (see Note 9)	**398,055**	(3,304)
At December 31	**₱5,479,162**	₱4,139,439

Changes in the fair value of plan assets are as follows:

	2023	2022
At January 1	**₱3,870,164**	₱3,793,572
Actual contributions	**392,825**	258,087
Interest income included in net interest cost	**297,692**	193,395
Transfers and others	**23,419**	575
Increase from step-acquisition to a subsidiary (see Note 9)	**422,377**	—
Actual return excluding amount included in net interest cost	**(226,561)**	72,837
Benefits paid	**(207,145)**	(448,302)
At December 31	**₱4,572,771**	₱3,870,164

Changes in net pension liability recognized in the consolidated balance sheets are as follows:

	2023	2022
At January 1	**₱269,275**	₱200,125
Contribution to retirement fund	**(392,825)**	(258,087)
Retirement expense for the year	**554,772**	697,889
Actuarial losses recognized for the year	**551,728**	(353,158)
Transfers and others	**(24,204)**	2,705
Benefits paid from Group operating funds	**(28,033)**	(16,895)
Decrease from step-acquisition/disposal of subsidiaries (see Note 9)	**(24,322)**	(3,304)
At December 31	**₱906,391**	₱269,275

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	2023	2022
Cash and fixed-income investments	**₱2,728,370**	₱2,184,703
Equity instruments:		
Power	**475,046**	449,271
Holding	**256,735**	522,613
Financial institution	**579,915**	166,458
Others	**532,705**	547,119
Fair value of plan assets	**₱4,572,771**	₱3,870,164

All equity and debt instruments held have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market.

The plan assets have diverse investments and do not have any concentration risk.

The principal assumptions used in determining pension benefit obligations for the Group's plans are shown below:

	2023	2022	2021
Discount rate	**5.83% - 7.93%**	3.51% - 8.55%	3.46% - 9.70%
Salary increase rate	**5% - 7%**	5% - 7%	6% - 7%

The sensitivity analysis below has been determined based on reasonable possible changes of each significant assumption on the defined benefit obligation as of December 31, 2023 and 2022, assuming all other assumptions were held constant:

December 31, 2023

	Increase (decrease) in basis points	**Effect on defined benefit obligation**
Discount rates	**100**	**(₱313,397)**
	(100)	**320,961**
Future salary increases	**100**	**₱329,106**
	(100)	**(326,922)**

December 31, 2022

	Increase (decrease) in basis points	Effect on defined benefit obligation
Discount rates	100	(₱154,141)
	(100)	183,556
Future salary increases	100	₱192,407
	(100)	(164,019)

The pension benefit plans are funded by the Company and its subsidiaries. The Group expects to contribute approximately ₱761.3 million to the retirement benefit funds in 2024.

The average durations of the defined benefit obligation as of December 31, 2023 and 2022 are 6.19 - 18.30 years and 7.99 - 20.40 years, respectively.

The Board of Trustees reviews the performance of the plans on a regular basis. It assesses whether the retirement plans will achieve investment returns which, together with contributions, will be sufficient to pay retirement benefits as they fall due. The Group also reviews the solvency position of the different member companies on an annual basis and estimates, through the actuary, the expected contribution to the Plan in the subsequent year.

31. Other Income (Expense) - Net

	2023	2022	2021
Bargain purchase gain and remeasurement of previously held interest (see Note 9)	**₱1,745,655**	₱—	₱—
Net unrealized fair valuation gains on investment properties (see Note 15)	**781,512**	527,154	976,228
Surcharges	**632,134**	633,962	561,367
Net foreign exchange gains	**319,678**	2,984,416	584,641
Rental income (see Note 35)	**249,814**	218,503	188,846
Non-utility operating income	**99,236**	146,723	138,922
Unrealized valuation gain (loss) on financial assets	**84,425**	(191,710)	(4,727)
Increase (decrease) in fair value of biological assets (see Note 8)	**15,693**	(111,768)	133,774
Dividend income	**8,107**	3,379	2,984
Gain (loss) on sale/disposal of:			
Property, plant and equipment	**90,108**	(158,832)	(209,420)
Financial assets at FVTPL	**61,408**	31,283	115,707
Investments and advances	**—**	183,299	(44,258)
Write off of project development costs (see Note 14)	**(308,871)**	(314,490)	(369,918)
Provision for impairment losses on property, plant and equipment, goodwill and other assets - net (see Notes 13 and 14)	**(224,774)**	(1,224,108)	(340,597)
Others - net	**2,506,249**	1,411,073	1,408,745
	₱6,060,374	₱4,138,884	₱3,142,294

Provision for impairment losses pertain to the following:

(a) The impairment test calculation of TPVI's property plant and equipment which resulted to the recognition of an impairment loss amounting to ₱220.0 million and ₱685.0 million in 2023 and 2022, respectively.
(b) Goodwill impairment loss amounting to ₱431.6 million in 2022 and VECO's damaged assets due to typhoon Odette amounting to ₱143.1 million in 2021

"Others" include derivative gains arising from TLI's commodity hedge amounting to ₱194.0 million in 2023, ₱1.70 billion in 2022 and ₱240.0 million in 2021, derivative gain arising from ARI's cash flow hedge amounting to ₱121.0 million in 2023, and insurance claims amounting to ₱1.40 billion in 2023 and ₱384.0 million in 2021. In August 2021, the Group received ₱324.9 million from a fund held in escrow as compensation for warranties and contingencies from its previous investment transaction. "Others" also include non-recurring items like sale of scrap and sludge oil, and reversal of provisions.

32. **Income Taxes**

The provision for (benefit from) income tax consists of:

	2023	2022 (As Restated)	2021 (As Restated)
Current			
Corporate income tax	**₱6,797,600**	₱4,019,584	₱3,338,935
Final tax	**476,635**	222,637	158,340
	7,274,235	4,242,221	3,497,275
Deferred	**1,319,200**	1,124,527	1,063,902
	₱8,593,435	₱5,366,748	₱4,561,177

A reconciliation between the statutory income tax rate and the Group's effective income tax rates follows:

	2023	2022 (As Restated)	2021 (As Restated)
Statutory income tax rate	**25.00%**	25.00%	25.00%
Tax effects of:			
Changes on unrecognized deferred income tax assets	**7.46**	8.67	8.34
Non-deductible interest expense	**1.17**	1.54	1.93
Non-deductible depreciation expense	**0.66**	0.59	0.77
Deductible lease payments	**(3.93)**	(5.14)	(6.33)
Nontaxable share in net earnings of associates and joint ventures	**(13.77)**	(10.79)	(11.66)
Income under ITH	**(1.63)**	(2.41)	(2.81)
Interest income subjected to final tax at lower rates - net	**(1.32)**	(0.35)	(0.08)
Others	**3.04**	(4.92)	(2.83)
	16.68%	12.19%	12.33%

Net deferred income tax assets at December 31 relate to the following:

	2023	2022
Deferred income tax assets:		
Unrealized foreign exchange losses	**₱698,991**	₱1,185,980
Net income from commissioning	**1,103,664**	1,147,782
NOLCO	**638,890**	798,714
Allowances for impairment and probable losses	**635,802**	774,558
Accrued retirement benefits	**29,366**	50,930
Unamortized contributions for past service	**48,155**	45,525
Tax effects of items in other comprehensive income	**57,405**	7,279
MCIT	**7,205**	7,040
Others	**573,519**	583,880
	3,792,997	4,601,688
Deferred income tax liabilities:		
Difference between the carrying amount of nonmonetary assets and related tax base	**1,579,344**	1,770,906
Revaluation prior to transfer to investment property	**214,224**	214,224
Consumable biological assets	**99,246**	95,322
Pension asset	**16,752**	5,738
Right-of-use assets	**—**	204,143
Unrealized foreign exchange gain	**92**	3,239
Others	**53,039**	788,584
	1,962,697	3,082,156
	₱1,830,300	₱1,519,532

Net deferred income tax liabilities at December 31 relate to the following:

	2023	2022
Deferred income tax liabilities:		
Unrealized gain on investment property	**₱1,031,918**	₱1,485,678
Unamortized franchise	**565,982**	585,223
Percentage-of-completion recognition of real estate sales and related costs	**38,154**	126,941
Difference in treatment of PPA under financial and tax reporting	**1,327,887**	—
Unamortized customs duties and taxes capitalized	**3,659**	3,884
Unrealized foreign exchange gains	**1,128,441**	21,724
Pension asset	**131,682**	121,615

(Forward)

	2023	2022
Right-of-use assets	**₱3,148,274**	₱1,841,213
Others	**841,701**	387,017
	8,217,698	4,573,295
Deferred income tax assets:		
Tax effects of items in other comprehensive income	**₱357,130**	₱6,548
NOLCO	**1,165,431**	5,948
Allowances for:		
Impairment and probable losses	**380,329**	127,710
Pension asset	**16,349**	78,135
Unamortized past service cost	**55,549**	35,736
Unrealized foreign exchange losses	**8,112**	7,825
Others	**338**	512
	1,983,238	262,414
	₱6,234,460	₱4,310,881

In computing for deferred income tax assets and liabilities, the tax rates used were 25% and 10%, which are the rates expected to apply to taxable income in the years in which the deferred income tax assets and liabilities are expected to be recovered or settled and considering the tax rate for renewable energy developers as allowed by the Renewable Energy Act of 2008.

No deferred income tax assets were recognized on the Group's NOLCO and MCIT amounting to ₱27.15 billion and ₱619.3 million, respectively, as of December 31, 2023 and ₱20.23 billion and ₱262.3 million, respectively, as of December 31, 2023 and 2022. Management expects that no sufficient taxable income and income tax payable will be generated in the future to allow all of the corresponding deferred income tax assets to be utilized.

The Group did not recognize deferred income tax liability on its undistributed retained earnings of its subsidiaries on the basis that there are no income tax consequences to the Group attaching to the payment of dividends to its shareholders or that the reversal of the temporary differences are not expected to reverse in the foreseeable future (see Note 24).

33. Earnings per Common Share

Earnings per common share amounts were computed as follows:

	2023	2022 (As Restated)	2021 (As Restated)
a. Net income attributable to equity holders of the parent	**₱23,546,289**	₱24,020,840	₱26,083,441
b. Weighted average number of common shares issued and outstanding	**5,625,006**	5,630,225	5,630,225
c. Earnings per common share (a/b)	**₱4.19**	₱4.27	₱4.63

There are no dilutive potential common shares as of December 31, 2023, 2022 and 2021.

34. Operating Segment Information

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's CODM to make decisions about how resources are to be allocated to the segment and assess their performances, and for which discrete financial information is available.

For purposes of management reporting, the Group's operating businesses are organized and managed separately according to services provided, with each segment representing a strategic business segment. The Group's identified operating segments, which are consistent with the segments reported to the BOD, the Group's CODM, are as follows:

- power segment, which is engaged in power generation and sale of electricity;
- financial services segment, which is engaged in banking and money remittance operations;
- food manufacturing segment, which is engaged in the production of flour and feeds and swine breeding;
- real estate segment, which is engaged in real property development for sale and lease;
- infrastructure segment, which is engaged in the production of cement and other building materials and in the supply of treated bulk water; and
- the parent company and others, which include the operations of the Company and the service provider subsidiaries that cater mainly to the Group.

In addition, The Group presents geographical segments based on two categories, as follows:

- Philippines, which represents the Group's local operations; and
- Rest of Asia, which represents the foreign operations of the Group across several countries in Asia.

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment revenue and segment expenses are measured in accordance with PFRS. The presentation and classification of segment revenue and segment expenses are consistent with the consolidated statements of income. Interest expense and financing charges, depreciation and amortization expense and income taxes are managed on a per segment basis.

The Group has inter-segment revenues in the form of management fees as well as inter-segment sales of electricity and other services which are eliminated in consolidation. The transfers are accounted for at competitive market prices on an arm's-length basis.

Segment assets do not include deferred income tax assets, pension asset and other noncurrent assets. Segment liabilities do not include deferred income tax liabilities, income tax payable and pension liability. Capital expenditures consist of additions of property, plant and equipment and intangible asset - service concession rights. Adjustments as shown below include items not presented as part of segment assets and liabilities.

Financial information on the operations of the various business segments are summarized as follows:

	2023							
	Power	Financial Services	Food Manufacturing	Real Estate	Infrastructure	Parent Company and Others	Eliminations	Consolidated
REVENUES								
Third parties	₱206,757,277	₱—	₱92,296,802	₱3,588,082	₱6,409,380	₱1,567,548	₱—	₱310,619,089
Inter-segment	342,618	—	11,489,691	2,735	139,751	1,182,650	(13,157,445)	—
Total revenue	₱207,099,895	₱—	103,786,493	₱3,590,817	₱6,549,131	₱2,750,198	(₱13,157,445)	₱310,619,089
RESULTS								
Segment results	₱31,785,077	₱—	₱3,314,887	₱926,928	₱2,234,523	(₱270,943)	₱54,212	₱38,044,684
Unallocated corporate income (expenses) - net	4,633,817	—	(113,599)	613,680	403,815	522,661	—	6,060,374
INCOME FROM OPERATIONS								44,105,058
Interest expense	(14,161,649)	—	(1,469,629)	(73,669)	(376,042)	(4,467,504)	19,526	(20,528,967)
Interest income	1,667,281	—	201,533	32,425	156,758	2,262,955	(19,526)	4,301,426

(Forward)

	2023							
	Power	Financial Services	Food Manufacturing	Real Estate	Infrastructure	Parent Company and Others	Eliminations	Consolidated
Share in net earnings of associates and joint ventures	**₱19,817,774**	**₱4,500,591**	**₱7,447**	**(₱30,765)**	**(₱658,582)**	**₱21,798,758**	**(₱21,798,098)**	**₱23,637,125**
Provision for income tax	**(7,276,865)**	**—**	**(689,184)**	**(81,776)**	**(317,069)**	**(228,541)**	**—**	**(8,593,435)**
NET INCOME	**₱36,465,435**	**₱4,500,591**	**₱1,251,455**	**₱1,386,823**	**₱1,443,403**	**₱19,617,386**	**(₱21,743,886)**	**₱42,921,207**
OTHER INFORMATION								
Segment assets	**₱115,803,428**	**₱—**	**₱35,978,249**	**₱17,107,953**	**₱36,927,280**	**₱53,030,773**	**(₱4,463,836)**	**₱254,383,847**
Investments and advances	**91,640,709**	**91,616,006**	**95,296**	**1,677,288**	**38,987,955**	**171,195,713**	**(171,071,842)**	**224,141,125**
Unallocated corporate assets	**279,579,168**	**—**	**34,279,506**	**9,061,533**	**23,489,257**	**9,656,545**	**(716,322)**	**355,349,687**
Consolidated total assets								**₱833,874,659**
Segment liabilities	**₱286,843,613**	**₱—**	**₱40,494,812**	**₱8,458,265**	**₱24,421,500**	**₱94,945,953**	**(₱4,763,836)**	**₱450,400,307**
Unallocated corporate liabilities	**6,205,328**	**—**	**452,277**	**791,284**	**234,533**	**444,486**	**—**	**8,127,908**
Consolidated total liabilities								**₱458,528,215**
Capital expenditures	**₱17,998,358**	**₱—**	**₱2,649,761**	**₱107,256**	**₱912,139**	**₱241,415**	**₱—**	**₱21,908,929**
Depreciation and amortization	**₱13,109,562**	**₱—**	**₱1,689,440**	**50,693**	**₱84,582**	**₱193,624**	**₱—**	**₱15,127,901**

	2022 (As Restated)							
	Power	Financial Services	Food Manufacturing	Real Estate	Infrastructure	Parent Company and Others	Eliminations	Consolidated
REVENUES								
Third parties	₱193,703,938	₱—	₱104,094,671	₱4,289,653	₱3,636,886	₱1,136,225	₱—	₱306,861,373
Inter-segment	289,650	—	6,631,194	49,407	55,615	1,044,592	(8,070,458)	—
Total revenue	₱193,993,588	₱—	₱110,725,865	₱4,339,060	₱3,692,501	₱2,180,817	(₱8,070,458)	₱306,861,373
RESULTS								
Segment results	₱29,802,974	₱—	₱3,180,628	₱1,145,420	₱1,273,603	(₱376,633)	₱69,321	₱35,095,313
Unallocated corporate income (expenses) - net	493,128	—	(1,128,379)	303,419	436,097	4,034,619	—	4,138,884
INCOME FROM OPERATIONS								39,234,197
Interest expense	(13,420,348)	—	(1,565,638)	(65,349)	(160,902)	(2,667,614)	23,167	(17,856,684)
Interest income	678,696	—	74,353	4,503	130,710	1,002,129	(23,167)	1,867,224
Share in net earnings of associates and joint ventures	15,134,970	6,316,778	9,619	(13,614)	(665,405)	16,144,672	(16,145,155)	20,781,865
Provision for income tax	(4,713,148)	—	(344,011)	(48,169)	(121,319)	(140,101)	—	(5,366,748)
NET INCOME	₱27,976,272	₱6,316,778	₱226,572	₱1,326,210	₱892,784	₱17,997,072	(₱16,075,834)	₱38,659,854
OTHER INFORMATION								
Segment assets	₱132,976,387	₱—	₱41,908,310	₱17,645,182	₱18,229,279	₱53,213,873	(₱6,014,093)	₱257,958,938
Investments and advances	77,928,459	77,700,780	92,402	1,708,053	38,310,505	160,508,904	(160,393,358)	195,855,745
Unallocated corporate assets	266,484,892	—	33,402,056	8,333,401	34,665,728	11,793,641	(716,322)	353,963,396
Consolidated total assets								₱807,778,079

(Forward)

	2022 (As Restated)							
	Power	Financial Services	Food Manufacturing	Real Estate	Infrastructure	Parent Company and Others	Eliminations	Consolidated
Segment liabilities	₱295,735,859	₱—	₱45,205,929	₱8,696,528	₱18,468,712	₱90,204,998	(₱6,314,093)	₱451,997,933
Unallocated corporate liabilities	3,521,630	—	343,872	981,027	119,460	656,876	—	5,622,865
Consolidated total liabilities								₱457,620,798
Capital expenditures	₱12,085,502	₱—	₱2,194,743	₱83,015	₱838,914	₱146,441	₱—	₱15,348,615
Depreciation and amortization	₱11,863,670	₱—	₱1,627,827	₱42,421	₱62,605	₱181,931	₱—	₱13,778,454

	2021 (As Restated)							
	Power	Financial Services	Food Manufacturing	Real Estate	Infrastructure	Parent Company and Others	Eliminations	Consolidated
REVENUES								
Third parties	₱134,144,405	₱—	₱83,643,746	₱3,012,223	₱2,345,395	₱783,650	₱—	₱223,929,419
Inter-segment	214,816	—	3,555,851	91,887	2,810	1,220,369	(5,085,733)	—
Total revenue	₱134,359,221	₱—	₱87,199,597	₱3,104,110	₱2,348,205	₱2,004,019	(₱5,085,733)	₱223,929,419
RESULTS								
Segment results	₱28,209,796	₱—	₱3,386,863	₱784,343	₱630,248	₱89,834	₱—	₱33,101,084
Unallocated corporate income (expenses) - net	213,565	—	(90,566)	1,281,160	52,809	1,685,326	—	3,142,294
INCOME FROM OPERATIONS								36,243,378
Interest expense	(13,590,365)	—	(818,828)	(55,676)	(11,428)	(2,591,729)	25,870	(17,042,156)
Interest income	343,233	—	68,553	4,188	31,425	109,322	(25,870)	530,851
Share in net earnings of associates and joint ventures	9,479,696	6,376,021	16,194	(4,831)	1,380,211	20,370,751	(20,372,399)	17,245,643
Provision for income tax	(3,863,634)	—	(533,305)	(42,757)	(33,534)	(87,947)	—	(4,561,177)
NET INCOME	₱20,792,291	₱6,376,021	₱2,028,911	₱1,966,427	₱2,049,731	₱19,575,557	(₱20,372,399)	₱32,416,539
OTHER INFORMATION								
Segment assets	₱104,419,938	₱—	₱33,331,377	₱16,412,725	₱15,635,040	₱86,837,632	(₱2,287,631)	₱254,349,081
Investments and advances	64,952,728	59,428,617	56,702	1,721,667	28,521,561	116,882,696	(116,748,358)	154,815,613
Unallocated corporate assets	257,804,623	—	32,487,325	7,788,706	16,077,527	10,623,718	(573,875)	324,208,024
Consolidated total assets								₱733,372,718
Segment liabilities	₱270,682,017	₱—	₱35,205,305	₱10,207,397	₱14,457,176	₱74,977,513	(₱2,835,857)	₱402,693,551
Unallocated corporate liabilities	1,414,691	—	485,917	936,825	23,603	547,786	—	3,408,822
Consolidated total liabilities								₱406,102,373
Capital expenditures	₱9,149,864	₱—	₱1,754,712	₱331,588	₱109,129	₱33,912	₱—	₱11,379,205
Depreciation and amortization	₱11,202,273	₱—	₱1,486,698	₱49,230	₱59,503	₱164,908	₱—	₱12,962,612

Revenues and noncurrent operating assets by geographical locations are summarized below:

	Revenue			Property, Plant and Equipment		Intangible Assets	
	2023	**2022**	**2021**	**2023**	**2022**	**2023**	**2022**
Philippines	**₱257,356,479**	₱242,674,145	₱171,804,664	**₱193,002,060**	₱184,529,621	**₱22,501,438**	₱18,337,986
Rest of Asia	**80,877,760**	89,461,098	71,797,275	**6,407,928**	5,325,372	**40,439**	46,837
	₱338,234,239	₱332,135,243	₱243,601,939	**₱199,409,988**	₱189,854,993	**₱22,541,877**	₱18,384,823

The revenue information above is based on the locations of customers. Noncurrent operating assets consist of property, plant and equipment and intangible assets.

35. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group enters into transactions with its parent, associates, joint ventures and other related parties, principally consisting of the following:

a. Service contracts of certain associates with ACO, AEV and AP at fees based on agreed rates. Professional and technical fees paid by these associates and joint ventures to ACO, AEV and AP totaled ₱521.5 million, ₱722.1 million and ₱576.4 million in 2023, 2022 and 2021, respectively.

b. Cash deposits and placements with UBP earn interest at prevailing market rates (see Note 4).

c. Aviation services are rendered by AEV Aviation to certain associates.

d. Lease of commercial office units by ACO and certain associates from CPDC.

e. Power sales to and purchases from certain associates and joint ventures based on the Group's power supply and purchase agreements, respectively (see Notes 26 and 27).

f. Services rendered by Aboitiz Construction, Inc. (ACI), a wholly owned subsidiary of ACO, to the Group for various construction projects.

The above transactions are settled in cash.

Significant outstanding account balances with related parties as of December 31, 2023 and 2022 are as follows:

a. Revenue - Management, Professional and Technical Fees

	Revenue			Accounts Receivable			
	2023	2022	2021	**2023**	2022	Terms	Conditions
Ultimate Parent							
ACO	**₱17,880**	₱16,757	₱14,199	**₱—**	₱—	30-day; interest-free	Unsecured; no impairment
Associates and Joint Ventures							
RCBM (see Note 10)	**12,839**	236,379	168,145	**—**	—	30-day; interest-free	Unsecured; no impairment
SFELAPCO	**122,686**	116,181	123,025	**—**	—	30-day; interest-free	Unsecured; no impairment
CEDC	**84,100**	82,700	84,260	**—**	—	30-day; interest-free	Unsecured; no impairment
RCMI (see Note 10)	**—**	86,849	60,252	**—**	—	30-day; interest-free	Unsecured; no impairment
AEV CRH Holdings, Inc.	**6**	—	—	**—**	—	30-day; interest-free	Unsecured; no impairment
GNPD	**44,910**	43,478	39,502	**—**	9	30-day; interest-free	Unsecured; no impairment
SNAP-Magat	**22,103**	13,819	10,038	**—**	1,518	30-day; interest-free	Unsecured; no impairment
SNAP-Benguet	**22,351**	13,478	9,620	**—**	1,746	30-day; interest-free	Unsecured; no impairment
MORE	**325**	843	2,139	**—**	74	30-day; interest-free	Unsecured; no impairment
UBP	**145,359**	95,921	63,877	**13,950**	1,925	30-day; interest-free	Unsecured; no impairment
CSB	**4,958**	9,830	—	**1,688**	8,315	30-day; interest-free	Clean; no impairment
PETNET	**2,374**	—	—	**—**	—	30-day; interest-free	Unsecured; no impairment
UNITY DIGITAL INFRASTRUCTURE, INC.	**12,819**	—	—	**923**	—	30-day; interest-free	Unsecured; no impairment
BALIBAGO WATER SYSTEMS, INC.	**28,701**	—	—	**—**		30-day; interest-free	Unsecured; no impairment
SNAP-Generation	**1**	1,310	474	**—**	60	30-day; interest-free	Unsecured; no impairment
RCSI	**60**	4,526	894	**—**	(5,795)	30-day; interest-free	Unsecured; no impairment
Total	**₱521,472**	₱722,071	₱576,425	**₱16,561**	₱7,852		

b. Cash Deposits and Placements with UBP

	Interest Income			Outstanding Balance			
	2023	2022	2021	**2023**	2022	Terms	Condition
AP and Subsidiaries	**₱603,953**	₱91,330	₱45,793	**₱23,836,396**	₱18,117,326	90 days or less; interest-bearing	No impairment
AEV	**112,837**	108,626	25,040	**2,479,390**	8,661,576	90 days or less; interest-bearing	No impairment
PILMICO and Subsidiaries	**4,275**	1,084	971	**186,109**	837,495	90 days or less; interest-bearing	No impairment
AboitizLand and Subsidiaries	**953**	1,431	1,752	**558,519**	331,729	90 days or less; interest-bearing	No impairment
AIC and Subsidiaries	**4,229**	5,866	20,388	**798,338**	1,265,267	90 days or less; interest-bearing	No impairment
CPDC	**58**	456	117	**4,256**	62,798	90 days or less; interest-bearing	No impairment
AEV AVIATION	**1,923**	187	105	**92,825**	58,314	90 days or less; interest-bearing	No impairment
AIPL	**—**	—	—	**12,630**	12,658	90 days or less; interest-bearing	No impairment
Weather Solutions, Inc.	**318**	—	—	**13,980**	—	90 days or less; interest-bearing	No impairment
Advanced Data Innovation, Inc.	**36**			**348**	—	90 days or less; interest-bearing	No impairment
Petnet	**—**	—	—	**—**	—	90 days or less; interest-bearing	No impairment
	₱728,582	₱208,980	₱94,166	**₱27,982,791**	₱29,347,163		

c. Revenue - Aviation Services

	Revenue			Accounts Receivable			
	2023	2022	2021	**2023**	2022	Terms	Conditions
Associates and Joint Ventures							
SNAP-Magat	**₱9,880**	₱7,162	₱7,992	**₱—**	₱—	30-day; interest-free	Unsecured; no impairment
SNAP-Benguet	**1,972**	1,844	2,017	**—**	—	30-day; interest-free	Unsecured; no impairment
UBP	**1,500**	1,500	1,500	**—**	—	30-day; interest-free	Unsecured; no impairment
Tsuneishi Holdings (Cebu), Inc.	**—**	297	—	**—**	—	30-day; interest-free	Unsecured; no impairment
	₱13,352	₱10,803	₱11,509	**₱—**	₱—		

d. Revenue - Rental

	Revenue			Accounts Receivable			
	2023	2022	2021	**2023**	2022	Terms	Conditions
Ultimate Parent							
ACO	**₱5,258**	₱4,997	₱4,730	**₱—**	₱—	30-day; interest-free	Unsecured; no impairment
Associates							
UBP	**3,087**	2,558	4,263	**—**	—	30-day; interest-free	Unsecured; no impairment
	₱8,345	₱7,555	₱8,993	**₱—**	₱—		

e. Revenue - Sale of Power

	Revenue (see Note 26)			Receivable			
	2023	2022	2021	**2023**	2022	Terms	Condition
Associate and Joint Ventures							
SFELAPCO	**₱237,293**	₱2,142,713	₱2,710,153	**₱61,635**	₱60,951	30-day; interest-free	Unsecured; no impairment
RCBM	**2,322,855**	2,587,557	2,464,158	**277,162**	2,114,195	30-day; interest-free	Unsecured; no impairment
SNAP-Magat	**732,471**	1,511,909	2,912	**376,383**	660,362	30-day; interest-free	Unsecured; no impairment
GNPD	**167,879**	516,901	9,452,701	**—**	—	30-day; interest-free	Unsecured; no impairment
MEC	**—**	11,738	13,867	**—**	4,803	30-day; interest-free	Unsecured; no impairment
SNAP-RES	**46,471**	—	—	**3,565**	—	30-day; interest-free	Unsecured; no impairment
Investees of ACO							
Tsuneishi Heavy Industries (Cebu), Inc.	**193,177**	174,355	—	**16,094**	—	30-day; interest-free	Unsecured; no impairment
Aboitiz Construction International, Inc.	**3,844**	1,767	1,319,651	**—**	—	30-day; interest-free	Unsecured; no impairment
	₱3,955,723	₱6,946,940	₱15,963,442	**₱840,625**	₱2,840,311		

f. Cost of Purchased Power

	Purchases (see Note 26)			Payable			
	2023	2022	2021	**2023**	2022	Terms	Condition
Associates and Joint Ventures							
CEDC	**₱6,521,068**	₱5,005	₱4,522,422	**₱488,137**	₱86	30-day; interest-free	Unsecured
SNAP-Magat	**1,318,600**	2,816	73,350	**21,957**	8	30-day; interest-free	Unsecured
SFELAPCO	**113,305**	33,664	—	**12,785**	3,131	30-day; interest-free	Unsecured
GNPD	**15,740,852**	—	—	**1,518,818**	—	30-day; interest-free	Unsecured
SNAP-Benguet	**821,815**	1,478,492	—	**107,590**	—	30-day; interest-free	Unsecured
	₱24,515,640	₱1,519,977	₱4,595,772	**₱2,149,287**	₱3,225		

g. Capitalized Construction and Rehabilitation Costs

	Purchases			Payable			
	2023	2022	2021	**2023**	2022	Terms	Condition
Fellow Subsidiary							
ACI	**₱296,759**	₱313,249	₱340,286	**₱—**	₱—	30-day; interest-free	Unsecured

h. Advances to Suppliers (Contractors)

	Purchases			Payable			
	2023	2022	2021	**2023**	2022	Terms	Condition
Fellow Subsidiary							
ACI	**₱—**	₱—	₱—	**₱—**	₱151,698	30-day; interest-free	Unsecured

Retirement Benefit Fund

The Company's retirement benefit fund is in the form of a trust being maintained and managed by ACO under the supervision of the BOT of the plan.

The Fund has a carrying amount and a fair value of ₱0.9 billion and ₱1.0 billion as of December 31, 2023 and 2022, respectively. The assets and investments of the Fund are as follows:

	2023	2022
Equity investments at FVTPL	**₱871,578**	₱916,185
Financial assets at amortized cost	**52,263**	67,642
Debt investments at FVOCI	**18,041**	17,407
	₱941,882	₱1,001,234

The Company's retirement benefit fund for its employees has investments in the equities of the Company and one of its subsidiaries. The carrying values of these investments as of December 31, 2023 and 2022 and the gains and losses of the Fund arising from such investments for the years then ended are as follows:

	2023		2022	
	Carrying Value	**Gain (Loss)**	Carrying Value	Gain (Loss)
AEV common shares	**₱75,908**	**(₱22,296)**	₱309,741	₱33,769
AP common shares	**352,065**	**34,927**	316,699	(33,847)

The above investments of the Fund were approved by the BOT. The voting rights over these equity securities are exercised by the chairman of the BOT.

Compensation of Key Management Personnel

	2023	2022	2021
Short-term benefits	**₱194,946**	₱208,359	₱167,714
Post-employment benefits	**12,333**	10,350	9,446
		₱218,709	₱177,160

36. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, investments in FVTPL or FVOCI, bank loans, and long-term debts. The main purpose of these financial instruments is to raise finances for the Group's operations and its investments in existing subsidiaries and associates and in new projects. The Group has other financial assets and liabilities such as trade and other receivables, trade and other payables, customer deposits and lease liabilities which arise directly from operations.

The Group also enters into derivative transactions, particularly foreign currency forwards to economically hedge its foreign currency risk from foreign currency denominated liabilities and purchases, commodity swap contracts to hedge the price volatility of forecast coal purchases and interest rate swap agreement to hedge the variability in the interest cash flow of its LIBOR loan.

Risk Management Structure

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group.

Financial risk committee

The Financial Risk Committee has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Group's approach to risk issues in order to make relevant decisions.

Treasury service group

The Treasury Service Group is responsible for the comprehensive monitoring, evaluating and analyzing of the Group's risks in line with the policies and limits.

The main risks arising from the Group's financial instruments are interest rate risk resulting from movements in interest rates that may have an impact on outstanding long-term debts; credit risk involving possible exposure to counter-party default on its cash and cash equivalents, investments in financial assets at FVOCI and trade and other receivables; liquidity risk in terms of the proper matching of the type of financing required for specific investments; and foreign exchange risk in terms of foreign exchange fluctuations that may significantly affect its foreign currency denominated placements and borrowings.

Market Risk

The risk of loss, immediate or over time, due to adverse fluctuations in the price or market value of instruments, products, and transactions in the Group's overall portfolio (whether on or off-balance sheet) is market risk. These are influenced by foreign and domestic interest rates, foreign exchange rates and gross domestic product growth.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations. To manage this risk, the Group determines the mix of its debt portfolio as a function of the level of current interest rates, the required tenor of the loan, and the general use of the proceeds of its various fund-raising activities. As of December 31, 2023, 9.2% of the Group's long-term debt had annual floating interest rates ranging from 4.54% to 8.26%, and 90.8% are with fixed rates ranging from 3.30% to 8.51%. As of December 31, 2022, 9.1% of the Group's long-term debt had annual floating interest rates ranging from 3.32% to 8.26%, and 90.9% are with fixed rates ranging from 2.50% to 8.51%.

The following tables set out the carrying amount, by maturity, of the Group's financial instruments that are exposed to cash flow interest rate risk:

December 31, 2023

	Less than 1 year	**1-5 years**	**More than 5 years**	**Total**
Long-term debts				
Floating rate	**₱2,320,428**	**₱11,065,168**	**₱17,152,934**	**₱30,538,530**

December 31, 2022

	Less than 1 year	1-5 years	More than 5 years	Total
Long-term debts				
Floating rate	₱1,442,973	₱8,036,055	₱18,216,250	₱27,695,278

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on the other financial instruments of the Group that are not included in the above tables are either fixed-rate or non-interest bearing, and are therefore not subject to interest rate risk. Its derivative assets and liabilities are subject to fair value interest rate risk.

The interest expense recognized during the years ended December 31 is as follows:

	2023	2022	2021
Long-term debts (see Note 19)	**₱16,435,031**	₱13,918,060	₱12,507,449
Lease liabilities (see Note 22)	**1,300,890**	2,418,570	2,782,576
Long-term obligation on PDS and others (see Note 21)	**569,777**	774,249	301,512
Bank loans (see Note 18)	**2,212,191**	683,154	998,937
Loss on loan extinguishment	**8,586**	61,444	447,502
Customers' deposits (see Note 20)	**2,492**	1,207	4,180
	₱20,528,967	₱17,856,684	₱17,042,156

The interest income recognized during the years ended December 31 is as follows:

	2023	2022	2021
Cash and cash equivalents (see Note 4)	**₱3,684,062**	₱971,835	₱456,869
Short-term cash deposits (see Note 7)	**276,960**	750,013	300
Others (see Note 16)	**340,404**	145,376	73,682
	₱4,301,426	₱1,867,224	₱530,851

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) as of December 31, 2023, 2022 and 2021:

	Increase (decrease) in basis points	Effect on income before tax
2023	**200**	**(₱610,771)**
	(100)	**305,385**
2022	200	(₱553,906)
	(100)	276,953
2021	200	(₱834,703)
	(100)	417,351

The Group's sensitivity to an increase/decrease in interest rates pertaining to derivative instruments is expected to be insignificant in 2023, 2022 and 2021 due to their short-term maturities and immateriality relative to the total assets and liabilities of the Group.

There is no other impact on the Group's equity other than those already affecting the consolidated statements of income.

Commodity Price Risk

Commodity price risk of the Group arises from transactions on the world commodity markets to secure the supply of fuel, particularly coal, which is necessary for the generation of electricity.

The Group's objective is to minimize the impact of commodity price fluctuations and this exposure is hedged in accordance with the Group's commodity price risk management strategy.

Based on a 36-month forecast of the required coal supply, the Group hedges the purchase price of coal using commodity swap contracts. The commodity swap contracts do not result in physical delivery of coal, but are designated as cash flow hedges to offset the effect of price changes in coal.

Currently, the management is monitoring the development of the situation in Ukraine which could directly impact the Group because of higher prices of fuel.

Foreign exchange risk

The foreign exchange risk of the Group pertains significantly to its foreign currency denominated borrowings, including lease liabilities. To mitigate the risk of incurring foreign exchange losses, foreign currency holdings are matched against the potential need for foreign currency in financing equity investments and new projects. As of December 31, 2023 and 2022, foreign currency denominated borrowings account for 17.3% and 24.0%, respectively, of total consolidated borrowings.

The following table presents the Group's foreign currency denominated assets and liabilities:

	2023		2022	
	US dollar	**Philippine peso Equivalent[1]**	US dollar	Philippine peso Equivalent[2]
Financial assets:				
Cash and cash equivalents	**$878,744**	**₱48,656,067**	$544,778	₱30,374,097
Short-term cash deposits	**34,706**	**1,921,676**	380,161	21,195,877
Trade and other receivables	**109,947**	**6,087,765**	175,017	9,758,073
Investments in FVTPL and FVOCI	**61,469**	**3,403,512**	98,256	5,478,263
Total financial assets	**1,084,866**	**60,069,021**	1,198,212	66,806,310
Financial liabilities:				
Bank loans	**50,690**	**2,806,705**	137,452	7,663,636
Trade and other payables	**196,221**	**10,864,757**	257,192	14,339,740
Long-term debts	**440,000**	**24,362,800**	440,000	24,532,200
Lease liabilities	**—**	**—**	241,244	13,450,559
Total financial liabilities	**686,911**	**38,034,262**	1,075,888	59,986,135
Net foreign currency denominated assets	**$397,955**	**₱22,034,759**	$122,324	₱6,820,175

[1]$1= ₱55.37

[2]$1= ₱55.76

The following table demonstrates the sensitivity to a reasonable possible change in the US dollar exchange rates, with all other variables held constant, of the Group's profit before tax :

	Increase (decrease) in US dollar rate against the Philippine peso	Effect on income before income tax
2023	**US dollar strengthens by 5%**	**₱1,101,738**
	US dollar weakens by 5%	**(1,101,738)**
2022	US dollar strengthens by 5%	₱341,009
	US dollar weakens by 5%	(341,009)

The increase in US dollar rate represents depreciation of Philippine peso while the decrease in US dollar rate represents appreciation of Philippine peso.

The following table presents LHC's and GMEC's foreign currency denominated assets and liabilities:

	2023		2022	
	Philippine Peso	**US Dollar Equivalent[1]**	Philippine Peso	US Dollar Equivalent[2]
Financial assets:				
Cash and cash equivalents	**₱9,008,117**	**$162,689**	₱4,194,517	$75,231
Trade and other receivables	**7,078,677**	**127,843**	8,398,854	150,639
	16,086,794	**290,532**	12,593,371	225,870
Financial liability:				
Trade and other payables	**4,154,504**	**75,032**	5,761,218	103,331
Net foreign currency denominated assets	**₱11,932,290**	**$215,500**	₱6,832,153	$122,539

[1]$1= ₱55.37
[2]$1= ₱55.76

The following tables demonstrate the sensitivity to a reasonable possible change in the US dollar exchange rate in relation to Philippine peso, with all variables held constant, of the Group's income before tax:

2023	Effect on income before tax
US dollar appreciates against Philippine peso by 5.0%	($10,775)
US dollar depreciates against Philippine peso by 5.0%	10,775
2022	
US dollar appreciates against Philippine peso by 5.0%	($6,127)
US dollar depreciates against Philippine peso by 5.0%	6,127

There is no other impact on the Group's equity other than those already affecting the consolidated statements of income.

Equity price risk
Equity price risk is the risk that the fair value of traded equity instruments decreases as the result of the changes in the levels of equity indices and the value of the individual stock.

As of December 31, 2023 and 2022, the Group's exposure to equity price risk is minimal.

Credit Risk
For its cash investments (including restricted portion and short-term cash deposits), financial assets at FVTPL and FVOCI, debt investments at amortized cost, derivative assets, and receivables, the Group's credit risk pertains to possible default by the counterparty, with a maximum exposure equal to the carrying amount of these financial assets. With respect to cash and financial assets at FVTPL or FVOCI, the risk is mitigated by the short-term and or liquid nature of its cash investments mainly in bank deposits and placements, which are placed with financial institutions and entities of high credit standing. With respect to receivables, credit risk is controlled by the application of credit approval, limit and monitoring procedures. It is the Group's policy to enter into transactions with a diversity of credit-worthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales are made to customers with appropriate credit history and has internal mechanism to monitor the granting of credit and management of credit exposures.

Concentration risk
Credit risk concentration of the Group's receivables according to the customer category as of December 31, 2023 and 2022 is summarized in the following table:

	2023	2022
Power distribution:		
Industrial	**₱9,284,763**	₱10,089,301
Residential	**2,193,446**	3,394,574
Commercial	**1,147,583**	1,059,520
City street lighting	**—**	27,372
Power generation:		
Power supply contracts	**14,139,560**	12,880,602
Spot market	**3,181,336**	2,745,316
	₱29,946,688	₱30,196,685

The above receivables were provided with allowance for ECL amounting to ₱3.4 billion and ₱3.3 billion as of December 31, 2023 and 2022, respectively (see Note 5).

The aging analysis per class of financial assets, including contract assets, is as follows:

December 31, 2023

	Total	Current	Less than 30 days	31 days to 60 days	Over 60 days	Impaired
Cash and cash equivalents	**₱112,293,582**	**₱112,293,582**	**₱—**	**₱—**	**₱—**	**₱—**
Restricted cash	**5,269,703**	**5,269,703**	**—**	**—**	**—**	**—**
Short-term deposits	**1,543,016**	**1,543,016**	**—**	**—**	**—**	**—**
Trade and other receivables						
Trade receivables						
Power	**29,946,688**	**19,726,798**	**2,903,990**	**840,660**	**3,099,078**	**3,376,162**
Food manufacturing	**9,837,176**	**6,883,797**	**555,824**	**287,658**	**616,060**	**1,493,838**
Real estate	**12,688,722**	**7,139,072**	**366,978**	**312,161**	**4,714,310**	**156,201**
Holding and others	**1,924,844**	**1,469,757**	**506**	**181,125**	**273,455**	**—**
Other receivables	**9,208,016**	**7,784,164**	**41,458**	**141,259**	**1,241,135**	**—**
Exchangeable notes	**15,608,623**	**15,608,623**	**—**	**—**	**—**	**—**
Concession contract asset	**9,345,442**	**9,345,442**	**—**	**—**	**—**	**—**
Debt investments at amortized cost	**11,063**	**11,063**	**—**	**—**	**—**	**—**
Financial assets at FVTPL:						
Quoted shares of stock	**79,018**	**79,018**	**—**	**—**	**—**	**—**
Unquoted shares of stock	**28,274**	**28,274**	**—**	**—**	**—**	**—**
Financial assets at FVOCI	**3,353,210**	**3,353,210**	**—**	**—**	**—**	**—**
Derivative asset	**355,510**	**355,510**	**—**	**—**	**—**	**—**
	₱211,492,887	**₱190,891,029**	**₱3,868,756**	**₱1,762,863**	**₱9,944,038**	**₱5,026,201**

December 31, 2022

		Neither past due nor	Past due but not impaired			
	Total	impaired	Less than 30 days	31 days to 60 days	Over 60 days	Impaired
Cash and cash equivalents	₱101,526,260	₱101,526,260	₱—	₱—	₱—	₱—
Restricted cash	6,023,425	6,023,425	—	—	—	—
Short-term deposits	20,915,669	20,915,669	—	—	—	—
Trade and other receivables						
Trade receivables						
Power	30,196,685	20,917,658	2,375,923	708,503	2,865,204	3,329,397
Food manufacturing	10,296,325	6,828,671	1,450,836	537,067	173,530	1,306,221
Real estate	11,299,170	6,406,706	126,221	191,650	4,418,254	156,339
Holding and others	4,742,730	4,581,081	1,226	—	160,423	—
Other receivables	9,905,735	8,738,433	29,271	67,983	1,070,048	—
Debt investments at amortized cost	42,861	42,861	—	—	—	—
Financial assets at FVTPL:						
Quoted shares of stock	870,912	870,912	—	—	—	—
Unquoted shares of stock	28,274	28,274	—	—	—	—

(Forward)

			Past due but not impaired			
	Total	Neither past due nor impaired	Less than 30 days	31 days to 60 days	Over 60 days	Impaired
Financial assets at FVOCI	₱4,626,724	₱4,626,724	₱—	₱—	₱—	₱—
Derivative asset	3,064,862	3,064,862	—	—	—	—
	₱219,066,032	₱200,097,936	₱3,983,477	₱1,505,203	₱8,687,459	₱4,791,957

The following are the details of the Group's assessment of credit quality and related ECLs as at December 31, 2023 and 2022:

	2023				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Lifetime ECL Simplified Approach**	**Total**
Gross carrying amount	**₱157,095,457**	**₱—**	**₱—**	**₱54,397,430**	**₱211,492,887**
Loss allowance	**—**	**—**	**—**	**5,026,201**	**5,026,201**
Carrying amount	**₱157,095,457**	**₱—**	**₱—**	**₱49,371,229**	**₱206,466,686**

	2022				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
Gross carrying amount	₱162,531,122	₱—	₱—	₱56,534,908	₱219,066,030
Loss allowance	—	—	—	4,791,957	4,791,957
Carrying amount	₱162,531,122	₱—	₱—	₱51,742,951	₱214,274,073

Trade and other receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments and accounts under dispute and legal proceedings.
The Group evaluated its cash and cash equivalents, restricted cash and short-term cash deposits as high-quality financial assets since these are placed in financial institutions of high credit standing.

With respect to other receivables, debt investments at amortized cost, FVOCI and FVTPL investments and derivative asset, the Group evaluates the counterparty's external credit rating in establishing credit quality.

Liquidity Risk

Liquidity risk is the risk that an entity in the Group will be unable to meet its obligations as they become due. The Group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows, making use of a centralized treasury function to manage pooled business unit cash investments and borrowing requirements.

Currently, the Group is maintaining a positive cash position, conserving its cash resources through renewed focus on working capital improvement and capital reprioritization. The Group meets its financing requirements through a mixture of cash generated from its operations and short-term and long-term borrowings. Adequate banking facilities and reserve borrowing capacities are maintained.

The Group is in compliance with all of the financial covenants per its loan agreements, none of which is expected to present a material restriction on funding or its investment policy in the near future. The Group has sufficient undrawn borrowing facilities, which could be utilized to settle obligations.

In managing its long-term financial requirements, the policy of the Group is that not more than 25% of long-term borrowings should mature in any twelve-month period. As of December 31, 2023 and 2022, the portion of the total long-term debt, inclusive of customers' deposits, that will mature in less than one year is 4.49% and 8.05%, respectively. For its short-term funding, the policy of the Group is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

Cash and cash equivalents and trade and other receivables, which are all short-term in nature, have balances of ₱112.3 billion and ₱58.2 billion as of December 31, 2023, respectively, and of ₱101.5 billion and ₱61.3 billion as of December 31, 2022, respectively (see Notes 4 and 5). These financial assets will be used to fund short-term and operational liquidity needs of the Group.

The table below analyzes the financial liabilities of the Group into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows and include interest.

December 31, 2023

	Total carrying value	Contractual undiscounted payments				
		Total	On demand	Less than 1 year	1-5 years	> 5 years
Financial liabilities:						
Operating						
Trade and other payables*	₱51,939,477	₱51,939,477	₱3,705,291	₱47,048,771	₱1,185,415	₱—
Customers' deposits	9,112,905	9,112,905	—	—	734,813	8,378,092
Financing			—	—	—	—
Bank loans	41,040,449	41,312,707	—	41,312,707	—	—
Long-term debts	331,575,191	378,764,040	—	23,104,545	204,749,542	150,909,953
Lease liabilities	3,347,652	6,674,472	—	325,064	1,165,894	5,183,514
Long-term obligation on PDS	122,730	160,000	—	40,000	120,000	—
Others			—	—	—	—
Derivative liabilities	506,335	506,335	—	506,335	—	—
	₱437,644,739	₱488,469,936	₱3,705,291	₱112,337,422	₱207,955,664	₱164,471,559

**Excludes statutory liabilities*

December 31, 2022

	Total carrying value	Contractual undiscounted payments				
		Total	On demand	Less than 1 year	1-5 years	> 5 years
Financial liabilities:						
Operating						
Trade and other payables*	₱60,100,077	₱60,100,077	₱5,567,573	₱53,425,145	₱1,107,359	₱—
Customers' deposits	8,314,885	8,314,884	—	—	662,599	7,652,285
Financing						
Bank loans	45,367,586	45,592,939	—	45,592,939	—	—
Long-term debts	303,539,018	356,598,541	—	26,912,558	162,450,862	167,235,121
Lease liabilities	27,860,923	35,221,458	—	11,521,010	17,877,296	5,823,152
Long-term obligation on PDS	145,390	200,000	—	40,000	160,000	—
Others			—	—	—	—
Derivative liabilities	661,401	818,784	—	157,600	661,184	—
	₱445,989,280	₱506,846,683	₱5,567,573	₱137,649,252	₱182,919,300	₱180,710,558

**Excludes statutory liabilities*

Capital Management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Certain entities within the Group that are registered with the Board of Investments (BOI) are required to raise a minimum amount of capital in order to avail of their registration incentives. As of December 31, 2023 and 2022, these entities have complied with this requirement as applicable (see Note 39).

The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Group's policy is to keep the gearing ratio at 70% or below at the consolidated level. The Group determines net debt as the sum of interest-bearing short-term and long-term obligations (comprised of long-term debts and lease liabilities) less cash and short-term deposits (including restricted cash).

Gearing ratios of the Group as of December 31, 2023 and 2022 are as follows:

	2023	2022 (As Restated)
Bank loans	**₱41,040,449**	₱45,367,586
Long-term obligations	**334,922,843**	331,399,941
Cash funds	**(119,106,301)**	(128,465,354)
Net debt (a)	**256,856,991**	248,302,173
Equity	**375,346,444**	350,157,281
Equity and net debt (b)	**₱632,203,435**	₱598,459,454
Gearing ratio (a/b)	**40.63%**	41.49%

Part of the Group's capital management is to ensure that it meets financial covenants attached to long-term borrowings. Breaches in meeting the financial covenants would permit the banks to immediately call loans and borrowings. The Group is in compliance with the financial covenants attached to its long-term debt as of December 31, 2023 and 2022 (see Note 19).

No changes were made in the objectives, policies or processes during the years ended December 31, 2023 and 2022.

Financial and Other Risk Relating to Livestock

The Group is exposed to financial risks arising from the change in cost and supply of feed ingredients and the selling price of hogs, all of which are determined by constantly changing market forces of supply and demand, and other factors. The other factors include environmental regulations, weather conditions and livestock diseases which the Group has little control. The mitigating factors are listed below:

- The Group is subject to risks relating to its ability to maintain animal health status considering that it has no control over neighboring livestock farms. Livestock health problems could adversely impact production and consumer confidence. However, the Group monitors the health of its livestock on a daily basis and proper procedures are put in place.

- The livestock industry is exposed to risk associated with the supply and price of raw materials, mainly grain prices. Grain prices fluctuate depending on the harvest results. The shortage in the supply of grain will result in adverse fluctuation in the price of grain and will ultimately increase production cost. The Group monitors the prices of grains regularly. The formulation of feeds at a least cost being done by the Group considers the appropriate nutrients the hogs need. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

37. **Financial Instruments**

Fair Value of Financial Instruments

Fair value is defined as the amount at which the financial instrument could be sold in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced liquidation or sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, pricing services or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. For a financial instrument with an active market, the quoted market price is used as its fair value. On the other hand, if transactions are no longer regularly occurring even if prices might be available and the only observed transactions are forced transactions or distressed sales, then the market is considered inactive. For a financial instrument with no active market, its fair value is determined using a valuation technique (e.g. discounted cash flow approach) that incorporates all factors that market participants would consider in setting a price.

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments whose fair values are different from their carrying amounts.

	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial asset:				
PSALM deferred adjustment	**₱—**	**₱—**	₱54,503	₱54,224
Financial liabilities				
Lease liabilities	**₱3,347,652**	**₱3,559,210**	₱27,860,923	₱25,939,517
Long-term debt - fixed rate	**301,036,661**	**281,188,571**	275,843,740	237,738,956
PSALM deferred adjustment	**—**	**—**	54,503	54,224
Long-term obligation on PDS	**122,730**	**167,708**	145,390	143,225
	₱304,507,043	**₱284,915,489**	₱303,904,556	₱263,875,922

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents (including restricted cash), short-term cash deposits, trade and other receivables, short-term loans and trade and other payables

The carrying amounts of cash and cash equivalents, short-term cash deposits, trade and other receivables, short-term loans and trade and other payables approximate their fair values due to the relatively short-term maturity of these financial instruments.

Lease liabilities
The fair value of the lease liabilities was calculated by discounting future cash flows using discount rates of 9.11% for dollar payments and 2.68% to 12.5% for peso payments in 2023; and 9.11% for dollar payments and 4.06% to 9.75% for peso payments in 2022.

Concession contract asset
The fair value of the concession contract asset is calculated by discounting expected future cash flows at prevailing market rates. Discount rate used in discounting the asset is 11.5% in 2023 and the carrying amount approximates to its fair value.

Fixed-rate borrowings
The fair value of fixed rate interest-bearing loans is based on the discounted value of future cash flows using the applicable rates for similar types of loans. Interest-bearing loans were discounted using credit-adjusted interest rates ranging from 1.31% to 8.01% in 2023 and 1% to 8.47% in 2022. The disclosed fair value is determined using Level 3 inputs.

Variable-rate borrowings
Where the repricing of the variable-rate interest-bearing instruments is frequent (i.e., three-month repricing), the carrying value approximates the fair value. Otherwise, the fair value is determined by discounting the principal plus the known interest payment using current market rates.

Long-term obligation on PDS and PSALM deferred adjustment
The fair values of the long-term obligations on PDS and PSALM deferred adjustment are calculated by discounting expected future cash flows at prevailing market rates. Discount rates used in discounting the obligation ranges from nil in 2023 and 1.66% to 4.63% in 2022.

Customers' deposits
The fair value of bill deposits approximate their carrying values as these deposits earn interest at the prevailing market interest rate in accordance with regulatory guidelines. The timing and related amounts of future cash flows relating to transformers and lines and poles deposits cannot be reasonably and reliably estimated for purposes of establishing their fair values using an alternative valuation technique.

Financial assets at FVTPL and FVOCI
These securities are carried at fair value.

Exchangeable Note
The fair value of the Exchangeable Note, including the embedded derivative, was determined using a binomial model, using the current stock price of GMCAC, the expected volatility of GMCAC's stock price, the risk-free interest rate, and the credit spread (see Note 10).

Derivative asset and liabilities
The fair value of forward contracts is calculated by reference to prevailing spot exchange rate as of valuation date. The fair value of the IRS is determined by generally accepted valuation techniques with reference to observable market data such as interest rates.

The Group also entered into an IRS agreement to fully hedge its floating rate exposure on its foreign currency-denominated loan and par forward contracts to hedge the floating rate exposure on foreign currency-denominated payments.

The Group enters into deliverable and non-deliverable short-term forward contracts with counterparty banks to manage its foreign currency risks associated with foreign currency-denominated liabilities, purchases and highly probable forecasted purchases.

The Group also enters into commodity swap contracts to hedge the price volatility of its forecasted coal purchases.

IRS
On September 29, 2017, GMEC entered into an IRS agreement to hedge the variability in the interest cash flows on the entire amount of its LIBOR Loan (see Note 19), which bears interest based on six-month US LIBOR. Under the swap agreement, GMEC pays a fixed rate of 2.18% and receives six-month US LIBOR rate, semi-annually from March 29, 2018 until September 27, 2024. The IRS settlement dates coincide with the semi-annual interest payment dates of the NFA. GMEC designated the swap as a cash flow hedge. Due to the demise of LIBOR effective June 30, 2023, GMEC has transitioned to the adoption of US$ Secured Overnight Financing Rate (SOFR), computed in arrears and a credit adjustment of 35 basis points.

As of December 31, 2023, the outstanding notional amount and derivative liability as a result of the swap amounted to US$200.8 million and ₱333.3 million, respectively. As of December 31, 2022, the outstanding notional amount and derivative asset as a result of the swap amounted to US$218.6 million and ₱542.0 million, respectively.

Foreign currency forward contracts
Starting 2021, the Company started to enter foreign currency forward contracts to economically hedge the Company's exposure on foreign currency fluctuation.

As of December 31, 2022, the outstanding notional amount of the forward contracts amounted to $208.0 million. Derivative asset amounted to ₱149.8 million as of December 31, 2022.

The net losses from the net fair value changes of derivatives not designated as accounting hedges are included under "Other income (expense) - net" in the consolidated statements of income. Realized gain (loss) on derivatives financial instruments amounted to ₱30.68 million gain and ₱728.3 million loss in 2023 and 2022, respectively. In addition, the Company recognized unrealized fair value gain on derivatives amounting to ₱149.8 million in 2022.

TLI entered into forward contracts to hedge the foreign currency risk arising from forecasted US dollar denominated coal purchases. These forecasted transactions are highly probable, and they comprise about 20% of the TLI's total expected coal purchases. The forward contracts were designated as cash flow hedges.

Foreign Currency-Denominated Cash and Cash Equivalents
On October 1, 2023, the Group designates its foreign currency-denominated cash and cash equivalents as a hedging instrument in anticipation of a planned foreign currency-denominated acquisition (see Note 43). This hedging instrument amounts to $589.0 million (translated to ₱32.4 billion) and will be used to pay for the acquisition with an anticipated total costs of $720.0 million (translated to ₱40.0 billion) in 2024.

Commodity swap contracts
TLI entered into commodity swap contracts to hedge the price volatility of forecasted coal purchases. The commodity swaps do not result in physical delivery of coal, but are designated as cash flow hedges to offset the effect of price changes in coal. TLI hedges approximately 30% of its expected coal purchases considered to be highly probable. There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign currency forward and commodity swap contracts match the terms of the expected highly probable forecasted transactions.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign currency forward, IRS and commodity swap contracts match the terms of the expected highly probable foreign currency denominated forecasted purchases and floating rate loans. The Group has established a hedge ration of 1:1 for the hedging relationships as the underlying risk of the foreign currency forward, IRS and commodity swap contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative technique and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Different reference prices linked to the hedged risk of the hedged items and hedging instruments
- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments
- Non-zero fair value hedging instruments

The Company is holding the following hedging instruments designated as cash flow hedges:

December 31, 2023

	Maturity					
	Less than 3 months	**3 to 6 months**	**6 to 12 months**	**1 to 2 years**	**More than 2 years**	**Total**
IRS - Derivative Assets						
Notional amount (in PHP)	**—**	**—**	**11,116,912**	**—**	**—**	**11,116,912**
Average fixed interest rate (%)	**— %**	**—**	**2.18 %**	**— %**	**— %**	
Foreign Currency Forward Contracts - Derivative Assets						
Notional amount (in PHP)	**—**	**459,043**	**930,418**	**700,037**	**—**	**2,089,498**
Average forward rate (in PHP)	**—**	**54**	**54**	**55**	**—**	
Notional amount (in PHP)	**—**	**—**	**—**	**1,215,870**	**—**	**1,215,870**
Average forward rate (in PHP)	**—**	**—**	**—**	**56**	**—**	
Commodity swaps - Derivative Asset						
Notional amount (in metric tonnes)	**1,000**	**—**	**—**	**—**	**—**	**1,000**
Notional amount (in PHP)	**7,201,203**	**—**	**—**	**—**	**—**	**7,201,203**
Average hedged rate (in PHP per metric tonne)	**7,101**	**—**	**—**	**—**	**—**	
NDF - Derivative Liability						
Notional amount (in PHP)	**—**	**—**	**4,903,795**	**—**	**—**	**4,903,795**
Average forward rate (in PHP)	**—**	**—**	**61**	**—**	**—**	
Foreign Currency Denominated Cash and Cash Equivalents						
Notional amount (in PHP)	**—**	**32,397,596**	**—**	**—**	**—**	**32,397,596**
Foreign exchange rate	**—**	**57**	**—**	**—**	**—**	**57**

December 31, 2022

	Maturity					
	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	More than 2 years	Total
IRS - Derivative Liability						
Notional amount (in PHP)	526,885	—	468,342	1,990,454	9,203,757	12,189,438
Average fixed interest rate (%)	2.18 %	— %	2.18 %	2.18 %	2.18 %	
Foreign Currency Forward Contracts - Derivative Assets						
Notional amount (in PHP)	615,925	645,612	1,104,329	3,768,288	—	6,134,154
Average forward rate (in PHP)	52	52	53	55	—	
Commodity swaps - Derivative Asset						
Notional amount (in metric)	90,000	39,000	36,000	1,000	—	166,000
Notional amount (in PHP)	538,391	212,314	212,069	7,151	—	969,925
Average hedged rate (in PHP per metric tonne)	5,982	5,444	5,891	7,151	—	
NDF - Derivative Liability						
Notional amount (in PHP)	—	—	1,638,081	4,443,674	—	6,081,755
Average forward rate (in PHP)	—	—	61	61	—	
Commodity swaps - Derivative Liability						
Notional amount (in metric tonnes)	5,000	9,000	18	—	—	32,000
Notional amount (in PHP)	96,456,000	165,676,000	318,648,000	—	—	580,780
Average hedged rate (in PHP per metric tonne)	19,291	18,408	17,703	—	—	

The impact of the hedged items and hedging instruments in the consolidated balance sheets and consolidated statements of income and comprehensive income is as follows:

	December 31, 2023			
	Carrying amount	**Change in fair value used for measuring ineffectiveness**	**Total hedging gain (loss) recognized in OCI**	**Ineffectiveness recognized in other comprehensive**
IRS				
Derivative asset	**₱542,024**	**₱542,024**	**₱542,024,000**	**₱—**
Derivative liability	**—**	**—**	**—**	**—**
Forward exchange currency forwards				
Derivative asset	**307,011**	**307,011**	**307,011**	**—**
Derivative liability	**—**	**—**	**—**	**—**
Commodity swaps				
Derivative asset	**2,105,328**	**2,105,328**	**2,105,328**	**—**
Derivative liability	**(42,336)**	**(36,865)**	**(36,865)**	**(5,471)**
Non-deliverable forwards				
Derivative asset	**—**	**—**	**—**	**—**
Derivative liability	**(447,264)**	**(447,264)**	**(447,264)**	**—**

	As at December 31, 2022			
	Carrying amount	Change in fair value used for measuring ineffectiveness	Total hedging gain (loss) recognized in OCI	Ineffectiveness recognized in other comprehensive
IRS				
Derivative asset	₱542,024	₱972,380	₱972,380	₱—
Derivative liability	—	—	—	—
Forward exchange currency forwards				
Derivative asset	309,786	309,786	309,786	—
Derivative liability	—	—	—	—
Commodity swaps				
Derivative asset	2,060,259	2,060,259	2,060,259	—
Derivative liability	(42,336)	(36,865)	(36,865)	(5,471)
Non-deliverable forwards				
Derivative asset	—	—	—	—
Derivative liability	(447,264)	(447,264)	(447,264)	—

The movements in fair value changes of all derivative instruments for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
At beginning of year	**₱2,403,461**	₱104,909
Net changes in fair value of derivatives designated as cash flow hedges	**(2,921,642)**	1,729,380
Net changes in fair value of derivatives not designated as accounting hedges	**251,347**	(52,377)
Fair value of settled instruments	**116,009**	621,549
At end of year	**(₱150,825)**	₱2,403,461

The net losses from the net fair value changes of derivatives not designated as accounting hedges are included under "Other income (expense) - net". In 2021, this pertains to a foreign currency forward not designated as an accounting hedge to economically hedge the Group's exposure on foreign currency fluctuation.

The changes in the fair value of derivatives designated as accounting hedges were deferred in equity under "Cash flow hedge reserve".

The net movement of changes to cash flow hedge reserve is as follows:

	2023	2022
Balance at beginning of year (net of tax)	**₱2,135,647**	₱785,004
Changes in fair value recorded in equity	**(678,157)**	614,151
	1,457,490	1,399,155
Changes in fair value transferred to profit or loss	**(1,761,431)**	526,398
Balance at end of year before deferred tax	**(303,941)**	1,925,553
Deferred tax effect	**88,827**	210,094
Balance at end of year (net of tax)	**(₱215,114)**	₱2,135,647

The Group has not bifurcated any embedded derivatives as of December 31, 2023 and 2022.

The Group held the following financial instruments that are measured and carried or disclosed at fair value:

December 31, 2023

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Investments in financial assets:				
At FVTPL	**₱107,292**	**₱107,292**	**₱—**	**₱—**
At FVOCI	**3,353,210**	**3,353,210**	**—**	**—**
Exchangeable notes	**15,608,623**	**15,608,623**	**—**	**—**
Derivative asset	**355,510**	**—**	**355,510**	**—**
Derivative liability	**506,335**	**—**	**506,335**	**—**
Disclosed at fair value:				
Concession contract asset	**9,345,442**	**—**	**—**	**9,345,442**
Lease liabilities	**3,559,210**	**—**	**—**	**3,559,210**
Long-term debt - fixed rate	**281,188,571**	**—**	**—**	**281,188,571**
PSALM deferred adjustment	**—**	**—**	**—**	**—**
Long-term obligation on PDS	**167,708**	**—**	**—**	**167,708**

December 31, 2022

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Investments in financial assets:				
At FVTPL	₱899,186	₱899,186	₱—	₱—
At FVOCI	4,626,724	4,626,724	—	—
Exchangeable notes	15,526,400	15,526,400	—	—
Derivative asset	3,064,862	—	3,064,862	—
Derivative liability	661,401	—	661,401	—
Disclosed at fair value:				
Lease liabilities	25,939,517	—	—	25,939,517
Long-term debt - fixed rate	237,738,956	—	—	237,738,956
PSALM deferred adjustment	54,224	—	—	54,224
Long-term obligation on PDS	143,225	—	—	143,225

During the years ended December 31, 2023 and 2022, there were no transfers between level 1 and level 2 fair value measurements and transfers into and out of level 3 fair value measurement.

38. Notes to Consolidated Statements of Cash Flows

The following are the cash flow movements of the Group's financing liabilities in 2023 and 2022:

			Non-cash Changes					
	January 1, 2023	Net cash flows	Amortized deferred financing costs	Foreign exchange movement	Changes in fair values	Accreted interest	Others	December 31, 2023
Current interest-bearing loans and borrowings, excluding lease liabilities	**₱63,294,249**	**(₱4,327,137)**	**₱—**	**₱—**	**₱—**	**₱—**	**(₱2,708,251)**	**₱56,258,861**
Current lease liabilities	**9,420,133**	**(22,899,469)**	**—**	**(15,978)**	**—**	**—**	**13,741,076**	**245,762**
Non-current interest-bearing loans and borrowings, excluding lease liabilities	**285,612,355**	**25,680,279**	**250,597**	**(404,474)**	**—**	**—**	**5,218,022**	**316,356,779**
Non-current lease liabilities	**18,440,790**	**—**	**—**	**—**	**—**	**1,300,890**	**(16,639,790)**	**3,101,890**
Derivatives	**661,401**	**—**	**—**	**—**	**(155,066)**	**—**	**—**	**506,335**
Total liabilities from financing activities	**₱377,428,928**	**(₱1,546,327)**	**₱250,597**	**(₱420,452)**	**(₱155,066)**	**₱1,300,890**	**(₱388,943)**	**₱376,469,627**

			Non-cash Changes					
	January 1, 2022	Net cash flows	Amortized deferred financing costs	Foreign exchange movement	Changes in fair values	Accreted interest	Others	December 31, 2022
Current interest-bearing loans and borrowings, excluding lease liabilities	₱54,024,202	(₱8,903,580)	₱9,607	₱—	₱—	₱—	₱18,164,020	₱63,294,249
Current lease liabilities	8,291,721	(10,232,070)	—	22,951	—	26,666	11,260,983	9,420,133
Non-current interest-bearing loans and borrowings, excluding lease liabilities	253,069,865	44,805,509	470,804	5,243,787	—	—	(17,977,610)	285,612,355
Non-current lease liabilities	25,964,507	—	—	(277,987)	—	2,391,904	(9,643,059)	18,440,790
Derivatives	1,354,712	—	—	—	(693,311)	—	—	661,401
Total liabilities from financing activities	₱342,705,007	₱25,669,859	₱480,411	₱4,988,751	(₱693,311)	₱2,418,570	₱1,804,334	₱377,428,928

39. Registrations with the Board of Investments (BOI)

a. Power Segment

Certain power generation companies in the Group have been registered with the BOI. Accordingly, they are entitled to, among others, ITH incentives covering four (4) to seven (7) years. The ITH shall be limited only to sales/revenue generated from sales of electricity of the power plant and revenues generated from the sales of carbon emission reduction credits. To be able to avail of the incentives, the companies are required to maintain a minimum equity level. As of December 31, 2023 and 2022 these companies have complied with the requirements.

b. Food Manufacturing Segment

PFC

On October 9, 2015, the BOI approved the registration of PFC's feedmill plant expansion as "Expanding Producer of Animal Feeds" (2015-210) on a nonpioneer status under the Omnibus Investment Code of 1987. Among others, said registration entitles PFC to three-year ITH from January 2016 or actual start of commercial operations, whichever is earlier, and importation of capital equipment at zero duty for a period of five years.

On January 22, 2020, the BOI approved the registration of the PFC's feedmill plant expansion as "New Producer of Animal Feeds" (2020-016) on a nonpioneer status under the Omnibus Investment Code of 1987. Among others, said registration entitles PFC to four-year ITH from January 2021 or actual start of commercial operations, whichever is earlier, and importation of capital equipment at zero duty for a period of five years.

On December 14, 2023, the BOI partially approved PFC's request for the deferment of ITH availment for the taxable years 2021 and 2022 pursuant to Section 2, Rule 23 of the Implementing Rules and Regulations of RA 11534 or the CREATE Act and FIRB Resolution No. 24-21, Series of 2021, authorizing the BOI to implement temporary measures for exceptional circumstance such as COVID-19, among others. With this, PFC shall be entitled to its remaining ITH entitlement period equivalent to four (4) years or from January 1, 2023 to December 31, 2026.

PANC

PANC has been registered with the BOI and granted the following incentives:

- ITH for a period of three to five years;

Type of Registration	BOI Approval Date	Start of ITH Period	ITH Period
Expanding Producer of Animal Feeds	June 24, 2016	July 2016[1]	3 years
New Producer of Table Eggs and By- Products	April 7, 2015	October 2015[1]	4 years
New Producer of Hogs and Pork Meat *	July 16, 2017	July 2017[1]	3 years
New Operator of Slaughterhouse Integrated with Fabrication and Cold Storage/Blast Freezing Facility**	October 8, 2020	January 2025[1]	5 years
New Producer of Pork Meat or Carcass and Culled Sows	July 13, 2023	August 2023[1]	6 years

[1] Or actual start of commercial operations, whichever is earlier, but not earlier than registration date,
[*] ITH period for taxable year 2020 was deferred and can be availed for the period January 1, 2021 to June 30, 2022
[**] ITH period was amended from "January 1, 2021 to December 31, 2026" to "January 1, 2022 to December 31, 2027

- Importation of capital equipment at zero duty for a period of five years from date of registration;
- Other tax and duty exemptions on purchase of certain inventories.

c. Infrastructure Segment

On January 24, 2018, the BOI approved Apo Agua's application for registration as new operator of Bulk Water Supply (Davao City Bulk Water Project) under the 2017 IPP on a non-pioneer status under Omnibus Investments Code of 1987. The BOI issued the Certificate of Registration on April 12, 2018 which entitles Apo Agua to an ITH of four years from February 2022 or actual start of commercial operations, whichever is earlier but availment shall in no case be earlier than the date of registration. On December 21, 2022, the BOI approved for the amendment of the start of commercial operation from August 2022 to May 2023.

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40. **Fuel Supply and Other Agreements**

a. Steam Supply Agreement

On May 26, 2013, APRI's steam supply contract with Chevron Geothermal Philippines Holdings, Inc. (CGPHI) shifted to a Geothermal Resource Sales Contract (GRSC). The change is due to an existing provision under the government's existing contract with CGPHI when the Tiwi-Makban facilities were bidded out under the former's privatization program. Under the GRSC, the effective steam price of APRI payable to CGPHI will be at a premium to coal.

To ensure that APRI will continue to remain competitive in the market, a two-month interim agreement supplementing the GRSC was implemented on August 4, 2013 and extended until August 25, 2018. On August 24, 2018, a new contract was signed by the Company and Philippine Geothermal Production Company, Inc. which aims to ensure long-term operations of both parties. The Geothermal Resources Supply and Services Agreement took effect August 26, 2018 and shall continue in effect until October 22, 2034, unless earlier terminated or extended by mutual agreement of the Parties.

Total steam supply cost incurred by APRI, reported as part of "Cost of generated power" amounted to ₱6.9 billion in 2023, ₱7.5 billion in 2022 and ₱5.0 billion in 2021.

b. Coal Supply Agreements (CSA)

TLI, TVI, and TSI enter into short-term coal supply agreements. Outstanding coal supply agreements as of December 31, 2023 have aggregate supply amounts of 3,691,050 MT (equivalent dollar value is estimated to be at $282.2 million), which are due for delivery from January 2024 to December 2025. Outstanding coal supply agreements as of December 31, 2022 have aggregate supply amounts of 5,677,587 MT (equivalent dollar value is estimated to be at $713.1 million), which are due for delivery from January 2023 to December 2025. Terms of payment are by letter of credit where payment is due at sight against presentation of documents, and by telegraphic transfer where payment is due within 7 days from receipt of original invoice.

GMEC entered into Coal Supply Agreements (CSAs) with Avra Commodities Pte. Ltd. (Avra) and PT Arutmin Indonesia (Arutmin) dated December 20, 2019 and December 23, 2019, respectively, for coal deliveries commencing on January 1, 2020. Avra shall annually deliver between a minimum of 500,000 metric tonnes to a maximum of 1,200,000 metric tonnes of coal until the CSA expires on December 31, 2024, while Arutmin shall annually deliver 1,650,000 metric tonnes of coal with an additional quantity of 160,000 metric tonnes at GMEC's option until the CSA expires on December 31, 2029. In addition, GMEC entered into a CSA with PT. Bayan Resources TBK (Bayan) on April 8, 2020. Bayan shall annually deliver between a minimum of 500,000 metric tonnes to a maximum of 1,000,000 until the CSA expires on April 30, 2030.

On December 12, 2019, STEAG entered into a CSA with PT Bara Tabang for the supply of coal to meet the fuel requirements of the Power Plant on a fixed base and option tonnage. On December 15, 2021, the parties signed the Amendment Agreement to the CSA which extended the term until December 31, 2023 or until the last shipment under the fourth Contract Year. On December 6, 2022, the CSA was amended to include one shipment as additional contract quantity for contract year 2023, and to include coal specifications and pricing. On September 11, 2023, STEAG signed a short-term CSA which covers two shipments to be delivered in October and November 2023 plus an option tonnage to be notified before October 2023. The option was exercised, and the shipment was delivered in December 2023. The September 11, 2023 CSA was amended on December 27, 2023 to cover additional shipments to be delivered in January and February 2024.

On September 15, 2023, STEAG entered into a Coal Supply Agreement (CSA) with AVRA International DMCC for a spot cargo in September 2023.

c. Fuel Supply Agreements

TMI entered into Heavy Fuel Oil (HFO) Supply Agreement with Pilipinas Shell Petroleum Corporation (PSPC) On September 1, 2014. The said agreement provides for the supply and delivery of HFO by PSPC to TMI, subject to terms and conditions of the agreement. The actual quantities may vary from month to month and are contingent to the actual generation of the TMI's power plant. The actual aggregate HFO delivered to the TMI from PSPC as of December 31, 2023 and 2022 is 138.7 million liters and 579.5 million liters, respectively. Moreover, on December 1, 2016, TMI entered into a Lube Oil Supply Agreement with PSPC for the supply and delivery of lube oil products with an agreed aggregate volume of 3.8 million liters. The actual aggregate of lube oil products delivered to TMI from PSPC as of December 31, 2023 and 2022 is 1,676,148 liters and 1,605,163 liters, respectively.

EAUC has a Lube Oil Supply Agreement (LOSA) with PSPC dated December 1, 2016. The actual aggregate lube oil delivered to the Company from PSPC as of December 31, 2023 and 2022 are 487,583 liters and 403,432 liters, respectively. Total consumption of lube oil amounted to ₱9.5 million and ₱11.9 million in 2023 and 2022, respectively. On March 20, 2018, Heavy Fuel Oil Supply Agreement with Phoenix Petroleum Philippines Inc. (PPPI) is to supply and deliver HFO on

a consignment basis. The actual quantities may vary from month to month and are contingent on the actual generation of the EAUC's power plant. As of December 31, 2023 and 2022, the actual HFO consumed from the supply agreement is 13.1 million liters and 55.6 million liters, respectively. Total consumption of HFO acquired from PPPI amounted to ₱535.9 million and ₱722.6 million in 2023 and 2022, respectively.

d. Pagbilao IPP Administration Agreement

TLI and PSALM executed the IPP Administration Agreement wherein PSALM appointed TLI to manage the 700MW contracted capacity (the "Capacity") of NPC in the coal-fired power plant in Pagbilao, Quezon.

The IPP Administration Agreement includes the following obligations TLI would have to perform until the transfer date of the power plant (or the earlier termination of the IPP Administration Agreement):

a. Supply and deliver all fuel for the power plant in accordance with the specifications of the original Energy Conservation Agreement (ECA); and
b. Pay to PSALM the monthly payments (based on the bid) and energy fees (equivalent to the amount paid by NPC to the IPP).

TLI has the following rights, among others, under the IPP Administration Agreement:

a. The right to receive, manage and control the Capacity of the power plant for its own account and at its own cost and risk;
b. The right to trade, sell or otherwise deal with the Capacity (whether pursuant to the spot market, bilateral contracts with third parties or otherwise) and contract for or offer related ancillary services, in all cases for its own account and its own risk and cost. Such rights shall carry the rights to receive revenues arising from such activities without obligation to account therefore to PSALM or any third party;
c. The right to receive the transfer of the power plant at the end of the IPP Administration Agreement (which is technically the end of the ECA) for no consideration; and
d. The right to receive an assignment of NPC's interest to existing short-term bilateral Power Supply Contract from the effective date of the IPP Administration Agreement the last of which were scheduled to end in November 2011.

e. Joint Venture Agreement

On March 17, 2015, Apo Agua entered into a Joint Venture Agreement (JVA) with the Davao City Water District (DCWD) in accordance with the Guidelines and Procedures for Entering into JVAs between Government and Private Entities issued by the National Economic Development Authority. Based on the JVA, Apo Agua shall undertake the development and operations of a

treated bulk water supply facility while the DCWD shall assign a water permit to Apo Agua to enable it to operate the treated bulk water supply facility that shall generate revenues, primarily from the supply of treated bulk water to the DCWD. The principal place of business of the joint venture shall be in Davao City.

Pursuant to the JVA, Apo Agua entered into a Bulk Water Purchase Agreement (BWPA) with the DCWD for the supply and delivery of treated bulk water to the latter.

Under the BWPA, Apo Agua shall supply and deliver to the DCWD an agreed volume of Treated Bulk Water sourced from the Tamuga River, for a delivery period of thirty (30) years beginning on the first day of the operations of the Facility. Under the BWPA, the Apo Agua shall be entitled to a fixed rate per cubic meter of water delivered, subject to an annual rate adjustment that is based on the Annual Inflation Rate as determined by the National Statistical Coordination Board. The ownership, commissioning, operation, and management of the Facility required for the delivery of the Treated Bulk Water to the DCWD shall be vested in Apo Agua. Although the legal title to these assets shall remain with Apo Agua at the end of the concession period, the concession period is for the entire estimated useful life of the assets.

41. **Contingencies**

The Group is a party to certain proceedings and legal cases with other parties in the normal course of business. The ultimate outcome of these proceedings and legal cases cannot be presently determined. Management, in consultation with its legal counsels, believes that it has substantial legal and factual bases for its positions and is currently of the opinion that the likely outcome of these proceedings and legal cases will not have a material adverse effect on the Group's financial position and operating results. It is possible, however, that the future results of operations could be materially affected by changes in estimates or in the effectiveness of the strategies relating to these proceedings and legal cases.

42. **Other Matters**

a. Renewable Energy Act of 2008

On January 30, 2009, R.A. No. 9513, *An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes*, which shall be known as the "Renewable Energy Act of 2008" (the Act), became effective. The Act aims to (a) accelerate the exploration and development of renewable energy resources such as, but not limited to, biomass, solar, wind, hydro, geothermal and ocean energy sources, including hybrid systems, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country's dependence on fossil fuels and thereby minimize the country's exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy; (b) increase the utilization of renewable

energy by institutionalizing the development of national and local capabilities in the use of renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives; (c) encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the goals of economic growth and development with the protection of health and environment; and (d) establish the necessary infrastructure and mechanism to carry out mandates specified in the Act and other laws.

As provided for in the Act, renewable energy (RE) developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the BOI, shall be entitled to incentives, such as, ITH, duty-free importation of RE machinery, equipment and materials, zero percent VAT rate on sale of power from RE sources, and tax exemption of carbon credits, among others.

b. EPIRA of 2001

RA No. 9136 was signed into law on June 8, 2001 and took effect on June 26, 2001. The law provides for the privatization of NPC and the restructuring of the electric power industry. The Implementing Rules and Regulations (IRR) were approved by the Joint Congressional Power Commission on February 27, 2002.

R.A. No. 9136 and the IRR impact the industry as a whole. The law also empowers the ERC to enforce rules to encourage competition and penalize anti-competitive behavior.

R.A. No. 9136, the EPIRA, and the covering IRR provides for significant changes in the power sector, which include among others:

i. The unbundling of the generation, transmission, distribution and supply and other disposable assets of a company, including its contracts with IPPs and electricity rates;
ii. Creation of a WESM; and
iii. Open and non-discriminatory access to transmission and distribution systems.

The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effectivity date of the EPIRA. It provides cross ownership restrictions between transmission and generation companies and a cap of 50% of its demand that a distribution utility is allowed to source from an associated company engaged in generation except for contracts entered into prior to the effectivity of the EPIRA.

There are also certain sections of the EPIRA, specifically relating to generation companies, which provide for a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity.

c. Temporary Restraining Order (TRO) affecting Power Generation Companies trading in WESM

On December 19, 2013, Bayan Muna representatives filed a Petition for Certiorari against the ERC and the Manila Electric Company (MERALCO) with the Supreme Court (SC). On December 20, 2013, National Association of Electricity Consumers for Reforms filed a Petition for Certiorari and/or Prohibition against MERALCO, ERC and DOE. These cases raised and questioned, among others, the alleged substantial increase in MERALCO's power rates for the billing period of November 2013, the legality of Sections 6, 29 and 45 of the EPIRA, the failure of ERC to protect consumers from the high energy prices and the perceived market collusion of the generation companies.

These cases were consolidated by the SC which issued a TRO for a period of 60 days from December 23, 2013 to February 21, 2014, preventing MERALCO from collecting the increase in power rates for the billing period of November 2013. The TRO was subsequently extended for another 60 days ending April 22, 2014 by the SC. Thereafter, the TRO was extended indefinitely.

MERALCO, in turn, filed a counter-petition impleading generation companies supplying power to the WESM. The SC also ordered all the parties in the consolidated cases to file their respective pleadings in response to MERALCO's counter-petition. The Supreme Court set the consolidated cases for oral arguments last January 21, February 4 and 11, 2014. After hearing, all parties were ordered to file their comments and/or memorandum. The case is now submitted for resolution.

As a result of the TRO, Meralco has not been able to fully bill its consumers for the generation costs for the supply month of November 2013; and in turn, it has not been able to fully pay its suppliers of generation costs. In a Decision dated August 3, 2021, the Supreme Court declared that the ERC's action of allowing MERALCO to stagger its collection of pass-through generation costs for the November 2013 billing month in view of the high increase in generation costs was valid, but declared as null and void the Order of the ERC setting aside the Luzon WESM prices and imposing regulated prices for the November 2013 billing period. The Supreme Court denied with finality the motions for reconsideration filed by NASECORE, ERC, and Bayan Muna, in a Resolution dated October 11, 2022.

d. Imposition of financial penalties on Therma Mobile by the Philippine Electricity Market Corporation (PEMC)

This case involves an investigation of Therma Mobile in the dispatch of its power barges during the November and December 2013 supply period. As a result of the Meralco price hike case brought before the SC, the SC ordered the ERC to investigate anti-competitive behavior and abuse of market power allegedly committed by some WESM participants.
PEMC conducted the investigation under the "Must-Offer" rules of the WESM Rules.

PEMC initially found that Therma Mobile violated the "Must-Offer Rule" during the period under investigation. In its letter dated January 30, 2015, the PEM Board imposed financial penalties amounting to ₱234.9 million on Therma Mobile. According to the PEM Board, the penalties will be collected from Therma Mobile through the WESM settlement process.

Therma Mobile maintains that there is no basis for the PEMC decision. It did not violate the Must-Offer Rule, for the period ended, as it was physically impossible for Therma Mobile to transmit more than 100MW to Meralco. Although Therma Mobile's rated capacity is 234 MW (Net), it could only safely, reliably and consistently deliver 100MW during the November and December 2013 supply period because of transmission constraints. Therma Mobile's engines and transmission lines were still undergoing major repairs to address issues on post rehabilitation.

On February 13, 2015, Therma Mobile filed a notice of dispute with the PEMC to refer the matter to dispute resolution under the WEM Rules and the WESM Dispute Resolution Market Manual.

Therma Mobile also filed a Petition for the Issuance of Interim Measures of Protection with the Regional Trial Court (RTC) of Pasig to hold off enforcement of the payment of the penalties during the pendency of the Therma Mobile and PEMC dispute resolution proceedings. Last February 24, 2015, the RTC issued in favor of Therma Mobile an ex parte 20-day Temporary Order of Protection directing PEMC to refrain from (a) demanding and collecting from Therma Mobile the ₱234.9 million financial penalty; (b) charging and accruing interest on the financial penalty; and (c) transmitting the PEMC-ECO investigation report to the ERC.

On April 1, 2015, the RTC granted the prayer for the issuance of Writ of Preliminary Injunction, which ruling was assailed by the PEMC and elevated to the Court of Appeals (CA) via Petition for Review. On December 15, 2015, the CA issued a Decision confirming the RTC's findings. PEMC filed a Motion for Reconsideration, and in compliance with Resolution of the CA, has filed a comment on the said motion.

On June 6, 2016, PEMC filed a petition before the SC questioning the CA's Decision. TMO also filed its Comment on the Petition on November 14, 2016. On June 1, 2017, TMO received the SC Notice dated March 29, 2017. In the Resolution, the SC noted TMO's Comment and PEMC's Reply. As of December 31, 2023, the petition is still pending resolution with the SC.

e. Therma Marine Cases

In 2013, ERC issued Final Approval of various ESAs of Therma Marine with some modifications on ERC's provisionally approved rates which directed both parties to devise a scheme for the refund of the difference between the final and the provisionally approved rates.

On November 25, 2013, ERC issued its order for Therma Marine to refund the amount of ₱180.0 million to its customers for a period of 6 months with equal installments per month.

On August 27, 2014, ERC issued an order directing NGCP to refund its customers the amount of ₱12.7 million and the corresponding VAT for a period of twelve months. As such, Therma Marine will refund the said amount to NGCP and the latter will refund the same to its customers.

In 2015, ERC issued Provisional Approvals (PA) on ESA contracts extensions with capacity fees lower than the previously approved rates. Therma Marine filed MRs on these PAs. During the last quarter of 2015, ERC issued Final Approvals on some of these ESA's sustaining the decision in the PA's, thus Therma Marine filed MRs on the final decisions. As of December 31, 2023, there has been no resolution on the MRs on the Final Approvals.

f. ERC Case No. 2013-077 MC

On August 29, 2013, MERALCO filed a petition for dispute resolution against TLI/APRI, among other Successor Generating Companies ("SGCs") under ERC Case No. 2013-077 MC. The case arose from a claim of refund of the alleged over charging of transmission line losses pursuant to the ERC Order dated March 4, 2013 and July 1, 2013 in ERC Case No. 2008-083 MC.
On September 20, 2013, TLI, together with the other SGCs, filed a Joint Motion to Dismiss arguing that MERALCO's petition should be dismissed for failure to state a cause of action and ERC's lack of jurisdiction over the subject matter of the case. The SGCs and Meralco have filed their respective comments, reply, rejoinder and sur-rejoinder after the filing of the Joint Motion to Dismiss. The Joint Motion to Dismiss has since then been submitted for resolution with the ERC. As of December 31, 2023, the ERC has yet to render its decision on the Joint Motion to Dismiss.

g. DLP Case

On December 7, 1990, certain customers of DLP filed before the then Energy Regulatory Board (ERB) a letter-petition for recovery claiming that with the SC's decision reducing the sound appraisal value of DLP's properties, DLP exceeded the 12% Return on Rate Base (RORB). The ERB's order dated June 4, 1998, limited the computation coverage of the refund from January 19, 1984 to December 14, 1984. No amount was indicated in the ERB order as this has yet to be recomputed.

The CA, in Court of Appeals General Register Special Proceeding (CA-GR SP) No. 50771, promulgated a decision dated February 23, 2001 which reversed the order of the then ERB, and expanded the computation coverage period from January 19, 1984 to September 18, 1989.

The SC in its decision dated November 30, 2006 per GR150253 reversed the CA's decision CA-GR SP No. 50771 by limiting the period covered for the refund from January 19, 1984 to

December 14, 1984, approximately 11 months. The respondent/customers filed a Motion for Reconsideration with the SC, which was denied with finality by the SC in its Order dated July 4, 2007.

The SC, following its decision dated November 30, 2006, ordered the ERC to proceed with the refund proceedings instituted by the respondents with reasonable dispatch.

On March 17, 2010, the ERC directed DLP to submit its proposed scheme in implementing the refund to its customers. In compliance with the order, the DLP filed its compliance stating that DLP cannot propose a scheme for implementing a refund as its computation resulted to no refund.

A clarificatory meeting was held where DLP was ordered to submit its memoranda.

On October 4, 2010, in compliance with the ERC directive, DLP submitted its memoranda reiterating that no refund can be made. In a decision dated February 10, 2021, the ERC ruled in favor of DLP's position that no refund from DLP to its consumers.

h. LHC Franchise Tax Assessment

In 2007, the Provincial Treasurer of Benguet issued a franchise tax assessment against LHC, requiring LHC to pay franchise tax amounting to approximately ₱40.4 million, inclusive of surcharges and penalties covering the years 2002 to 2007. In 2008, LHC has filed for a petition for the annulment of the franchise tax assessment, based primarily on the fact that LHC is not liable for franchise tax because it does not have a franchise to operate the business. Section 6 of R.A. No. 9136 provides that power generation shall not be considered a public utility operation. As such, an entity engaged or which shall engage in power generation and supply of electricity shall not be required to secure a national franchise. Accordingly, no provision has been made in the consolidated financial statements. The case remains pending as of December 31, 2023.

i. Retail Competition and Open Access

The EPIRA mandates the implementation of Retail Competition and Open Access (RCOA) subject to the fulfilment of the conditions as provided in the EPIRA. The ERC was tasked under the EPIRA Implementing Rules and Regulations to declare, after due notice and public hearing, the initial implementation of RCOA. Through the RCOA, eligible customers will have the option to source their electricity from eligible suppliers that have secured Retail Electricity Supplier (RES) licenses from the ERC. End users with a monthly average peak demand of at least 1 Megawatt (MW) for the preceding 12 months are eligible to be contestable customers. The 1 MW qualification would gradually be reduced upon evaluation of the ERC.

In June 2011, after due notice and public hearings, the ERC declared December 26, 2011 as the date to mark the commencement of the full operation of RCOA in Luzon and Visayas. However, due to deficiencies in the rules and guidelines governing the RCOA at that time, the December 26, 2011 commencement date was deferred several times until an interim system commenced on July 26, 2013.

The DOE and ERC have issued and revised several circulars, rules and resolutions on the implementation of the RCOA and the issuance of RES licences, including a Code of Conduct, Rules on Contestability, and Rules on RES Licencing.

On February 21, 2017, the SC issued a TRO enjoining the DOE and ERC from implementing the following issuances:

1. DOE Circular No. DC-2015-06-0010 or the DOE Circular Providing Policies to Facilitate the Full Implementation of RCOA in the Philippine Electric Power Industry;
2. ERC Resolution No. 5, Series of 2016 or the Rules Governing the Issuance of Licenses to RES and Prescribing the Requirements and Conditions Therefor;
3. ERC Resolution No. 10, Series of 2016 or a Resolution adopting the Revised Rules for Contestability;
4. ERC Resolution No. 11, Series of 2016 or a Resolution Imposing Restrictions on the Operations of DUs and RES in the Competitive Retail Electricity Market; and
5. ERC Resolution No. 28, Series of 2016 or the Revised Timeframe for Mandatory Contestability, Amending Resolution No. 10, Series of 2016, entitled Revised Rules of Contestability.

The TRO effectively enjoined the DOE and the ERC from imposing the mandatory migration of end-users with average monthly peak demand of at least 1MW and 750 kW on February 26, 2017 and June 26, 2017, respectively, and barring Local RESs and DUs from supplying electricity to the Contestable Market.

Due to the TRO, no new or renewed RES licenses were issued by the ERC due to the perceived risk of being declared in contempt by the SC. The renewal of PEI, AEI and AESI's RES licenses remain pending before the ERC. The application for RES licenses of TLI and APRI are likewise pending.

On November 29, 2017, DOE issued Department Circular No. 2017-12-0013, which provides, among other things, for voluntary participation of Contestable Customers in the Retail Market. On the same date, DOE issued Department Circular No. 2017-12-0014, which provides, among other things, the guidelines on the licensing of RES. Both DOE Circulars enjoin the ERC to promote the supporting guidelines to the DOE Circulars. Once the ERC promulgates these rules, approval of RES license applications and renewals can be expected.

j. PSALM deferred adjustment

Deferred Accounting Adjustments (DAA)

The ERC issued a Decision dated March 26, 2012 which granted PSALM DAA pertaining to GRAM and ICERA and in its Order dated June 20, 2017, the ERC authorized PSALM to implement the methodology for the recovery/refund of the approved DAA.

Upon Private Electric Power Operators Association's (PEPOA) motion, the ERC, in an Order dated October 19, 2017, deferred the implementation of the approved DAA pending clarification by the ERC of the queries raised in the motion for clarification.

In its Order dated December 19, 2017, the ERC clarified that the GRAM and ICERA DAA are deferred adjustments, which were incurred by PSALM/NPC in supplying energy during the corresponding period; thus, it should be recovered/refunded by PSALM/NPC to its customers. Hence, the Distribution Utilities (DUs) are not just mere collectors of the said DAA but these are charges that they should pay to NPC/PSALM and charged to their customers as part of their generation charge. In the same Order, the ERC directed the DUs to resume the implementation of the GRAM and ICERA starting the January 2018 billing period.

Automatic Cost Recovery Mechanism (ACRM)

On June 20, 2017, the ERC issued its Decision, authorizing PSALM to recover/refund the True-up Adjustments of Fuel and Purchased Power Costs and Foreign Exchange-Related Costs effective its next billing period.

In an Order dated October 19, 2017, the implementation of the ACRM was deferred to the January 2018 billing period pending the evaluation of the clarifications raised in PEPOA's letter and motion and on December 19, 2017, the Commission issued an Order directing PSALM and the DUS to abide with the clarifications issued by the Commission. As of December 31, 2023, the balance of PSALM deferred adjustment was fully settled and collected.

As of December 31, 2023, the balance of the PSALM deferred adjustment was fully settled and collected.

43. **Events after the Reporting Period**

a. To comply with the requirements of Section 43 of the Corporation Code, on March 5, 2024, the BOD approved the declaration of a regular cash dividend of ₱1.40 per share (₱7.9 billion) to all stockholders of record as of March 19, 2024. These dividends will be taken out of the unrestricted retained earnings as of December 31, 2023, and will be paid on March 26, 2024. Said declaration is in compliance with the Company's policy of distributing a regular dividend equivalent to at least 33% of previous year's consolidated net income.

b. On August 2, 2023, AEV and Coca-Cola Europacific Partners PLC (CCEP) entered into a Letter of Intent with the Coca-Cola Company to jointly acquire 100% ownership in Coca-Cola Beverages Philippines, Inc. (CCBPI). The proposed acquisition is based on an enterprise value of $1.8 billion.

   On February 23, 2024, after all of the closing conditions have been met, CCEP and AEV completed the acquisition of CCBPI thru CCEP Aboitiz Beverages Philippines Inc. (CABPI) based on a 60%:40% ownership structure between CCEP and AEV.

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Aboitiz Equity Ventures, Inc.
32nd Street, Bonifacio Global City
Taguig City, Metro Manila
Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Equity Ventures, Inc. and Subsidiaries as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

[redacted]

Jhoanna Feliza C. Go
Partner
CPA Certificate No. 0114122
Tax Identification No. 219-674-288
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-103-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10079942, January 5, 2024, Makati City

March 5, 2024

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Aboitiz Equity Ventures, Inc.
32nd Street, Bonifacio Global City
Taguig City, Metro Manila
Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Equity Ventures, Inc. and Subsidiaries as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

[redacted]

Jhoanna Feliza C. Go
Partner
CPA Certificate No. 0114122
Tax Identification No. 219-674-288
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PTR No. 10079942, January 5, 2024, Makati City

March 5, 2024

ABOITIZ EQUITY VENTURES, INC.
AND SUBSIDIARIES

Supplementary Schedules
to the Financial Statements
Required by the Securities and Exchange Commission
For the Year Ended December 31, 2023

and

Independent Auditor's Report

Philippine
Pesos

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Aboitiz Equity Ventures, Inc.
32nd Street, Bonifacio Global City
Taguig City, Metro Manila
Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Equity Ventures, Inc. and Subsidiaries as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

[redacted]

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PTR No. 10079942, January 5, 2024, Makati City

March 5, 2024

A member firm of Ernst & Young Global Limited

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

Supplementary Schedules Required
By the Securities and Exchange Commission
As of and for the Year Ended December 31, 2023

			Page
A	-	Financial Assets	1
B	-	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	NA
C	-	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	2
D	-	Intangible Assets – Other Assets	3
E	-	Long-Term Debt	4
F	-	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	NA
G	-	Guarantees of Securities of Other Issuers	NA
H	-	Capital Stock	5
I	-	Trade and Other Receivables from Related Parties which are Eliminated during the Consolidation of Financial Statements	6
J	-	Trade and Other Payables from Related Parties which are Eliminated during the Consolidation of Financial Statements	7
		Statement of Reconciliation of Retained Earnings Available for Dividend Declaration	8
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NA: NOT APPLICABLE

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2023
(Amounts in Thousands)

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotation at Balance Sheet Date	Income Received and Accrued
CASH ON HAND AND IN BANKS, INCLUDING RESTRICTED CASH				
Australia and New Zealand Banking Group Limited (ANZ)	Not applicable	P 107,596	Not applicable	P 1,439
Asian United Bank	Not applicable	564	Not applicable	9
Banco de Oro	Not applicable	13,743,354	Not applicable	199,095
Bank of Commerce	Not applicable	29,512	Not applicable	-
Bank of the Philippine Islands	Not applicable	2,439,599	Not applicable	36,534
BDO Network Bank	Not applicable	27,267	Not applicable	7
Bank of Tokyo - Mitsubishi UFJ	Not applicable	99	Not applicable	-
China Banking Corporation	Not applicable	21,650	Not applicable	51
Citibank	Not applicable	142,356	Not applicable	-
City Savings Bank	Not applicable	71,729	Not applicable	114,310
Development Bank of the Philippines	Not applicable	25,673	Not applicable	27
ING Bank N.V.	Not applicable	3,491	Not applicable	-
JP Morgan	Not applicable	897,304	Not applicable	-
Landbank of the Philippines	Not applicable	160,759	Not applicable	83
Metropolitan Bank and Trust Company	Not applicable	841,173	Not applicable	3,876
PB Com	Not applicable	38,417	Not applicable	4
Philippine Bank of Communications	Not applicable	50,012	Not applicable	137
Philippine National Bank	Not applicable	10,422	Not applicable	23
Philippine Veterans Bank	Not applicable	464	Not applicable	11
Security Bank Corporation	Not applicable	1,291,608	Not applicable	7,572
Union Bank of the Philippines	Not applicable	11,720,369	Not applicable	108,987
Agriculutre Bank of China	Not applicable	123,362	Not applicable	168
Bangkok Bank Public Company Limited	Not applicable	12,280	Not applicable	30
Bank Central Asia	Not applicable	41,733	Not applicable	180
Bank Mandiri	Not applicable	1,826	Not applicable	7
Bank Muamalat	Not applicable	11,133	Not applicable	16
Bank of China	Not applicable	198,503	Not applicable	515
China Merchants Bank	Not applicable	10,900	Not applicable	16
China CITIC Bank International	Not applicable	6,961	Not applicable	30
Commerce International Merchant Bankers Berhad (CIMB)	Not applicable	44,781	Not applicable	-
EPCI Bank	Not applicable	51	Not applicable	-
Hongkong Shanghai Banking Corporation	Not applicable	5,401,499	Not applicable	33,294
Malayan Banking Berhad	Not applicable	13,009	Not applicable	-
Mizuho Corporatet Bank, Ltd.	Not applicable	3,680	Not applicable	105
Rizal Commercial Banking Corporation	Not applicable	81,402	Not applicable	696
Robinson's Bank	Not applicable	493	Not applicable	6

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2023
(Amounts in Thousands)

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotation at Balance Sheet Date	Income Received and Accrued
Rural Credit Cooperatives Association	Not applicable	482	Not applicable	2
Industrial and Commercial Bank of China	Not applicable	556	Not applicable	-
Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank)	Not applicable	83,535	Not applicable	623
Standard Chartered Bank	Not applicable	285,032	Not applicable	858
The Bank of China Construction	Not applicable	2,239	Not applicable	99
The Bank of Tokyo - Mitsubishi UFJ, Ltd.	Not applicable	4,701	Not applicable	49
Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	Not applicable	55,461	Not applicable	341
Vietinbank	Not applicable	766	Not applicable	1
Development Bank of Singapore	Not applicable	44,470	Not applicable	67
Development Bank of Singapore	Not applicable	11,889	Not applicable	-
Bank Rakyat	Not applicable	985	Not applicable	2
Bank of Investment and Development of Vietnam (BIDV)	Not applicable	596	Not applicable	-
Mitsubishi UFJ Financial Group (MUFG)	Not applicable	34,320	Not applicable	6,570
Sumitomo Mitsui Banking Corporation	Not applicable	133,107	Not applicable	-
Cash on Hand, Cash in Vault and Revolving Fund	Not applicable	333,520	Not applicable	-
TOTAL		**P 38,566,690**		**P 515,840**
Money Market Placements, Including Short-term Deposits				
Australia and New Zealand Banking Group Limited (ANZ Bank)	Not applicable	P 20,722,594	Not applicable	P 863,714
Banco de Oro	Not applicable	991,252	Not applicable	54,865
Bank of the Philippine Islands	Not applicable	3,763,158	Not applicable	26,565
China Trust Banking Corporation	Not applicable	220,983	Not applicable	8,908
Citibank	Not applicable	177,668	Not applicable	15,327
City Savings Bank	Not applicable	14,587,324	Not applicable	744,497
Hongkong & Shanghai Banking Corporation	Not applicable	155,126	Not applicable	6,779
Land Bank of the Philippines	Not applicable	-	Not applicable	2,668
Metropolitan Bank and Trust Company	Not applicable	1,953,913	Not applicable	108,413
Rizal Commercial Banking Corporation	Not applicable	690,000	Not applicable	37,238
Security Bank Corporation	Not applicable	4,906,673	Not applicable	200,463
Standard Chartered Bank	Not applicable	11,238	Not applicable	242
Standard Chartered Bank Singapore Ltd	Not applicable	11,267	Not applicable	86,557
Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	Not applicable	155,265	Not applicable	1,960
The Development Bank of Singapore (DBS)	Not applicable	125,581	Not applicable	3,126
Bank of Investment and Development of Vietnam (BIDV)	Not applicable	156,854	Not applicable	5,365
Mitsubishi UFJ Financial Group (MUFG)	Not applicable	15,648,293	Not applicable	658,900
Union Bank of the Philippines	Not applicable	16,262,422	Not applicable	619,595
TOTAL		**P 80,539,611**		**P 3,445,182**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2023
(Amounts in Thousands)

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotation at Balance Sheet Date	Income Received and Accrued
Trade Receivables				
Power	Not applicable	P 29,946,688	Not applicable	Not applicable
Food manufacturing	Not applicable	9,837,176	Not applicable	Not applicable
Real estate	Not applicable	12,688,722	Not applicable	Not applicable
Holding and others	Not applicable	1,924,844	Not applicable	Not applicable
TOTAL		**P 54,397,430**		
Other Receivables				
Nontrade receivables	Not applicable	P 7,113,014	Not applicable	Not applicable
Dividends receivable	Not applicable	878,720	Not applicable	Not applicable
Advances to contractors	Not applicable	661,951	Not applicable	Not applicable
Others	Not applicable	554,331	Not applicable	Not applicable
TOTAL		**P 9,208,016**		
Financial assets at FVTPL				
Quoted Shares of Stock				
Alta Vista Golf and Country Club	2	₱ 3,245	₱ -	₱ -
Golf and Country Club of Iligan	1	1	-	-
Vistamar Country Club	1	90	-	-
Mimosa Leisure Park	1	150	-	-
Celebrity Sports Plaza	2	600	-	-
Aboitiz Equity Ventures, Inc.	157,297	7,015	7,015	231
Apo Golf and Country Club	1	2	-	-
CEBECO1-VECO Subtransmission Company, Inc.	1	375	-	-
Rizal Commercial Bank	1,382,672	31,801	31,801	1,493
Empire East Land, Inc.	4,377,063	552	552	-
Filinvest Development Corporation	160,316	858	858	-
Megaworld Properties, Inc.	1,842,750	3,630	3,630	-
Filinvest Land, Inc.	303,515	179	179	-
JP Morgan	-	24,954	24,954	-
		P 73,452	**P 68,989**	**P 1,724**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2023
(Amounts in Thousands)

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotation at Balance Sheet Date	Income Received and Accrued
Unquoted Shares of Stock				
AEV Development Corporation	-	65	-	-
International Container Terminal Services, Inc.	100	2	-	1
Cebu Holdings, Inc.	1	1,038	-	-
Cebu Country Club	3	9,600	-	-
Lever VC GP Limited	-	21,769	-	-
PICOP	164	8	-	-
Philex Mining Corporation	2,618	5	-	-
Philippine Long Distance and Telephone Company	44,344	560	-	-
Equitable Banking Corporation	8,050	793	-	-
		P 33,840	**P -**	**P 1**
Financial assets at FVOCI				
Union Bank of the Philippines	2,182,600	2,190,465	2,190,465	160,339
Lombard Odier - IMA	-	1,162,745	-	-
		P 3,353,210	**P 2,190,465**	**P 160,339**
Debt Investments at Amortized Cost				
SMC Global Power Holdings	-	-	-	343
JP Morgan	-	11,063	-	3,744
		P 11,063	**P -**	**P 4,087**
T O T A L		**P 3,471,565**	**P 2,259,454**	**P 166,151**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE CONSOLIDATION
OF FINANCIAL STATEMENTS

AS DECEMBER 31, 2023
(Amounts in Thousands)

Name and Designation of Debtor	Beginning Balance	Additions	Deductions		Current	Non-Current	Ending Balance
			Amounts Collected	Amounts Written Off			
TRADE							
Aboitiz Equity Ventures, Inc. (Parent)	P 3,267	P 33,538	P (36,493)	P -	P 312	P -	P 312
Pilmico Animal Nutrition Corporation	295,539	2,015,078	(2,090,655)	-	219,962	-	219,962
Pilmico Foods Corporation	5,541,190	12,657,149	(15,474,815)	-	2,723,524	-	2,723,524
Pilmico International Pte, Ltd.	430	-	(430)	-	-	-	-
Fil-Agri, Inc.	-	2	(2)	-	-	-	-
AEV Aviation, Inc.	-	3,226	(3,226)	-	-	-	-
Cebu Praedia Development Corporation	-	14,460	(14,460)	-	-	-	-
Advanced Data Innovation, Inc.	-	248	(248)	-	-	-	-
Aboitiz Infracapital, Inc.	-	255	(255)	-	-	-	-
APO Agua Infrastructura Inc.	-	22,447	(22,447)	-	-	-	-
Lima Water Coporation	1	17,999	(18,000)	-	-	-	-
Weather Solutions, Inc.	-	3	(3)	-	-	-	-
Aboitizland, Inc.	-	59,592	(59,592)	-	-	-	-
Cebu Industrial Park Developers, Inc.	-	23,509	-	-	23,509	-	23,509
Lima Land, Inc.	30	144,728	(144,758)	-	-	-	-
Aboitiz Power Corporation	3,769	88,526	(92,291)	-	4	-	4
Aboitiz Energy Solutions, Inc.	-	439	(439)	-	-	-	-
Aboitiz Power Distributed Energy, Inc.	-	66	(66)	-	-	-	-
Aboitiz Renewables, Inc.	-	5,756	(5,756)	-	-	-	-
Advent Energy, Inc.	-	922	(922)	-	-	-	-
AP Renewables, Inc.	-	52,879	(33,829)	-	19,050	-	19,050
Balamban Enerzone Corp.	-	720	(720)	-	-	-	-
Cebu Private Power Corporation	-	2,728	(2,728)	-	-	-	-
Cotabato Light and Power Company	-	5,364	(5,364)	-	-	-	-
Davao Light and Power Co., Inc.	-	39,797	(39,797)	-	-	-	-
East Asia Utilities Corp.	-	3,237	(3,237)	-	-	-	-
Hedcor Benguet, Inc.	-	5,707	(5,707)	-	-	-	-
Hedcor Sabangan, Inc.	-	5,133	(5,133)	-	-	-	-
Hedcor Sibulan, Inc.	-	7,298	(7,298)	-	-	-	-
Hedcor Tudaya, Inc.	-	3,254	(3,254)	-	-	-	-
Hedcor, Inc.	-	12,675	(12,675)	-	-	-	-
Lima Enerzone Corporation	-	94,160	-	-	94,160	-	94,160
Luzon Hydro Corporation	-	5,102	(5,102)	-	-	-	-
Mactan Enerzone Corporation	-	972	(972)	-	-	-	-
Malvar Enerzone Corporation	-	131	(131)	-	-	-	-
Prism Energy, Inc.	-	279	(279)	-	-	-	-
PV Sinag Power, Inc.	-	66	(66)	-	-	-	-
San Carlos Sun Power, Inc.	-	532	(532)	-	-	-	-
Subic Enerzone Corporation	-	2,621	(2,621)	-	-	-	-
Therma Luzon, Inc.	3	5,651,927	(4,680,176)	-	971,754	-	971,754
Therma Marine, Inc.	-	18,282	(18,282)	-	-	-	-
Therma Mobile, Inc.	-	5,805	(5,805)	-	-	-	-
Therma Power Visayas, Inc.	-	3,760	(3,760)	-	-	-	-
Therma Visayas, Inc.	-	2,515,262	(2,215,382)	-	299,880	-	299,880
Therma South, Inc.	277	3,676,963	(3,678,074)	-	(834)	-	(834)
Visayan Electric Co., Inc.	-	401,346	(401,346)	-	-	-	-
NON-TRADE							
Aboitiz Equity Ventures, Inc. (Parent)	25,886	658	(23,917)	-	2,627	-	2,627
Aboitizland, Inc.	36	1,703	-	-	1,739	-	1,739
Cebu District Property Enterprise, Inc.	-	551	-	-	551	-	551
Aboitiz InfraCapital, Inc.	-	1	-	-	1	-	1
Aboitiz Energy Solutions, Inc.	12,452	-	-	-	12,452	-	12,452
Advent Energy, Inc.	2,171	19,025	(15,171)	-	6,025	-	6,025
Balamban Enerzone Corporation	-	2	(2)	-	-	-	-
Cotabato Light & Power Company	-	8	(8)	-	-	-	-
Davao Light and Power Co.	-	32	(32)	-	-	-	-
Lima Enerzone Corporation	-	94,157	(94,157)	-	-	-	-
Mactan Enerzone Corporation	-	2	(2)	-	-	-	-
Visayan Electric Co., Inc.	-	2,426	-	-	2,426	-	2,426
Cebu Praedia Development Corporation	209	2,760	-	-	2,969	-	2,969
Gold Coin Management Holdings Pte. Ltd.	317	20,126	(20,083)	-	360	-	360
Lima Land, Inc.	27,342	33,912	-	-	61,254	-	61,254
Lima Water Coporation	370	-	(368)	-	2	-	2
Cebu Industrial Park Developers, Inc.	-	24,420	(23,375)	-	1,045	-	1,045
APO Agua Infrastructura Inc.	-	250	-	-	250	-	250
Pilmico Animal Nutrition Corporation	97,985	-	(86,884)	-	11,101	-	11,101
Pilmico Foods Corporation	889	4,029	-	-	4,918	-	4,918
AEV Aviation, Inc. - Cash Dividend	1,930	2,865	-	-	4,795	-	4,795
Adventenergy, Inc. - Advances	300,000	-	-	-	300,000	-	300,000
Total	P 6,314,093	P 27,810,870	P (29,361,127)	P -	P4,763,836	P -	P4,763,836

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE D - INTANGIBLE ASSETS AND OTHER ASSETS

AS OF DECEMBER 31, 2023
(Amount in Thousands)

Description	Beginning Balance	Additions At Cost	DEDUCTIONS		Other Changes Additions (Deductions)	Discontinued Operation	Ending Balance
			Charged to Costs and Expenses	Charged to Other Accounts			
A. Intangibles							
Goodwill	P 59,990,429	P -	P -	P -	P (644,310)	P -	P 59,346,119
Service concession rights	14,146,154	3,131,920	(403,883)	-	(3,151)	-	16,871,040
Franchise	2,340,890	-	(76,961)	-	-	-	2,263,929
Project development costs	1,532,444	1,503,025	-	(308,871)	(223,687)	-	2,502,911
Customer contracts	2,975	-	(2,975)	-	-	-	-
Software and licenses	362,360	818,890	(271,010)	-	(6,243)	-	903,997
B. Other Noncurrent Assets							
Exchangeable notes	15,526,400	-	-	-	(15,526,400)	-	-
Input VAT and tax credit receivable	3,850,974	1,954,397	-	-	-	-	5,805,371
Financial assets at FVTPL	899,186	-	-	-	(791,894)	-	107,292
Financial assets at FVOCI	4,626,724	-	-	-	(1,273,514)	-	3,353,210
Debt investments at amortized cost	42,861	-	-	-	(31,798)	-	11,063
Prepaid rent and other deposits	963,963	235,246	-	-	-	-	1,199,209
Prepaid taxes	3,643,246	1,065,779	-	-	-	-	4,709,025
Advances to contractors and projects	2,100,394	-	-	(901,240)	-	-	1,199,154
Advances to NGCP - net of current portion	560,894	4,838	-		-	-	565,732
Bearer and breeder	158,792	52,186	-	-	-	-	210,978
Concession contract asset, net of current portion	-	7,977,067	-	-	-	-	7,977,067
Deposit for future land acquisition	-	398,213	-	-	-	-	398,213
Others	1,347,190	11,059,618	-	-	-	-	1,676,953
T o t a l	**P112,095,876**	**P28,201,179**	**(P754,829)**	**(P1,210,111)**	**(P18,500,997)**	**P0**	**P109,101,263**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE E - LONG-TERM DEBT

AS OF DECEMBER 31, 2023
(Amounts in Thousands)

Name of Issuer and Type of Obligation	Amount Authorized by Indentures	Amount Shown as Current	Amount Shown as Long-Term	Remarks
Parent Company:				
BPI Capital Corporation	5,060,227	-	5,060,227	
BDO Capital & Investment Corporation	4,982,536	3,345,580	1,636,956	
Metropolitan Bank and Trust Company	9,807,010	89,237	9,717,773	
BDO Unibank, Inc.	47,671,434	-	47,671,434	
Subsidiaries:				
Aboitiz Power Corporation	53,739,156	45,231	53,693,925	
AP Renewables, Inc.	10,239,526	972,168	9,267,358	
ARI Parent	11,917,048	63,240	11,853,808	
Hedcor, Inc.	1,233,559	487,865	745,694	
Hedcor Bukidnon, Inc.	7,456,835	624,034	6,832,801	
Hedcor Sibulan, Inc.	2,540,721	446,148	2,094,573	
Hedcor Sabangan	989,165	131,045	858,120	
PV Sinag Power, Inc.	8,782,332	146,816	8,635,516	
Hedcor Tudaya, Inc.	630,975	57,777	573,198	
Aboitiz Energy Solutions, Inc.	582,000	6,000	576,000	
Pagbilao Energy Corporation (Joint Operation)	8,599,919	955,997	7,643,922	
Therma South, Inc.	16,711,085	1,238,203	15,472,882	
Therma Luzon, Inc.	33,760,558	-	33,760,558	
Therma Visayas, Inc.	22,288,367	2,011,582	20,276,785	
Therma Marine, Inc.	2,427,446	325,000	2,102,446	
GNPower Mariveles Coal Plant Ltd. Co.	29,694,491	2,684,862	27,009,629	
STEAG State Power, Inc.	2,377,946	534,486	1,843,460	
Pilmico Foods Corporation	2,831,899	12,797	2,819,102	
Pilmico Animal Nutrition Corp.	3,349,899	67,963	3,281,936	
AEV International and Subsidiaries	25,684,164	116,357	25,567,807	
AboitizLand, Inc. and Subsidiaries	2,071,915	139,529	1,932,386	
Aboitiz Infra Capital	16,144,978	716,495	15,428,483	
Total	P331,575,191	P15,218,412	P316,356,779	

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE H - CAPITAL STOCK

AS OF DECEMBER 31, 2023
(Amounts in Thousands)

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
COMMON SHARES	9,600,000	5,619,786	-	2,737,173	270,391	2,612,222
PREFERRED SHARES	400,000	-	-	-	-	-

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE I - TRADE AND OTHER RECEIVABLES FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE CONSOLIDATION
OF FINANCIAL STATEMENTS

AS DECEMBER 31, 2023
(Amounts in Thousands)

	Balances			Volume					
Related Party	Trade	Non-trade	Total	Sales	Rental	Interest	Advances	Others	Terms
TRADE									
Aboitiz Equity Ventures, Inc. (Parent)	P 312	P -	P 312	P 17,899	P 15,639	P -	P -	P -	30 days
Pilmico Animal Nutrition Corporation	219,962	-	219,962	2,013,483	1,595	-	-	-	30 days
Pilmico Foods Corporation	2,723,524	-	2,723,524	12,652,257	4,892	-	-	-	30 days
Fil-Agri, Inc.	-	-	-	2	-	-	-	-	30 days
AEV Aviation, Inc.	-	-	-	3,226	-	-	-	-	30 days
Cebu Praedia Development Corporation	-	-	-	14,460	-	-	-	-	30 days
Advanced Data Innovation, Inc.	-	-	-	248	-	-	-	-	30 days
Aboitiz Infracapital, Inc.	-	-	-	46	209	-	-	-	30 days
APO Agua Infrastructura Inc. Total	-	-	-	22,447	-	-	-	-	30 days
Lima Water Coporation	-	-	-	17,999	-	-	-	-	30 days
Lima Land, Inc.	-	-	-	143,785	943	-	-	-	30 days
Weather Solutions, Inc.	-	-	-	3	-	-	-	-	30 days
Aboitizland, Inc.	-	-	-	52,711	6,881	-	-	-	30 days
Cebu Industrial Park Developers, Inc.	23,509	-	23,509	7,146	498	-	-	-	30 days
Aboitiz Power Corporation	4	-	4	87,243	1,283	-	-	-	30 days
Aboitiz Energy Solutions, Inc.	-	-	-	439	-	-	-	-	30 days
Aboitiz Power Distributed Energy, Inc.	-	-	-	66	-	-	-	-	30 days
Aboitiz Renewables, Inc.	-	-	-	5,756	-	-	-	-	30 days
Advent Energy, Inc.	-	-	-	922	-	-	-	-	30 days
AP Renewables, Inc.	19,050	-	19,050	33,829	19,050	-	-	-	30 days
Balamban Enerzone Corp.	-	-	-	447	273	-	-	-	30 days
Cebu Private Power Corporation	-	-	-	2,728	-	-	-	-	30 days
Cotabato Light and Power Company	-	-	-	3,999	1,365	-	-	-	30 days
Davao Light and Power Co., Inc.	-	-	-	34,337	5,460	-	-	-	30 days
East Asia Utilities Corp.	-	-	-	3,237	-	-	-	-	30 days
Hedcor Benguet, Inc.	-	-	-	5,707	-	-	-	-	30 days
Hedcor Sabangan, Inc.	-	-	-	5,133	-	-	-	-	30 days
Hedcor Sibulan, Inc.	-	-	-	7,298	-	-	-	-	30 days
Hedcor Tudaya, Inc.	-	-	-	3,254	-	-	-	-	30 days
Hedcor, Inc.	-	-	-	12,675	-	-	-	-	30 days
Lima Enerzone Corporation	94,160	-	94,160	766	278	-	-	-	30 days
Luzon Hydro Corporation	-	-	-	5,102	-	-	-	-	30 days
Mactan Enerzone Corporation	-	-	-	699	273	-	-	-	30 days
Malvar Enerzone Corporation	-	-	-	131	-	-	-	-	30 days
Prism Energy, Inc.	-	-	-	279	-	-	-	-	30 days
PV Sinag Power Inc.		-	-	66	-	-	-	-	30 days
San Carlos Sun Power, Inc.	-	-	-	532	-	-	-	-	30 days
Subic Enerzone Corporation	-	-	-	2,075	546	-	-	-	30 days
Therma Luzon, Inc.	971,754	-	971,754	5,651,927	-	-	-	-	30 days
Therma Marine, Inc.	-	-	-	18,282	-	-	-	-	30 days
Therma Mobile, Inc.	-	-	-	5,805	-	-	-	-	30 days
Therma Power Visayas, Inc.	-	-	-	3,760	-	-	-	-	30 days
Therma Visayas, Inc.	299,880	-	299,880	2,515,262	-	-	-	-	30 days
Therma South, Inc.	-834	-	(834)	3,676,963	-	-	-	-	30 days
Visayan Electric Co., Inc.	-	-	-	385,920	15,426	-	-	-	30 days
NON-TRADE									
Aboitiz Equity Ventures, Inc. (Parent)	-	2,627	2,627	-	658	-	-	-	30 days
Aboitiz Energy Solutions, Inc.	-	12,452	12,452	-	-	-	-	-	30 days
Advent Energy, Inc.	-	6,025	6,025	-	-	19,025	-	-	30 days
Balamban Enerzone Corporation	-	-	-	-	2	-	-	-	30 days
Cotabato Light & Power Company	-	-	-	-	8	-	-	-	30 days
Davao Light and Power Co.	-	-	-	-	32	-	-	-	30 days
Hedcor, Inc.	-	-	-	-	-	-	-	-	30 days
Lima Enerzone Corporation	-	-	-	-	94,157	-	-	-	30 days
Mactan Enerzone Corporation	-	-	-	-	2	-	-	-	30 days
Visayan Electric Company	-	2,426	2,426	-	45	-	-	-	30 days
Aboitizland, Inc.	-	1,739	1,739	-	1,613	-	-	-	30 days
Cebu District Property Enterprise, Inc.	-	551	551	-	-	501	-	-	30 days
Cebu Industrial Park Developers, Inc.	-	1,045	1,045	-	24,420	-	-	-	30 days
APO Agua Infrastructura Inc.	-	250	250	-	-	-	-	-	30 days
Aboitiz InfraCapital, Inc.	-	1	1	-	-	-	-	-	30 days
Lima Land, Inc.	-	61,254	61,254	-	75	-	-	33,229	30 days
Lima Water Coporation	-	2	2	-	-	-	-	-	30 days
Cebu Praedia Development Corporation	-	2,969	2,969	-	-	-	-	-	30 days
Pilmico Animal Nutrition Corporation	-	11,101	11,101	-	-	-	-	-	30 days
Pilmico Foods Corporation	-	4,918	4,918	-	33	-	-	-	30 days
Gold Coin Management Holdings Pte. Ltd.	-	360	360	-	-	-	-	20,126	30 days
AEV Aviation, Inc. - Cash Dividend	-	4,795	4,795	-	-	-	-	-	short term
Adventenergy, Inc. - Advances	-	300,000	300,000	-	-	-	300,000	-	short term
Total	P 4,351,321	P 412,515	P 4,763,836	P 27,420,351	P 195,656	P 19,526	P 300,000	P 53,355	

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE J- TRADE AND OTHER PAYABLES TO RELATED PARTIES
WHICH ARE ELIMINATED DURING THE CONSOLIDATION
OF FINANCIAL STATEMENTS

AS DECEMBER 31, 2023
(Amounts in Thousands)

Related Party	Balances			Volume					Terms
	Trade	Non-trade	Total	Purchases	Rental	Interest	Advances	Others	
TRADE									
Aboitiz Equity Ventures, Inc. (Parent)	P -	P -	P -	P 994,630	P -	P -	P -	P -	30 days
Pilmico Animal Nutrition Corporation	316	-	316	376	-	-	-	-	30 days
Abaqa International Pte Ltd. (formerly Comfez Pte. Ltd.)	4,132,109	-	4,132,109	25,321,141	-	-	-	-	30 days
Gold Coin Feedmill Ha Nam Co. Ltd.	-	-	-	47,422	-	-	-	-	30 days
Gold Coin (Zhuhai) Company Ltd.	6,215	-	6,215	47,044	-	-	-	-	30 days
KLEAN Greentech Co. Ltd.	1,329	-	1,329	37,801	-	-	-	-	30 days
Pilmico Vietnam Company Limited	73,038	-	73,038	476,693	-	-	-	-	30 days
Cebu Praedia Development Corporation	-	-	-	-	53,961	-	-	-	30 days
AEV Aviation, Inc.	-	-	-	124,817	-	-	-	-	30 days
Lima Water Coporation	5	-	5	-	5	-	-	-	30 days
Lima Land, Inc.	138,309	-	138,309	-	20,645	-	-	-	30 days
Advanced Data Innovation, Inc.	-	-	-	26,159	-	-	-	-	30 days
Aboitizland, Inc.	-	-	-	1,573	-	-	-	-	30 days
Cebu Industrial Park Developers, Inc.	-	-	-	77	-	-	-	-	30 days
Aboitiz Power Corporation	-	-	-	7,146	-	-	-	-	30 days
Aboitiz Energy Solutions, Inc.	-	-	-	28,020	-	-	-	-	30 days
Aboitiz Power Distributed Energy, Inc.	-	-	-	3,760	-	-	-	-	30 days
Aboitiz Power Distributed Renewables, Inc.	-	-	-	4,015	-	-	-	-	30 days
Advent Energy, Inc.	-	-	-	47,028	-	-	-	-	30 days
Balamban Enerzone Corp.	-	-	-	1,711	-	-	-	-	30 days
Davao Light and Power Co., Inc.	-	-	-	5,036	-	-	-	-	30 days
Lima Enerzone Corporation	-	-	-	102,346	-	-	-	-	30 days
Mactan Enerzone Corporation	-	-	-	19,203	-	-	-	-	30 days
Therma South, Inc.	-	-	-	111,141	-	-	-	-	30 days
Visayan Electric Co., Inc.	-	-	-	13,212	-	-	-	-	30 days
NON-TRADE	-	-			-				
Aboitiz Equity Ventures, Inc. (Parent)	-	551	551	-	-	501	-	-	30 days
Aboitiz Power Corporation	-	2,627	2,627	-	-	-	-	-	30 days
Aboitiz Energy Solutions, Inc.	-	9,508	9,508	-	-	-	-	-	30 days
Aboitiz Power Distributed Renewable Inc.	-	423	423	-	-	-	-	-	30 days
Advent Energy, Inc.	-	5,153	5,153	-	-	-	-	-	30 days
Davao Light and Power Co.	-	250	250	-	-	-	-	-	30 days
Lima Enerzone Corporation	-	41,203	41,203	-	-	-	-	-	30 days
Mactan Enerzone Corporation	-	17	17	-	-	-	-	-	30 days
Subic Enerzone Corporation	-	1	1	-	-	-	-	-	30 days
Therma Luzon Inc.	-	3,695	3,695	-	-	-	-	-	30 days
Therma South, Inc.	-	4,918	4,918	-	-	-	-	-	30 days
Visayan Electric Company	-	2,969	2,969	-	-	-	-	-	30 days
Aboitizland, Inc.	-	15,047	15,047	-		-	-	33,229	30 days
Aboitiz InfraCapital, Inc.	-	721	721	-	722	-	-	-	30 days
Lima Land, Inc.	-	-	-	-	117,664	-	-	-	30 days
Lima Water Coporation	-	1,800	1,800	-	1,800	-	-	-	30 days
Cebu Praedia Development Corporation	-	-	-	-	859	-	-	-	30 days
Pilmico Animal Nutrition Corporation	-	18,477	18,477	-	-	-	-	-	30 days
Filagri Holdings, Inc.	-	360	360	-	-	-	-	20,126	30 days
Aboitiz Equity Ventures - AEV Aviation Cash Dividend	-	3,515	3,515	-	-	-	-	-	30 days
Aboitiz Power Corporation - AEV Aviation Cash Dividend	-	1,280	1,280	-	-	-	-	-	short term
Aboitiz Equity Ventures, Inc. (Parent) - Advances	-	300,000	300,000	-	-	19,025	300,000	-	short term
Total	P 4,351,321	P 412,515	P 4,763,836	P 27,420,351	P 195,656	P 19,526	P 300,000	P 53,355	

Aboitiz Equity Ventures, Inc.
32nd Street, Bonifacio Global City
Taguig City, Metro Manila

Statement of Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2023
(Amounts in Philippine Currency and in Thousands)

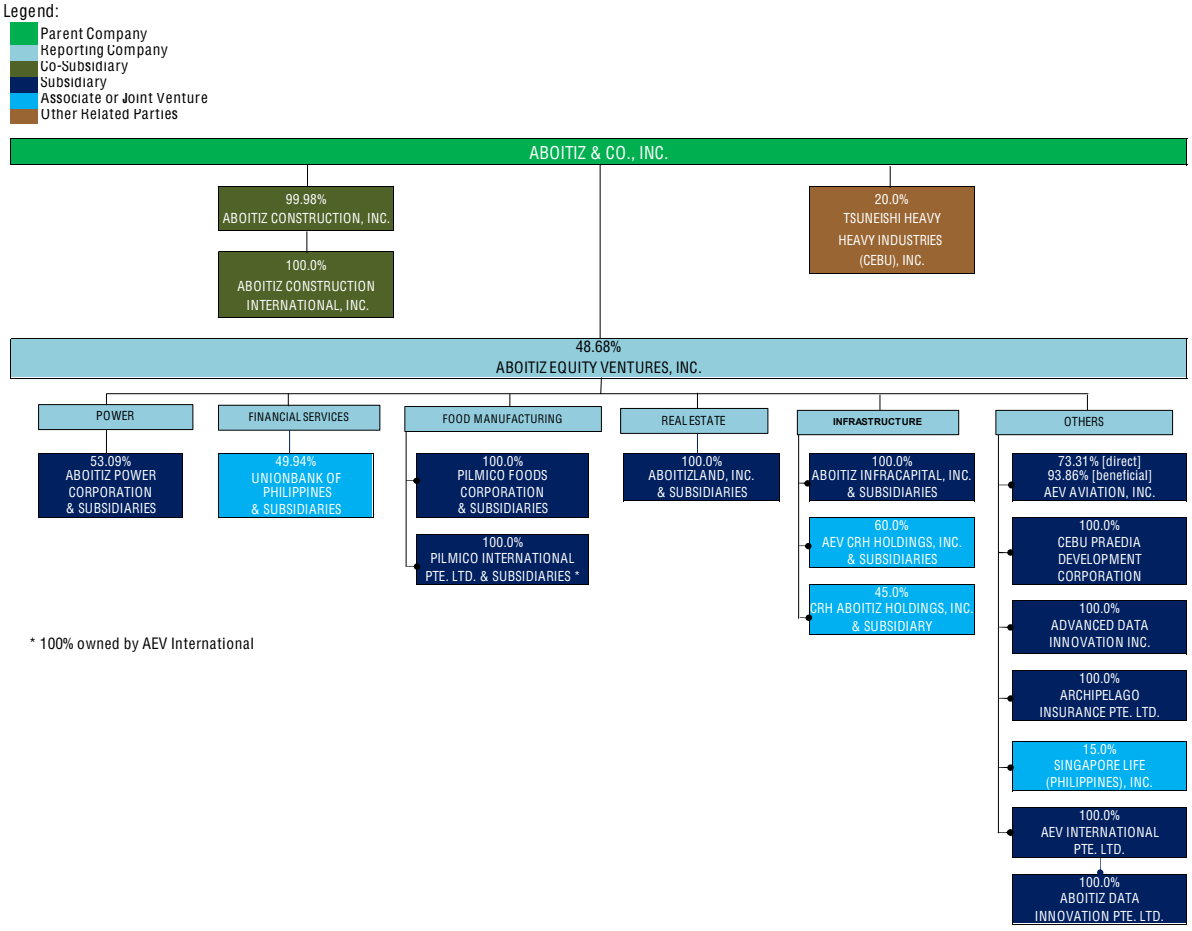
Unappropriated Retained Earnings, beginning			**29,581,981**
Add:	**Category A: Items that are directly credited to Unappropriated Retained Earnings**		
	Reversal of Retained Earnings Appropriation/s	-	
	Effect of restatements or prior-period adjustments	-	
	Others	-	-
Less:	**Category B: Items that are directly debited to Unappropriated Retained Earnings**		
	Dividend declaration during the reporting period	(8,276,431)	
	Retained Earnings appropriated during the reporting period	(9,000,000)	
	Effect of restatements or prior-period adjustments	-	
	Others		
	Treasury shares	(1,145,431)	(18,421,862)
Unappropriated Retained Earnings, as adjusted			**11,160,119**
Add/Less:	**Net Income (loss) for the current year**		8,291,883
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/joint venture, net of dividends declared	-	
	Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
	Unrealized fair value gain of Investment Property	-	
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	-
	Sub-total		**19,452,002**
Add:	**Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)**		
	Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
	Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
	Realized fair value gain of Investment Property	147,114	
	Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	**147,114**
	Sub-total		**147,114**
Add:	**Category C.3: Unrealized income recognized in the profit or loss in prior peiods but reversed in the current reporting period (net of tax)**		
	Reversal of previously recorded recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
	Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
	Reversal of previously recorded fair value gain of Investment Property	-	
	Reversal of other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
	Sub-total		-
Adjusted Net Income/Loss			**19,599,116**
Add:	**Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**		
	Depreciation on revaluation increment (after tax)	-	
	Sub-total		-
Add/Less:	**Category E: Adjustments related to relief granted by the SEC and BSP**		
	Amortization of the effect of reporting relief	-	
	Total amount of reporting relief granted during the year	-	
	Others	-	
	Sub-total		-
Add/Less:	**Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution**		
	Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
	Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
	Net movement in the deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
	Adjustment due to a deviation from PFRS/GAAP - gain (loss)	-	
	Others	-	
	Sub-total		-
Total Retained Earnings, end of the reporting period available for dividend			**19,599,116**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE OF RELEVANT FINANCIAL RATIOS

	FORMULA	DEC 2022	DEC 2023
LIQUIDITY RATIOS			
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.9	2.2
Acid test ratio	$\frac{\text{Cash + Marketable Securities + Accounts Receivable + Other Liquid Assets}}{\text{Current liabilities}}$	1.4	1.5
SOLVENCY RATIOS			
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	1.3	1.2
Asset to equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	2.3	2.2
Net debt to equity ratio	$\frac{\text{Debt - cash \& cash equivalents}}{\text{Total equity}}$	0.7	0.7
Gearing ratio	$\frac{\text{Debt - cash \& cash equivalents}}{\text{Total equity + (Debt - cash \& cash equivalents)}}$	41.3%	40.7%
Interest coverage ratio	$\frac{\text{EBIT}}{\text{Net interest expense}}$	3.6	4.1
PROFITABILITY RATIOS			
Operating Margin	$\frac{\text{Operating Profit}}{\text{Total revenues}}$	11.4%	12.2%
Return on Equity	$\frac{\text{Net income after tax}}{\text{Total equity (adjusted for cash dividend)}}$	10.4%	9.4%

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONGLOMERATE MAPPING
As of December 31, 2023



* 100% owned by AEV International

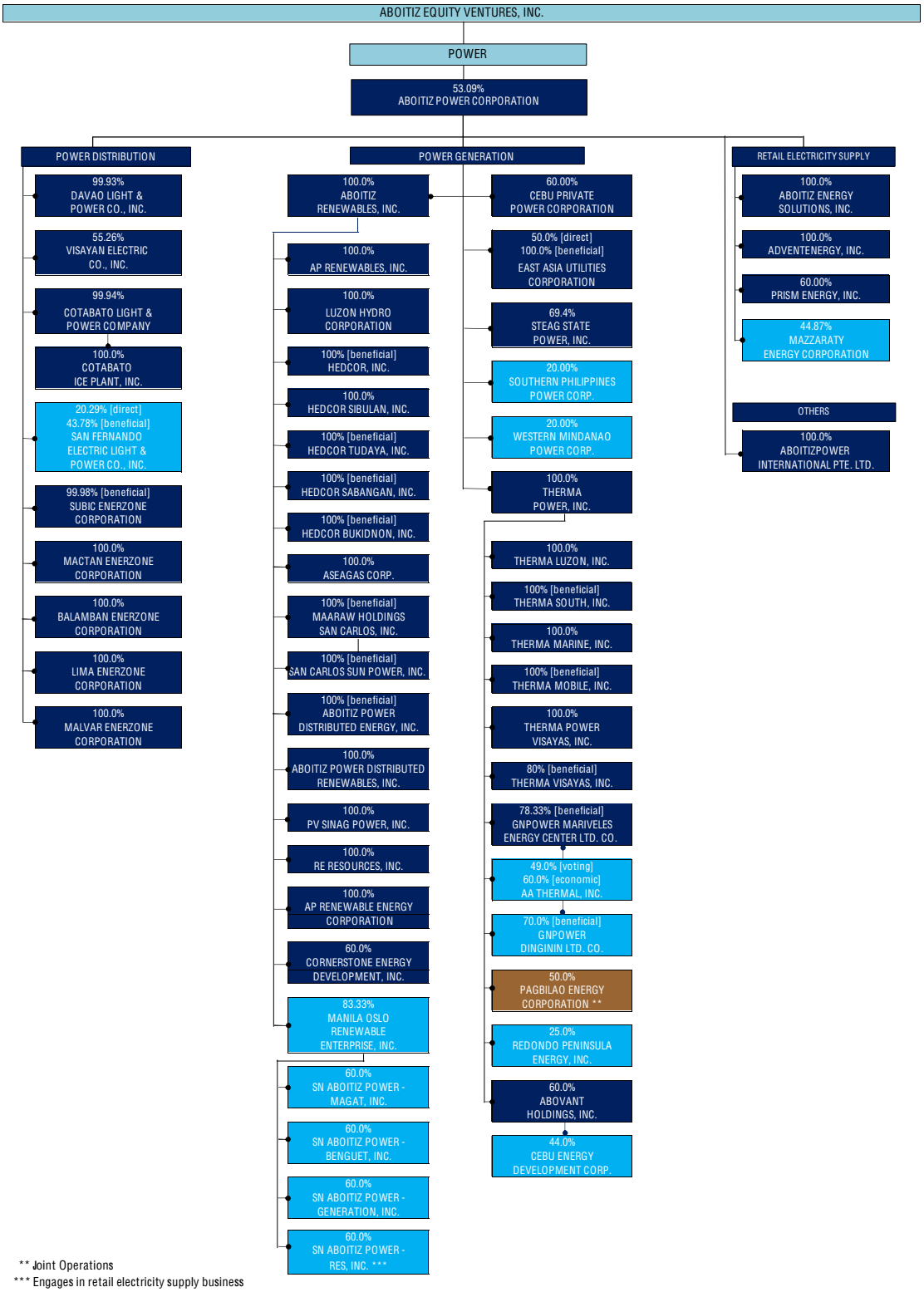
ABOITIZ EQUITY VENTURES, INC. - POWER

CONGLOMERATE MAPPING

As of December 31, 2023

Legend:

- Reporting Company
- Subsidiary
- Associate or Joint Venture
- Other Related Parties



** Joint Operations

*** Engages in retail electricity supply business

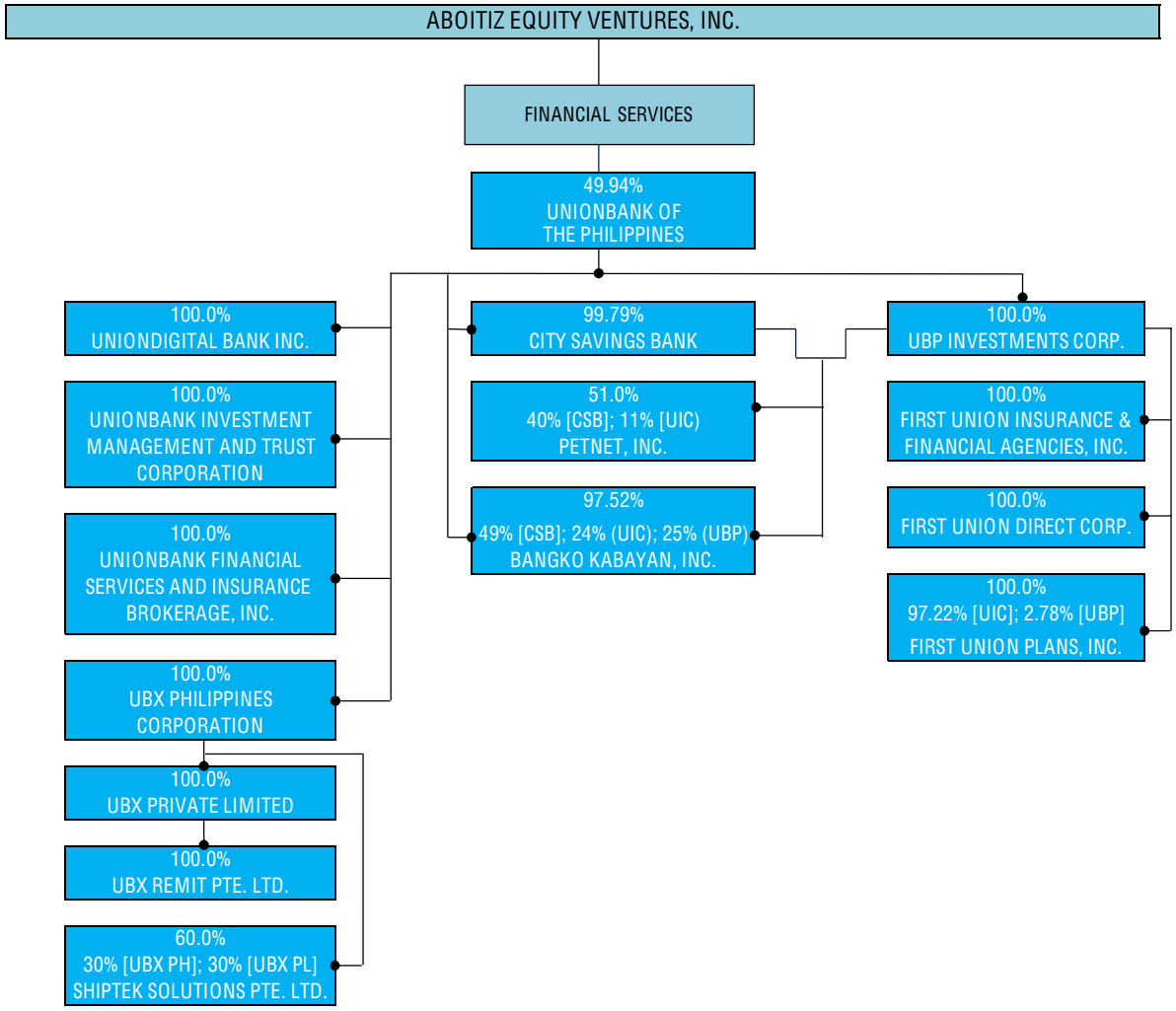
ABOITIZ EQUITY VENTURES, INC. - FINANCIAL SERVICES

CONGLOMERATE MAPPING

As of December 31, 2023

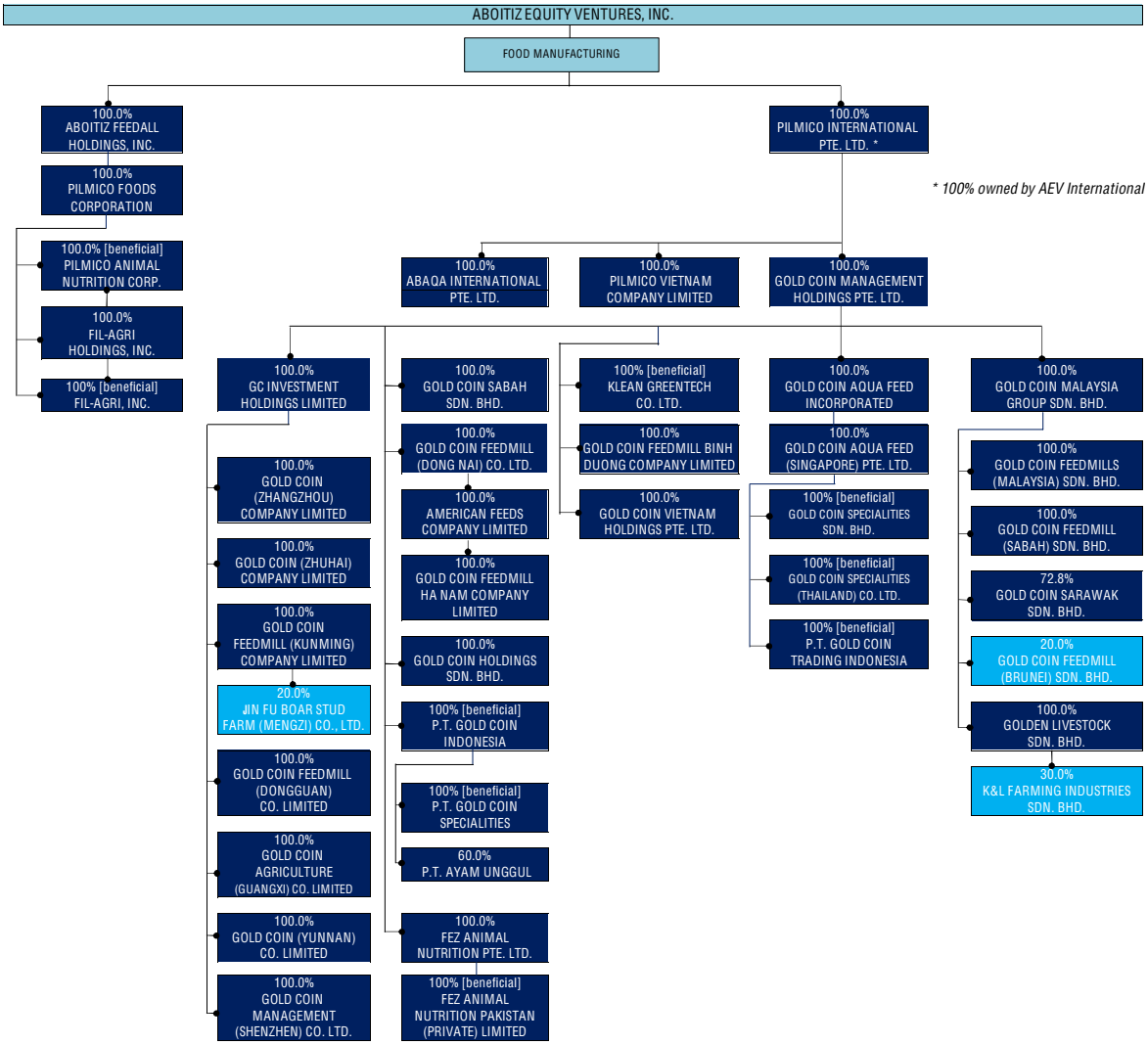
Legend:

- Reporting Company
- Subsidiary
- Associate or Joint Venture



ABOITIZ EQUITY VENTURES, INC. - FOOD MANUFACTURING
CONGLOMERATE MAPPING
As of December 31, 2023

Legend:
Reporting Company
Subsidiary
Associate or Joint Venture



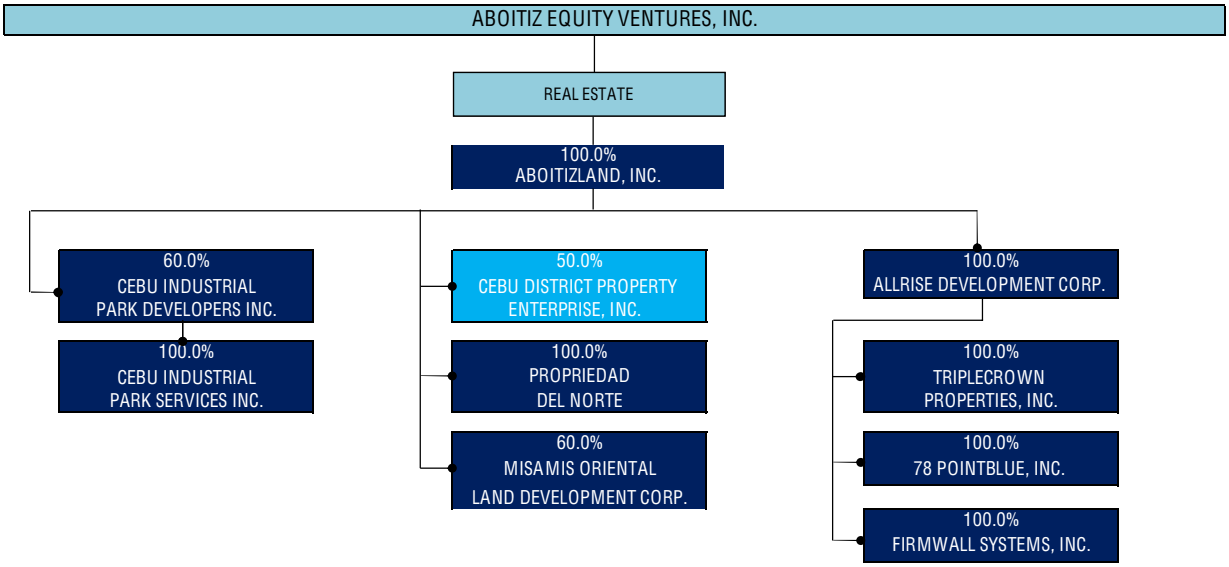
ABOITIZ EQUITY VENTURES, INC. - REAL ESTATE

CONGLOMERATE MAPPING

As of December 31, 2023

Legend:

Reporting Company
Subsidiary
Associate or Joint Venture



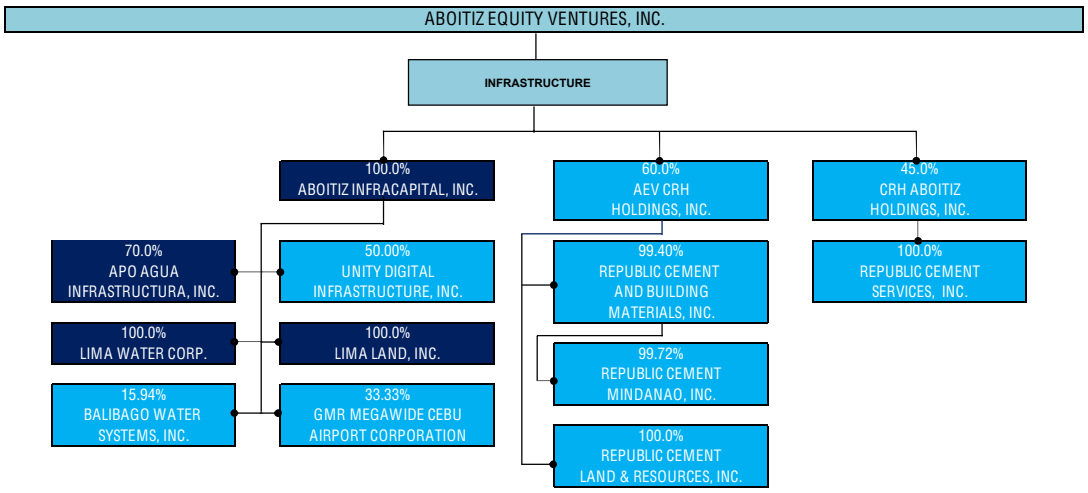
ABOITIZ EQUITY VENTURES, INC. - INFRASTRUCTURE

CONGLOMERATE MAPPING

As of December 31, 2023

Legend:

Reporting Company
Subsidiary
Associate or Joint Venture



aboitiz
Equity Ventures

www.aboitiz.com