COVER SHEET

C	S	2	0	1	2	1	0	3	1	4

SEC Registration Number

C	O	A	L		A	S	I	A		H	O	L	D	I	N	G	S			I	N	C		O	R	P	O	R	A	T	E	D

(Company's Full Name)

3	R	D		F	L	O	O	R		J	T	K	C		C	E	N	T	E	R	,		2	1	5	5					
C	H	I	N	O		R	O	C	E	S		A	V	E	,	.		M	A	K	A	T	I		C	I	T	Y				

ERIC PETER Y. ROXAS	8813-8892
	Company Telephone Number

1	2		3	1					
Month		Day			Month		Day		
Fiscal Year					Annual Meeting				

Definitive Information Statement (SEC Form 20-IS)

Form Type

Secondary License Type, if applicable

Department Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

Coal Asia Holdings
Reliable energy resources through responsible mining

NOTICE OF SPECIAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

NOTICE is hereby given that the special meeting of the stockholders of **COAL ASIA HOLDINGSINCORPORATED** (the "Corporation") will be held on 11 FEBRUARY 2026 (Wednesday) at 10:00 in the morning. The meeting will be conducted virtually and can be accessed at the link which will be provided to stockholders after successful registration. The agenda for the meeting is as follows:

AGENDA

1) Call to Order
2) Proof of Call & Determination of Quorum
3) Amendment of the Articles of Incorporation
   (a) Change in Corporate Name
   (b) Change in Corporate Purposes
   © Increase in Authorized Capital Stock
4) Issuance of Additional Shares & Appropriate Waiver/s
5) Divestment of Assets
6) Other Matters
7) Adjournment

Attached is a list of the rationale for each of the above agenda items for reference.

As determined by the Board of Directors, the close of business on **15 JANUARY 2026** has been fixed as the record date for the determination of the stockholders entitled to notice of, and vote at, said meeting and any adjournment thereof.

Stockholders may attend the meeting and/or cast their vote in absentia by registering through the website: https://www.coalasiaholdings.com on or before 5:30 p.m. on 10 FEBRUARY 2026. Upon verification of their registration credentials, an e-mail from the Corporation will be sent containing instructions on how the registered online participants may access and watch the live stream of the special stockholders' meeting and/or cast their votes on matters to be taken up during the meeting using the e-voting platform to be set up for the purpose. The e-voting platform will likewise contain a field wherein stockholders may send their comments/questions. It will be accessible until 10:00 a.m. of 11 FEBRUARY 2026. A section for stockholder comments/questions or a "chatbox" shall also be provided in the live streaming platform.

The stockholders are likewise encouraged to participate in the meeting by submitting duly accomplished proxies to the Office of the Corporate Secretary at 3F JTKC Centre 2155 Chino Roces Avenue, Pio del Pilar, Makati City, or via electronic copy submitted through the ASM online registration portal, on or before 5:30 p.m. on 4 FEBRUARY 2026. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

Validation of proxies is set on 5 FEBRUARY 2026. The votes already cast using the e-voting platform by that time will also be verified on said date.

Makati City, Metro Manila, 16 JANUARY 2026.

ERIC PETER Y. ROXAS
Corporate Secretary

RATIONALE FOR AGENDA ITEMS

Agenda Item No. 3. Amendment of the Articles of Incorporation

The amendment of the Articles of Incorporation of the Company, particularly Article First as to change in Corporate Name, Article Second as to change in the Primary and Secondary Purposes, and Article Seventh as to increase in the Authorized Capital Stock was approved by the Board of Directors during its Special Meeting held on 22 December 2025.

The amendments will be proffered for approval by the stockholders representing at least 2/3 of the outstanding capital stock.

Agenda Item No. 4. Issuance of Additional Shares

The issuance by the Company of additional shares from its authorized capital stock to its existing controlling stockholders, Pure Water Corporation and Quad Water Corporation in exchange for their shares in Tubig Pilipinas Group, Inc. (the "**Share Swap**") was approved by the Board of Directors during their Special Meeting held on 22 December 2025. The proposed transaction will be presented to the stockholders at the Special Stockholders' Meeting on 11 February 2026 for approval. At the same meeting, the Company will seek the approval of the majority of the outstanding shares held by the minority shareholders present or represented at such meeting for a waiver of the requirement to conduct a rights or public offer, in accordance with applicable rules of the Philippine Stock Exchange ("**PSE**").

Agenda Item No. 5 Divestment of Assets

The divestment by the Company of its assets, comprising the Titan Mining Energy Corporation (TMEC), was approved by the Board of Directors during their Special Meeting held on 22 December 2025. This will be presented to the stockholders at the 11 February 2026 Special Meeting.

Agenda Item No. 6 Follow-on Offering

COAL will conduct a follow-on offering within one (1) year following the completion of the Share Swap in order to comply with the Revised Backdoor Listing Rules of the PSE.

Stockholders are given the opportunity to raise questions regarding the foregoing items in the agenda through the e-voting platform. A section for stockholder comments/questions or a "chatbox" shall also be provided in the live streaming platform. Questions will be responded to during the annual stockholders' meeting before the end of the proceedings. Due to the limited time, however, not all questions may be responded to during the live stream of the annual stockholders' meeting. Questions not addressed at the meeting proper, including those that may be received during the live stream, will be responded to via email by the corporate officers concerned.

Coal Asia Holdings
Reliable energy resources through responsible mining

Guidelines for Participating via Remote Communication and Voting *in Absentia*

The Special Stockholders' Meeting (SSM) of Coal Asia Holdings Incorporated (the "Corporation") will be held on 11 FEBRUARY 2026 at 10:00 A.M. The close of business on 15 JANUARY 2026 has been fixed as the record date for the determination of the stockholders entitled to notice of, and vote at, said meeting and any adjournment thereof.

The Board of Directors of the Corporation has approved and authorized stockholders to participate in the SSM via remote communication and to exercise their right to vote in absentia or by proxy.

REGISTRATION

The conduct of the meeting will be streamed live, and stockholders may attend the meeting by registering until 10 FEBRUARY 2026, 5:30 p.m. via https://www.coalasiaholdings.com/ and by submitting the following requirements and documents, subject to verification and validation:

For individual stockholders

1. Full Name of Stockholder
2. Scanned copy of a Valid Government ID
3. E-mail address
4. Mobile No.
5. Whether or not a proxy will be appointed for the meeting
    a. If Yes, kindly provide the following:
        i. Proxy Form
        ii. Proxy Valid ID
        iii. Proxy Contact number
        iv. Proxy E-mail Address
6. Total Number of Shares
7. Stock Certificate Number/s (if certificated shares); Certification from broker (for uncertificated shares)

For corporate stockholders

1. Scanned copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the corporation
2. Scanned copy of a Valid Government ID of the authorized representative
3. E-mail address of the authorized representative
4. Mobile No. of the authorized representative
5. Total Number of Shares
6. Stock Certificate Number/s (if certificated shares); Certification from broker (for uncertificated shares)

PCD Participants/Brokers

1. Scanned copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the PCD Participant/Broker
2. Scanned/Digital copy of the certificate of shareholdings issued by the PCD/Broker
3. Scanned copy of a Valid Government ID of the authorized representative
4. E-mail address of the authorized representative
5. Mobile No. of the authorized representative

Notes

1. *Please refrain from sending duplicate and inconsistent information/documents as these can result in failed registration. All documents/information shall be subject to verification and validation by the Corporation.*

2. *Please be informed that by providing us with the above documents, you consent to the Corporation's processing of your personal data in accordance with the Data Privacy Act for the purpose of validating your credentials and registration to participate and vote at the Corporation's annual stockholders' meeting.*

Should the stockholder wish to assign a proxy, the stockholder shall submit the proxy form upon registration.

ONLINE VOTING

1. Log-in to the e-voting platform by clicking the link, and using the log-in credentials, sent to the e-mail address of the shareholder to the Corporation.
2. Upon accessing the e-voting platform, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval is appended to the Notice of Meeting
    a. A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval

3. The e-voting platform will likewise contain a field wherein stockholders may send their comments/questions.
4. Once the stockholder has finalized his vote and questions, he/she can proceed to submit the form by clicking the "Submit" button. The stockholder may no longer modify his/her vote thereafter.

SSM LIVESTREAM

The SSM will be broadcast live and stockholders who have successfully registered will be provided access to participate via remote communication. Instructions on how to access the livestream will be sent to their e-mail addresses upon registration.

OPEN FORUM

During the virtual meeting, after all items in the agenda have been discussed, the Corporation will have the Question-and-Answer Portion, during which, the meeting's moderator will read and where representatives of the Corporation shall answer questions and comments received from stockholders, as time will allow.

Stockholders may send their questions in advance through the e-voting platform on or before 10:00 A.M. on 11 FEBRUARY 2026. A section for stockholder comments/questions or a "chatbox" shall also be provided in the livestreaming platform.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Corporation via e-mail.

For complete information on the annual meeting, please visit https://www.coalasiaholdings.com/

PROXY FORM

The undersigned stockholder of Coal Asia Holdings Incorporated (the "Company") hereby appoints the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Special Meeting of Stockholders of the Company on 11 FEBRUARY 2026 and at any of the adjournments thereof for the purpose of acting on the following matters:

1.1Amendment of the Articles of Incorporation

1.1.1 Change in Corporate Name _____
_____Yes ___No _____Abstain

1.1.2 Change in Primary & Secondary Purposes _____
_____Yes ___No _____Abstain

1.1.3 Increase in Authorized Capital Stock _____
_____Yes ___No _____Abstain

1.2 Issuance of Additional Shares & Waiver of Right to Subscribe thereto
___Yes ___No ___Abstain

1.3 Divestment of Assets _____Yes ___No ____Abstain

1.4 At their discretion, the proxies named above are authorized to vote upon such other matters as may be properly come before the meeting.
___Yes ___No ___Abstain

_____
Printed Name of Stockholder

_____
Signature of Stockholder /
Authorized Signatory

_____
Date

THIS PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY (IN HARD COPY TO THE OFFICE OF THE CORPORATE SECRETARY AT 3F JTKC CENTRE 2155 CHINO ROCES AVENUE PIO DEL PILAR, MAKATI CITY OR SOFTCOPY SUBMITTED THROUGH THE ASM ONLINE REGISTRATION PORTAL) ON OR BEFORE 4 FEBRUARY 2026.

SECRETARY'S CERTIFICATE

I, _____, Filipino, of legal age and with office address at _____, do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of _____ (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at _____;

2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on _____, the following resolution was passed and approved:

   "**RESOLVED**, that _____ be authorized and appointed, as he is hereby authorized and appointed, as the Corporation's Proxy (the 'Proxy') to attend the Special Meeting of the Stockholders of Coal Asia Holdings Incorporated ('Coal Asia'), on 11 February 2026 or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in Coal Asia and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation;

   "**RESOLVED**, **FINALLY**, that Coal Asia be furnished with a certified copy of this resolution and Coal Asia may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

3. The foregoing resolution has not been modified, amended or revoked in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have signed this instrument in _____ on _____.

_____
Printed Name and Signature of the
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on _____ in _____, affiant exhibited to me his/her Competent Evidence of Identity by way of _____ issued on _____ at _____.

Doc. No. _; Page No. _; Book No. ; Series of 2025.

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
   [✓] Definitive Information Statement

2. Name of Registrant as specified in its charter:
   COAL ASIA HOLDINGS INCORPORATED

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

4. SEC Identification Number: **CS201210314**

5. BIR Tax Identification Number: **008-297-271-000**

6. Address of principal office: **3rd Floor JTKC Centre, 2155 Don Pasong Tamo Makati City**

7. Registrant's telephone number, including area code: **(632) 8813-8892**

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

   Date : 11 February 2026 (Wednesday)
   Time : 10:00 in the morning
   Venue : Via videoconference, in accordance with the rules of the SEC

9. Approximate date on which the Information Statement is to be sent or given to security holders:
   16 JANUARY 2026

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱0.10 par value	**40,000,000,040 (as of 31 DECEMBER 2025)**

11. Are any or all of Registrant's securities listed on a Stock Exchange?

    Yes [✓] No [ ]

    If so, disclose name of the Exchange : **The Philippine Stock Exchange, Inc.**
    Class of securities listed : **Common Shares**

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE NOT REQUESTED TO SEND US A PROXY.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders.

(a) Date, time, and place of meeting:

Date	**11 February 2026 (Wednesday)**
Time	**10:00 in the morning**
Place	**Videoconferencing in accordance with the rules of the SEC**

The approximate date on which the Information Statement will be sent or given to security holders is on 16 JANUARY 2026 (Thursday).

(b) The complete mailing address of the principal office of Coal Asia Holdings, Incorporated (the "Company") is at **3rd Floor, JTKC Centre, 2155 Pasong Tamo, Makati City.**

Item 2. Dissenters' Right of Appraisal

Sections 41 and 80 of the Revised Corporation Code provide for a shareholder's exercise of the right of appraisal (defined as the right of any stockholder to dissent and demand payment of the fair value of his shares). The instances where the right of appraisal may be exercised are as follows:

1. 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;

2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Company's property and assets;

3. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose; and

4. In case of merger or consolidation.

Section 81 of the Revised Corporation Code provides for the appropriate procedure for the exercise of the right of appraisal, *viz*:

> The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares: Provided, that the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) 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 sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation 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 the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and Provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

At the Special Stockholders' Meeting of Coal Asia Holdings Incorporated (**COAL** or the **Company**), the Amendment of Article Seventh of the Articles of Incorporation to increase the Authorized Capital Stock from Php5,000,000,000 divided into 50,000,000,000 shares at a par value of Php0.10 per share to Php13,000,000,000 divided into 130,000,000,000 shares with a par value of Php0.10 per share, and the issuance by the Company of primary shares out of the increase in Authorized Capital Stock to the shareholders of Tubig Pilipinas Group, Inc. in exchange for the acquisition by the Company all the outstanding shares in Tubig Pilipinas,Group, Inc. may give rise to a possible exercise by dissenting shareholders of their appraisal rights under Section 80 of the Revised Corporation Code.

Further, the divestment by the Company of its lone subsidiary, Titan Mining Energy Corporation, may also give rise to a possible exercise by dissenting shareholders of their appraisal right under Section 80 of the Revised Corporation Code.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon
B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(A) As of 31 DECEMBER 2025, the Company has 40,000,000,040 common shares outstanding and each share is entitled to one vote. 1,856,532,734 (or 4.64%) of the outstanding common shares of the Company were held by non-Filipinos.

(B) The record date with respect to the determination of the stockholders entitled to notice of and vote at the Special Stockholders' Meeting is **15 JANUARY 2026.**

(C) Security ownership of certain record and beneficial owners and management.

(1) Security Ownership of Certain Record and Beneficial Owners

The following persons or group are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of 31 DECEMBER 2025:

TITLE OF CLASS	NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME AND ADDRESS OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES HELD	PERCENT
Common	PCD Nominee Corporation* G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	(see footnote)	Filipino	38,095,126,086	95.36%

**PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in COAL are to be voted. Apart from Pure Water Corporation and Quadwater Corporation with 11,840,585,008 and 11,840,585,007, respectively or 29.60% each, and Pure Energy Holdings Corporation with 4,990,229,985 or 12.48% there are no other persons known to the Corporation to hold more than 5% of the Company's capital stock whose shares are under PCD Nominee Corporation.*

(2) Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of 31 DECEMBER 2025.

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP		CITIZENSHIP	PERCENT OF CLASS
Common	Harald R. Tomintz	10,000	Direct	Austrian	0.00
Common	Dexter Y. Tiu	0	Direct	Filipino	0.00
Common	Johnson A. Sanhi, Jr.	10,000	Direct	Filipino	0.00
Common	Eric Y. Roxas	2,000,000	Direct	Filipino	0.00
Common	Arsenio M. Bartolome III	10	Direct	Filipino	0.00
Common	Juan Kevin G. Belmonte	10	Direct	Filipino	0.00
Common	Aristides Armas	2,100,0010	Direct	Filipino	0.01
Common	Rosanna T. Desiderio	10	Direct	Filipino	0.00
All directors and executive officers as a group		***4,120,030***			***0.00***

(3) Voting Trust Holders of 5% or More

There is no party known to the Company as holding any voting trust or any similar arrangement for 5% or more of the Company's voting securities.

Changes in Control

As previously disclosed to the Commission and the Exchange, the stockholders of the Company executed a Share Purchase Agreement with certain entities, including an affiliate, for the sale and purchase of shares in the Company which resulted in change in control thereof.

Item 5. Directors and Executive Officers

The following are the Directors and Executive Officers of the Company:

NAME	POSITION WITH THE COMPANY	DATE OF FIRST ELECTION/ LAST ELECTION
Harald R. Tomintz	Director and Chairman	July 2012/04 December 2025
Johnson A. Sanhi, Jr.	Director, President and Chief Operating Officer	July 2014/04 December 2025
Dexter Y. Tiu	Director and Treasurer	June 2012/04 December 2025
Eric Peter Y. Roxas	Director	June 2012/04 December 2025
Arsenio Bartolome III	Independent Director	August 2017/04 December 2025
Juan Kevin G. Belmonte	Independent Director	July 2012/04 December 2025
Aristides Armas	Independent Director	July 2012/04 December 2025
Rolando P. Domingo	Chief Financial Officer	June 2018/04 December 2025
Eric Peter Y. Roxas	Corporate Secretary	04 December 2025
Rosanna T. Desiderio	Chief Information Officer/ Investor Relations Officer/ Compliance Officer	June 2012/04 December 2025

Board of Directors

The present members of the Board of Directors ("BOD") were elected during the stockholders' meeting held on 4 DECEMBER 2025.

The Corporate Governance Committee is composed of its Chairman, Mr. Arsenio M. Bartolome III, and two members, Messrs. Aristides S. Armas and Juan Kevin G. Belmonte. In accordance with the Securities Regulation Code and its Implementing Rules and Regulations, the Corporate Governance Committee nominated Messrs. Tomintz, Sanhi, Tiu, Roxas, Belmonte, Armas and Bartolome for election to the Board.

The business experience for at least the last five (5) years of the Company's candidates for election as Directors, as well as the Executive Officers, are as follows:

Harald R. Tomintz, 72, Austrian, Chairman of the Board

Harald R. Tomintz is the Chairman of the Company. In addition, since 2015, he also serves in the Board of Directors of Philippine Power and Development Corporation. His past positions include being the President of Rekom Manila, and VATECH Phils., Inc. (2002-2004), member of the Executive Committee, Director of Semirara Coal Corporation (1992-1997), and Director of Ferrochrome Philippines (1992-1995). He holds a degree in Mechanical Engineering from BULME in Graz-Goesting and SZA Vienna, Austria.

Johnson A. Sanhi, Jr., 61, Filipino, President & Chief Operating Officer

Johnson A. Sanhi, Jr. has been with TMEC from 2010 to present. He was previously VP-Operations of Stronghold Steel Corporation. He was Vice President and Plant Manager at Cathay Pacific Steel Corporation where he worked for 23 years. He has earned Masteral units in Chemical Engineering from the University of the Philippines Diliman. He obtained his Bachelor of Science degree in Chemical Engineering from De La Salle University.

Dexter Y. Tiu, 53, Filipino, Director and Treasurer

Dexter Y. Tiu, Filipino is the Treasurer and Director of the Company. Mr. Tiu is the Chairman and CEO of Pure Energy Holdings Corporation. He is both Director and Treasurer of Titan Mining & Energy Corporation. He is also a director of JTKC Equities, Inc. and Star Equities, Inc. He holds a Bachelor of Science degree in Mechanical Engineering from De La Salle University.

Eric Y. Roxas, 62, Filipino, Director

Eric Y. Roxas is an incorporator and Director of the Company. Mr. Roxas is also a Director and President of Pure Energy Holdings Corporation. Concurrently, he is the President of Repower Energy Development Corporation and NexGen Energy Corporation. He is also a Director and Treasurer of Eagle Equities, Inc. He holds a Bachelor of Science degree in Industrial Engineering from De La Salle University.

Independent Directors

Pursuant to the requirements of Section 38 of the SRC, the Company's Board of Directors and stockholders approved the amendment of the Company's By-Laws adopting the requirement on the nomination and election of independent directors on 18 June 2012. The Amended By-Laws was approved by the SEC on 22 June 2012.

The nomination, pre-screening and election of independent directors were made in compliance with the requirements of the Code of Corporate Governance and the Securities and Exchange Commission's Guidelines on the Nomination and Election of Independent Directors which have been adopted and made part of the Corporation's By-Laws.

The Corporate Governance Committee endorsed the nominations for re-election as independent directors given in favor of Messrs. Juan Kevin G. Belmonte (by Mr. Dexter Y. Tiu), Aristides S. Armas (by Mr. Johnson A. Sanhi, Jr.) and Arsenio M. Bartolome III (by Mr. A. Bayani K. Tan). The Corporate Governance Committee has determined that these nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in the Company's Manual on Corporate Governance and Rule 38 of the Implementing Rules of the Securities Regulation Code.

The nominees, who are also incumbent independent members of the Board of Directors and whose required information are discussed below, are in no way related to the stockholders who nominated them and have signified their acceptance of their respective nominations. These nominees are expected to attend the scheduled Annual Stockholders' Meeting.

Juan Kevin G. Belmonte, 62, Filipino, Independent Director

Juan Kevin G. Belmonte is an Independent Director of the Corporation. He is also currently the President & CEO of Philstar.com, and Chairman of Nuvoland Philippines. He is concurrently a director of People Asia, Philstar Daily, Inc., IP Ventures Corporation, IP E- Games Corporation, and PhilPlans Inc. He is also current Chairman and immediate past President of the Cactus and Succulent Society of the Philippines. He was a former manager and partner of Arthur Andersen & Co. - SGV & Co., and senior consultant and manager of Andersen Consulting in Chicago, USA, and a former director of Bantay Kalikasan, ABS-CBN Foundation Initiative, and the Development Bank of the Philippines. He holds a Master of Management degree from the J.L. Kellogg Graduate School of Management, Northwestern University and has a Bachelor of Arts degree in Economics from Ateneo de Manila University.

Aristides S. Armas, 80, Filipino, Independent Director

Aristides S. Armas was the President of Asia United Leasing & Finance Corporation and Asia United Fleet Management Services, Inc. until 2018. He was previously the President of UCPB Leasing and Financing Corporation. He has 40 years of experience in banking and financing. He previously held executive positions in Citibank, BA Finance Corporation, UCPB Savings Bank, and United Coconut Planters Bank. Mr. Armas is concurrently an Independent Director of Pure Energy Holdings Corp. and NexGen Renewable Energy Corp. He earned his Bachelor of Arts degree and Bachelor of Science degree in Commerce from the De La Salle University.

Arsenio M. Bartolome III, 84, Filipino, Independent Director

Arsenio M. Bartolome III is the Chairman and President of Amber Properties, Inc and is concurrently a director in CIBI Foundation, Inc. He previously held several positions in the public sector, namely North Luzon Railway Corporation (Chairman and President), Philippine National Bank (President and Chief Executive Officer), Bases Conversion and Development Authority (First Chairman and President), Century Bank, Los Angeles, California (Chairman), PNB International Finance, Hong Kong (Chairman) and PNB Europe (Chairman). He also previously held positions in the following private sector institutions: Urban Bank (Chairman and President), H&Q Philippine Ventures, Inc. (Chairman), First Philippine Fund, New York City (Chairman), Rizal Commercial Banking Corporation (Treasurer and Senior Vice President), Multinational Investment Bancorporation (General Manager), Citibank, Manila (Head, Treasury Group), Bancom Development Corporation (Head, Money Market Department) and Wells Fargo Bank, San Francisco, California (Negotiator, International Banking). Mr. Bartolome also served as President of the following professional associations: Management Association of the Philippines, Financial Executives of the Philippines, Asian Pacific Bankers Club, Development Bankers Association of the Philippines, and Money Market Association of the Philippines. He was also previously a director of Bankers Association of the Philippines and Philippine Chamber of Commerce and Industry, as well as governor of the Makati Stock Exchange. Mr. Bartolome has a degree in Business Administration in University of the East (Manila). He also took up an Advanced Banking Program from American Institute of Banking (San Francisco Chapter) and a Top Management Program from the Asian Institute of Management (Manila).

Principal Officers

Harald R. Tomintz, 72, Austrian, Chairman of the Board

Johnson A. Sanhi, Jr., 61, Filipino, President & Chief Operating Officer

Dexter Y. Tiu, 53, Filipino, Director and Treasurer

Rolando P. Domingo, 78, Filipino, Chief Financial Officer

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

Rosanna T. Desiderio, 60, Filipino, Chief Information Officer, Investor Relations Officer, and Chief Compliance Officer

Rosanna T. Desiderio has been with the Company since its incorporation. She is concurrently the Accounting Manager of TMEC, COAL's wholly owned subsidiary. She is a Certified Public Accountant since 1985. She holds a Bachelor of Science degree in Accountancy from the Polytechnic University of the Philippines.

Family Relationships

Mr. Dexter Y. Tiu and Alexander Y. Tiu, who are both major shareholders of the Company, are siblings. There are no other family relationships known to the Company other than the ones disclosed.

Significant Employees

No single person is expected to contribute more significantly than others to the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance. Other than standard employment contracts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

Involvement in Certain Legal Proceedings

As of the date of this report, to the best of the Company's knowledge, there has been no occurrence within the past five years of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director or executive officer of the Company:

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

- any conviction by final judgment in a criminal proceeding, domestic or foreign, or a criminal case, excluding traffic violations and minor offenses, pending against any of the incumbent directors or executive officers of the Company;

- 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 the involvement of any of the incumbent directors or executive officers of the Company in any type of business, securities, commodities or banking activities; and

- any finding by domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, that any of the incumbent Directors or executive officers of the Company has violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

Certain Relationships and Related Transactions

Transactions with and/or Dependence on Related Parties

The term "Related Parties" covers the Corporation's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the Corporation. It also covers the Corporation's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

The transactions of the Group, in the normal course of business, with its related parties, and the outstanding balances from related parties arising from such transactions are as follows:

	Nature of Transactions	Amount of Transactions		Outstanding Balances	
		September 30 2025	December 31, 2024	**September 30, 2025**	December 31, 2024
Advances to related parties -					
Entities under common ownership	Advances for working capital	**₱1,446,555**	₱19,977	**₱3,494,150**	₱2,050,940
Advances from related parties:					
Stockholders	Advances for working capital	**₱–**	₱–	**₱–**	₱–
Entities under common ownership	Advances for working capital	**7,146,555**	6,360,560	**82,782,496**	75,635,941
		₱7,146,555	₱6,360,560	**₱82,782,496**	₱75,635,941
Trade payables -					
Entities under common ownership	Rental	**₱–**	₱–	**₱–**	₱–

Terms and Conditions

Advances to/from related parties are unsecured, noninterest-bearing, generally settled in cash and due on demand. No impairment loss on advances to related parties was recognized in 2024, 2023 and 2022.

Trade payables to related parties are unsecured, noninterest-bearing, generally settled in cash and are due and demandable.

Please refer to Note 13 (Related Party Transactions) on page 36 of the Unaudited Consolidated Financial Statements for the Second Quarter of 2024.

Disagreement with Director

No director has resigned nor declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders because of a disagreement with the Company regarding the latter's operations, policies, or practices.

Item 6. Compensation of Directors and Executive Officers

COAL's directors and executive officers do not receive regular compensation for their services as they are seconded from TMEC.

The following table shows the aggregate compensation received by the directors and officers of the Company for calendar years 2024, 2023, and 2022.

NAME AND PRINCIPAL POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION
Johnson A. Sanhi, Jr. *President & COO*				
Total for the Executive Officers as a group	2024	₱1,300,000		
	2023	₱1,300,000		

	2022	₱1,300,000		
Total for the Executive Officers & Directors as a group	2024	₱1,300,000		
	2023	₱1,300,000		
	2022	₱1,300,000		

For 2024, the estimated aggregate compensation paid to all officers and directions as a group amount to ₱1,300,000.00

Compensation of Directors

Under the By-Laws, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and appropriated among the directors in such manner, as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular of special meeting of the stockholders.

Standard Arrangements and other Arrangements

As of the date of this Information Statement, the Company has no existing arrangements with members of the Board of Directors, executive officers, and employees.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no existing employment contracts with executive officers. Furthermore, there are no special retirement plans for executive officers. There is also no arrangement for compensation to be received from the Company in the event of a change in control of the Company.

Warrants and Options Outstanding

There are no outstanding warrants or options held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

Item 7. Independent Public Accountants

Representatives of the principal accountant (Reyes Tacandong & Co.), the Company's external auditors for the most recently completed fiscal year are expected to be present at the Annual Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

Details on the selected/recommended principal accountant and partner-in-charge for the ensuing year are as follows:

CEDRIC M. CATERIO
Partner

Reyes Tacandong & Co. audited the Company's statement of financial position as of 31 December 2024, and the statement of comprehensive income, statement of changes in stockholders' equity and statement of cash flows for the year ended 31 December 2024 and a summary of significant accounting policies and other explanatory notes. Their responsibility is to express an opinion on these financial statements based on their audit. The audits were

conducted in accordance with Philippine Standards on Auditing. The partner who handled the Company's external audit was Mr. Cedric M. Caterio.

The Company was incorporated on June 11, 2012. Since the appointment of Reyes Tacandong & Co., there has been no change in auditor and there has been no disagreement on accounting and financial disclosures.

In compliance with SRC Rule 68 3 (b) (iv), the assignment of Reyes, Tacandong & Co.'s managing partner shall not exceed five (5) years.

The aggregate fees for each of last two (2) fiscal years for professional services rendered by the external auditors are as follows:

	2024	2023
Audit Fee	₱570,000	₱570,000
Other fees	-	-
TOTAL	₱570,000	₱570,000

It is the policy of the Company that services to be rendered by independent auditors, as well as the corresponding fees thereof, must first be reviewed by the Audit and Risk Committee (the members of said Committee being composed of Messrs. Aristides S. Armas (Chairman), Arsenio M. Bartolome III, and Eric Y. Roxas) prior to said report being endorsed to the Board of Directors for approval.

Professional fees paid to the external auditor are purely audit engagement fees. The external auditor was not engaged for professional services for tax accounting, compliance, advice, planning, and any other form of tax services.

It is the policy of the Company that services to be rendered by independent auditors, as well as the corresponding fees thereof, must first be reviewed by the Audit and Risk Committee (the members of said Committee being composed of Mr. Aristides S. Armas (Chairman), Mr. Arsenio M. Bartolome III, and Eric Y. Roxas) prior to said report being endorsed to the Board of Directors for approval.

The Company will recommend the accounting firm of Reyes Tacandong & Co. for reappointment at the scheduled annual stockholders' meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

Following the approval of COAL's Board of Directors, the following matters will be presented to the shareholders for approval and/or ratification during the Special Stockholders' Meeting:

A. Amendment of the Articles of Incorporation

On December 22, 2025, the Board of Directors approved the following:

1. Change in name from Coal Asia Holdings Incorporated to Tubig Pilipinas Holdings Inc.

2. Amendment of the primary purpose to include the power to hold companies engaged in water distribution, bulk water supply, septage, sewage and related activities, and corresponding additions to the secondary purposes to align with the primary purpose
3. Increase the Company's authorized capital stock from Five Billion Pesos (Php5,000,000,000.00) divided into Fifty Billion (50,000,000,000) shares of stock with a par value of Ten Centavos (Php0.10) per share to Thirteen Billion Pesos (Php13,000,000,000.00) divided into One Hundred Thirty Billion (130,000,000,000) shares of stock with a par value of Ten Centavos (Php0.10) per share.

B. Share Swap

The issuance by the Company of primary shares out of the increase in the Authorized Capital Stock at par value to Pure Water Corporation, Quadwater Corporation and, subject to the receipt of necessary approvals, CEF2 A09 B.V., in exchange for the transfer by them to the Company of up to one hundred percent (100%) of the outstanding capital stock of Tubig Pilipinas Group, Inc. ("**TPGI**"; and the transaction, the "**Share Swap**"), at a value determined based on an independent fairness opinion and valuation report

The aggregate value of COAL's acquisition of TPGI is approximately PESOS: SIX BILLION SIX HUNDRED FORTY-SIX MILLION (P6,646,000,000.00) based on the preliminary valuation report dated December 22, 2025 by independent valuation firm Isla Lipana & Co.

The price of Ten Centavos (P0.10) for the COAL shares to be issued to TPGI shareholders in consideration of their transfer of TPGI shares to COAL was determined by the Board of COAL based on the par value of Ten Centavos (P0.10) per share of the Company's Authorized Capital Stock. Under applicable law, primary shares must be issued at a price that is not less than the par value of the Company's shares as fixed in the Articles of Incorporation.

Further details on the Share Swap will be disclosed once the terms and conditions are finalized

C. Divestment of Titan Mining Energy Corporation ("**TMEC**")

The divestment by COAL of its lone subsidiary, TMEC. The terms and conditions of the divestment shall be determined by its Board in due course. Once such terms and conditions are finalized, the Company shall promptly provide the appropriate disclosures.

Purpose of the Net Proceeds

There will be no cash consideration for the issuance of common shares to TPGI shareholders as part of the Share Swap.

The terms and conditions of the divestment by COAL of TMEC shall be determined in due course. Once such terms and conditions are finalized, the Company shall likewise determine the corresponding use of proceeds and promptly provide appropriate disclosures or notifications.

Market Information

The closing market price of the Company's common stock in the PSE on December 23, 2025 is Php0.028. The last trading date was on December 23, 2025 due to the trading suspension

pending the Company's compliance with the applicable requirements under the Revised Backdoor Listing Rules.

The high and low prices for each quarter of 2023, 2024, and 2025 are provided below:

Quarter	Stock	High	Low
1Q 2023	COAL	0.2230	0.2000
2Q 2023	COAL	0.1650	0.1630
3Q 2023	COAL	0.1740	0.1500
4Q 2023	COAL	0.1250	0.1240
1Q 2024	COAL	0.1440	0.1400
2Q 2024	COAL	0.1940	0.1780
3Q 2024	COAL	0.1500	0.1410
4Q 2024	COAL	0.1550	0.1520
1Q 2025	COAL	0.1210	0.1160
2Q 2025	COAL	0.0160	0.0140
3Q 2025	COAL	0.0340	0.0250
4Q 2025	COAL	0.0310	0.0250

Dividend, Voting and Pre-emption Rights

Stockholders of the Company enjoy full divided and voting rights in accordance with the Revised Corporation Code, pro-rata to their shareholdings. Pursuant to the Seventh Article of the Company's Articles of Incorporation, no stockholder shall have a right to purchase or subscribe to any additional share of the capital stock of the corporation whether such shares of capital stock are now or hereafter authorized, whether or not such stock is convertible into or exchangeable for any stock of the Company or of any other class, and whether out of the number of shares authorized by the Articles of Incorporation of the Company as originally filed, or by any amendment thereof, or out of shares of the capital stock of any class of the Company acquired by it after the issue thereof; nor shall any holder of any such stock of any class, as such holder, have any right to purchase or subscribe for any obligation which the Company may issue or sell that shall be convertible into, or exchangeable for, any shares of the capital stock of any class of the Company or to which shall be attached or appertain any warrant or warrants or any instrument or instruments that shall confer upon the owner of such obligation, warrant or instrument the right to subscribe for, or to purchase from the Company, any shares of its capital stock of any class.

No Change in Control Provisions

There are no provisions in the charter or by-laws of the Company that would delay, defer or prevent a change in control of the Company.

No Securities other than Common Equity

The Company will not be presenting any matter or act involving the authorization or issuance of the Company's securities other than common equity.

Reasons for Issuance and General Effect on the Rights of Existing Security Holders

The proposed increase in authorized capital stock is for the purpose of meeting the present and future business requirements of the Company, including the implementation of the Share Swap.

The issuance of shares will have the effect of diluting the ownership interest of the existing stockholders of the Company to the extent of such shares, and such existing stockholders shall have no pre-emptive rights on such shares.

The Share Swap and the divestment of TMEC align with the Company's strategic objective of pivoting its business from coal mining into water utilities. Acquiring TPGI represents a unique and valuable opportunity for the Company to transform its business and play an important role in improving the quality of Philippine infrastructure and the delivery of basic services through the sustainable development of the country's water facilities.

Item 10. Modification / Exchange of Securities

There is no action to be taken with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class of the Company.

Item 11. Financial and Other Information

The quarterly report of COAL on SEC 17-Q for the period ended September 30, 2025 and SEC Form 17-A or Annual Reports for the period ended 2022, 2023, and 2024 submitted to the SEC are incorporated herein by reference.

The present auditor of the Company, Reyes Tacandong & Co., was also the auditor of the Company for the years 2021 to 2024. There were no changes in and disagreements with the auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to their satisfaction, would have caused the auditor to make reference thereto in its respective reports on the Company's financial statements for aforementioned years.

Representatives of the auditor are expected to be present at the Special Stockholders' Meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Item 12. Merger, Consolidation, Acquisition & Similar Matters

Other than (1) the transaction specified in Item 9(B) involving the issuance by the Company of primary shares in exchange for up to 100% of TPGI, and (2) the divestment of TMEC in Item 9(C), there are no other actions to be taken with respect to any transaction involving the

merger or consolidation of the Company into or with any other person or of any other person into or with Company, the acquisition by the Company or any of its security holders of securities of another person, the acquisition by the Company of any other going business or of the assets thereof, the sale or other transfer of all or any substantial part of the assets of the Company or the liquidation or dissolution of the Company.

<table>
<tr><td>B.</td><td colspan="3">Registrants subject to paragraph (a) hereof shall furnish the following information:</td></tr>
<tr><td></td><td>1.</td><td colspan="2">Name, address & phone no. of the principal executive office
- Name: Tubig Pilipinas Group Inc.
- Address: 7th Floor, One Oculus Center, 2120 Chino Roces Ave., Makati City
- (02) 8800-3898</td></tr>
<tr><td></td><td>2.</td><td colspan="2">Brief description of the general nature of the business conducted by the other person
- Tubig Pilipinas Group Inc. (TPGI or the Parent Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 2014. TPGI primarily engages in operating, managing, maintaining, and rehabilitating waterworks, sewerage, and sanitation systems and services. TPGI functions as a bulk water supplier and direct water distributor.</td></tr>
<tr><td></td><td>3.</td><td colspan="2">Summary of the material features of the proposed transaction, if set forth in a written document, file a copy thereof with the Commission at the time preliminary copies of the proxy statement and form of proxy are filed. The summary will include the following:</td></tr>
<tr><td></td><td></td><td>(a)</td><td>Brief summary of the terms of the transaction agreement
- Tubig Pilipinas Group Inc. (TPGI) is valued at approximately PHP 6.64 billion based on a preliminary report by Isla Lipana & Co. (PwC). Subject to regulatory approvals, TPGI will be infused into Coal Asia Holdings, Inc. (COAL)through a tax-free exchange wherein COAL will issue primary shares from an increase in its authorized capital stock to TPGI shareholders (Pure Water Corporation, Quadwater Corporation, and CEF2 A09 B.V.) in exchange for up to 100% of TPGI's outstanding stock. The issuance price is set at PHP 0.10 per share, determined by the COAL Board to align with the par value and comply with legal requirements prohibiting the issuance of primary shares below par.</td></tr>
<tr><td></td><td></td><td>(b)</td><td>Reason for engaging in the transaction
- The rationale for the TFE is to infuse the assets of Tubig Pilipinas Group Inc into COAL, a publicly listed company.</td></tr>
<tr><td></td><td></td><td>(c)</td><td>Explanation of any material differences in the rights of the security holders as a result of this transaction
- None</td></tr>
<tr><td></td><td></td><td>(d)</td><td>Brief statement as to the accounting treatment of the transaction
- The transaction will be treated as tax-free “share-swap” acquisition.</td></tr>
<tr><td></td><td>4.</td><td colspan="2">Brief statement as to dividends in arrears/defaults in principal or interest in respect of any securities of the registrant or of such other person and as to the effect of the transaction thereon and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

- Since its inception, Tubig Pilipinas Group Inc. has not incurred any dividend arrears or defaults on principal or interest regarding any of its securities.</td></tr>
<tr><td></td><td>5.</td><td colspan="2">In comparative columnar form, on a historical and, if material, a pro forma basis, the following information for the registrant and the other person for the last 2 FY:

COAL ASIA HOLDINGS INCORPORATED
<table>
<tr><td>In Php</td><td>FY2024</td><td>FY2023</td></tr>
<tr><td>Net Sales</td><td>nil</td><td>nil</td></tr>
<tr><td>Income (Loss) from continuing operations</td><td>-958,298,851</td><td>-233,338,783</td></tr>
<tr><td>Long term obligations</td><td>1,720,221</td><td>1,685,699</td></tr>
</table></td></tr>
</table>

Redeemable Preferred Stock	nil	nil

TUBIG PILIPINAS GROUP INC.

In Php	FY2024	FY2023
Net Sales	262,155,464	169,084,223
Income (Loss) from continuing operations	5,917,096	-43,516,414
Long term obligations	943,094,859	1,312,673,895
Redeemable Preferred Stock	nil	nil

(a) Net sales or operating revenues

(b) Income(loss) from continuing operations

(c) Long term obligations and redeemable preferred stock

6. In comparative columnar form, historical and pro forma per share data of the registrant and historical and equivalent pro forma per share data of the other person for the following items for the last 2 FY:

COAL ASIA HOLDINGS INCORPORATED

	FY2024	FY2023
Book value per share	Php 0.56	Php 0.80
Cash dividends declared per share	nil	nil
Income (Loss) from continuing operations	Php 0.02	Php 0.01

TUBIG PILIPINAS GROUP INC.

	FY2024	FY2023
Book value per share	Php 0.63	Php 1.37
Cash dividends declared per share	nil	nil
Income (Loss) from continuing operations	Php 0.01	-Php 0.87

(a) Book value per share

(b) Cash dividends declared per share

(c) Income(loss) from continuing operations

7. Statement as to whether any regulatory requirement must be complied with or approval must be obtained in connection with the transaction and, if so, status of such compliance/approval.

8. If report, opinion or appraisal relating to the transaction has been received from an outside party, and such report is referred to in the proxy statement, furnish the following information:

(a) Identify the outside party
- Isla Lipana & Co. (PwC Philippines)

(b) Brief description of the qualification of such outside party
- Isla Lipana & Co., the independent Philippine member firm of the PricewaterhouseCoopers (PwC) global network, is the country's oldest professional services firm, offering a comprehensive suite of audit, tax, and advisory services backed by deep financial expertise. Accredited by both the PSE and the SEC, the firm is uniquely positioned to deliver credible valuation reports essential for regulatory filings. It has built an extensive track record in issuing fairness opinions, highlighted by high-profile engagements such as the valuation for the backdoor listing of KEEPR. Furthermore, the firm leverages specialized industry experience particularly in the water sector—having successfully valued multiple water distribution, bulk water supply, and water treatment

			solution companies for purposes ranging from contemplated sales to additional capital infusions.
		(c)	Methods of selection used
		(d)	Any material relationship between the outside party or its affiliates and the issuer or its affiliates which existed during the past 2 years or is mutually understood to be contemplated and any compensation received or to be received as a result of such. - Aside from this engagement, there are no material engagement (past and present) between Isla Lipana & Co. and the issuer or its affiliates.
		(e)	If report, opinion or appraisal relates to the fairness of the consideration, state whether the issuer/affiliate determined the amount of consideration to be paid or the outside party recommended the amount of consideration to be paid - The parties to the transaction determined the amount of consideration based on the range of values in the valuation and fairness opinion conducted by the outside party.
		(f)	Summary concerning such negotiation report, opinion or appraisal which shall include, but not limited to, the procedures followed; findings & recommendations; bases for and methods of arriving at such findings and recommendations; instruction received from the issuer or affiliate: and any limitation imposed by the issuer or affiliate on the scope of the investigation - Please refer to the attached Fairness Opinion conducted by Isla Lipana & Co.
	9.	Description of any past, present or proposed material contract, arrangement, understanding, relationship, negotiation or transaction during the past 2 FYs between the other person or its affiliates and the registrant or its affiliates. - None	
	10.	As to each class of securities of the registrant/other person which is traded in an exchange, state the high & low sale prices as of date, which shall be specified, preceding public announcement of the proposed transaction, or if no such public announcement was made. as of the date, which shall be specified, preceding the day the agreement or resolution with respect to the action was made.	

Quarter	Stock	High	Low
1Q 2023	COAL	0.2230	0.2000
2Q 2023	COAL	0.1650	0.1630
3Q 2023	COAL	0.1740	0.1500
4Q 2023	COAL	0.1250	0.1240
1Q 2024	COAL	0.1440	0.1400
2Q 2024	COAL	0.1940	0.1780
3Q 2024	COAL	0.1500	0.1410
4Q 2024	COAL	0.1550	0.1520
1Q 2025	COAL	0.1210	0.1160
2Q 2025	COAL	0.0160	0.0140

3Q 2025	COAL	0.0340	0.0250
4Q 2025	COAL	0.0310	0.0250

11. The information required by Item **11(a)(4)** of this Form.

The present auditor of the Company, Reyes Tacandong & Co., was also the auditor of the Company for the years 2021 to 2024. There were no changes in and disagreements with the auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to their satisfaction, would have caused the auditor to make reference thereto in its respective reports on the Company's financial statements for aforementioned years.

Representatives of the auditor are expected to be present at the Special Stockholders' Meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Item 13. Acquisition / Disposition of Property

Other than the transactions specified in Item 9(B) and 9(C), there are no other actions to be taken with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts

There are no matters to be taken up during the Annual Stockholders' Meeting relating to the matters covered by Item 14.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

NOT APPLICABLE. (https://coalasiaholdings.com/minutesstockholdersmeetings.html).

Item 16. Matters Not Required to be Submitted

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Amendment of Articles of Incorporation, By-Laws or Other Document

Brief reason(s) for and the general effect of such amendment

Reasons for Issuance and General Effect on the Rights of Existing Security Holders

The proposed increase in authorized capital stock is for the purpose of meeting the present and future business requirements of the Company, including the implementation of the Share Swap.

The issuance of shares will have the effect of diluting the ownership interest of the existing stockholders of the Company to the extent of such shares, and such existing stockholders shall have no pre-emptive rights on such shares.

The Share Swap and the divestment of TMEC align with the Company's strategic objective of pivoting its business from coal mining into water utilities. Acquiring TPGI represents a unique and valuable opportunity for the Company to transform its business and play an important role in improving the quality of Philippine infrastructure and the delivery of basic services through the sustainable development of the country's water facilities.

Item 18. Other Proposed Action

1. AS MAY ARISE DURING THE MEETING.

Item 19. Voting Procedures

(a) Some actions to be taken at the Special Stockholders' Meeting may require the vote of the stockholders representing at least 2/3 of the Company's outstanding capital stock.

(b) Two inspectors, who are officers or employees of the Corporation, shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which an election of directors shall take place. If no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend, then the appointment shall be made by the presiding officer of the meeting. For purposes of the SSM on 11 FEBRUARY 2026, the Corporate Secretary and/or his representative together with the Compliance Officer, have been designated as inspectors who have been tasked to oversee the counting of votes.

(c) Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the corporation;. For the purpose of the SSM, which will be held only in a virtual format, the stockholders may only vote through proxies or by remote communication (in absentia). The stockholders are encouraged to participate in the meeting by either of the following:

i. by submitting duly accomplished proxies to the Office of the Corporate Secretary at the Company's office address at the 3rd Floor, JTKC Centre, Don Chino Roces Ave., Makati City on or before 5:30 p.m. on 4 FEBRUARY 2026.

For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

ii. by registering your votes on the matters to be taken up during the meeting through the e-voting platform set up for the purpose, the link for which will be sent to the stockholders after successful registration. Voting will be open until 10:00 in the morning of 11 FEBRUARY 2026.

(d) The method of counting votes shall be in accordance with the general provisions of the Revised Corporation Code. The counting shall be done by the inspectors abovementioned

Omitted Items

Item 14 is not responded to in this report, the Company having no intention to take any action with respect to the information required therein**.**

SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, I hereby certify that the information set forth in this report is true, complete and correct.

This report is signed in the City Makati Metro Manila 12 JANUARY 2026.

ISSUER: COAL ASIA HOLDINGS INCORPORATED

ERIC PETER Y. ROXAS
Corporate Secretary

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1: BUSINESS

(1) BUSINESS DEVELOPMENT

Business Development

Coal Asia Holdings Incorporated ("COAL") was organized and registered with the Securities and Exchange Commission (SEC) on June 11, 2012 primarily to engage in the business of a holding company; to buy and hold shares, either by subscribing to the unissued shares of the capital stock in the public or private offerings or by purchasing the shares of other stockholders by way of assignment in private sale; to invest in the stock or pledge, chattel mortgage or assignment; to sell, dispose, assign, pledge, or convey any or all of its shareholdings in other companies in favor of qualified persons by way of a private sale, assignment or other forms of private conveyance, all in accordance with the Corporation Code, the Securities Act and other applicable laws and regulations.

On May 28, 2012, COAL executed a Deed of Assignment with the shareholders of Titan Mining Energy Corporation (TMEC), which owns Coal Operating Contracts (COC #159) in Davao Oriental and (COC #166 and 167) in Zamboanga Sibugay.

Currently, COAL has 100% equity interest in Titan Mining and Energy Corporation.

On June 26, 2012, the Company's Board of Directors and shareholders, through a majority vote in due course, approved of an initial public offering (IPO) as part of the Company's thrust to augment its capital funding for the ongoing site development, initial large-scale operation and further explorations in the sites.

On September 14, 2012, the Philippine Stock Exchange, Inc. (PSE) approved the application of the Company for the initial listing of the 4,000,000,004 common shares with the par value of P 1.00 per share.

On October 8, 2012, the Securities and Exchange Commission issued to the Company the certificate of permit to offer securities for sale. This certifies that the shares of the Company have been registered and licensed for listing and authorized to be sold or offered for sale in the Philippines.

The shares of COAL were listed with the Philippine Stock Exchange (PSE) on October 23, 2012.

The Board of Directors (BOD) and the stockholders of the Parent Company approved the amendment of its articles of incorporation on May 23, 2024 and July 1, 2024, respectively, for the following:

- Change in primary purpose that the Parent Company is organized primarily as a holding company to engage in different sources of energy and technologies for power or energy generation.

- Increase in the authorized capital stock from 5 billion to 50 billion shares with corresponding decrease in the par value of shares of stock from P=1.00 to P=0.10 per share.

On February 18, 2025, the amended articles of incorporation was approved by the SEC.

Business Consolidation

Subsidiary

Titan Mining and Energy Corporation

TMEC was incorporated with the SEC on November 11, 2008. It was originally incorporated as "Titan Exploration and Development Corporation" ("TEDC"). The change in trade name was effected to reflect TMEC's transition from exploration to actual commercial operation. This amendment was approved by the SEC on December 23, 2009. TMEC is involved in coal mining and energy-related business.

TMEC originally had three (3) COCs in Mindanao, Philippines, namely COC #159 in Davao Oriental, COC #166 and COC #167 in Zamboanga Sibugay. All COCs have completed their exploration phases.

COC #159

In 2016, preliminary mine development activities have commenced at the Davao Oriental Project. Bulk samples were collected and subjected to test firing and coal analysis.

On April 10, 2018, TMEC submitted its Amended Geologic Report for Sagasa which the DOE validated on August 30, 2018.

The Department of Energy (DOE) has completed its validation of TMEC's coal resource estimate for the Davao Project.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended ten (10) year work program with Feasibility Study was again submitted to the DOE, covering only Macopa and Sagasa since both areas were covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to Sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT were granted.

TMEC acquired its Certification Precondition (CP) for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas occupied by indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

COC #166

TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018, incorporating the DOE's recommended changes in the ventilation, mine design and costing.

On September 4, 2019, TMEC requested the DOE for a suspension of the conversion to Development and Production Phase due to difficulties in complying with its obligations due to peace and order disturbances in the area, security threats to the employees by lawless elements and dwindling worldwide coal prices.

Coal Operating Contracts

The Davao Oriental and Zamboanga-Sibugay Projects are covered by approved COCs with the Government through the Department of Energy ("DOE").

COC #159

The Davao Oriental Project encompasses seven (7) adjoining 1,000-hectare Coal Blocks for a total area of 7,000-hectares and is covered by COC #159, which was awarded by the DOE to TMEC, then called TEDC, on September 16, 2009. This contract covers an Exploration Phase of two (2) years, which may be extended for another period of two (2) years, and a Development/Production Phase of 32 years. This COC's Exploration Phase was renewed by the DOE for another period of two (2) years, commencing from September 16, 2011 and ended on September 15, 2013.

On April 10, 2018, TMEC submitted its Amended Geologic Report for Sagasa which the DOE validated on August 30, 2018.

The DOE has completed its validation of TMEC's coal resource estimate for the Davao Project.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk samples were collected and subjected to test firing and coal analysis.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC also submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended ten (10) year work program with Feasibility Study was again submitted to the DOE, covering only Macopa and Sagasa since both areas were covered by titled properties, hence no interference from Indigenous Peoples was expected. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

COC #166

As per DOE Certification dated 21 March 2025, the COC has been issued a Notice of Term Expiration as shown in the Department's letter of 22 January 2025. The Company subsequently submitted a Letter of Appeal to the DOE for COC 166 last February 18, 2025.

Competitive Strengths

Coal Resources & Reserves

Davao Oriental Project

Ms. Gizella G. D.J. Gonzales, under the supervision of Mr. Enrique C. Payawal, TMEC's in-house CP-Geologist and Vice President for Exploration, determined TMEC to have 3 MMT of M & I Resource based on her Geologic Report dated November 2013. An additional M&I Resource of 1.9 MMT was also determined for Sagasa area east of Macopa.

PMRC Coal Resource	
Area	**M&I (MMT)**
Macopa & Bactinan	3 MMT
Sagasa	1.9 MMT
Total M&I	4.9 MMT

TMEC, using DOE Coal Resource Classification parameters, has an In-situ reserve of 3 MMT for Macopa/Bactinan and 1.5 MMT for Sagasa. Of the In-situ reserve of 3.0 MMT for Macopa and Bactinan, a five (5) year Surface Mining Plan involving 1 MMT was initially prepared by Engr. Raul Fellizar in January 2014. Engr. Fellizar further modeled an eight (8) year mine life considering 2.1 MMT of the reserves which has a net present value of P 911 billion and found the project to be feasible at a discount rate of 10% per annum. On October, 2014, a ten (10) year Surface Mining Plan considering 1.8 MMT of the reserves was prepared by Engr. Raul A. Fellizar as required by the DOE. Engr. Raul A. Fellizar is an independent consulting mining engineer with PRC Registration No. 1668.

DOE Coal Reserve (In Situ)

Area	In Situ (MMT)
Macopa & Bactinan	3 MMT
Sagasa	1.5 MMT
Total (In Situ)	4.5 MMT

Area	5-Year Surface Mining Plan	10 Year Surface Mining Plan
Macopa & Bactinan	1 MMT	1.8 MMT
Sagasa		

Davao Oriental Project Coal Quality 10 Year Work Plan Values	
Strip Ratio	10.47 BCM/MT
Stage	Pre-Development
Heating Value	8,290 BTU/lb
Ash Content	21.65%
Sulfur Content	1.88%

A Ten (10) Year Work Program with Financial Feasibility Report was submitted to the DOE in October 2014 for the Davao Oriental Project. Two (2) to three (3) coal seams were observed within the coal basin of COC#159. In Bactinan, Seam A has a coal thickness ranging from 0.50 to 3.05 meters as identified in twenty-two (22) cored holes and two (2) coal outcrops. Seam B coal thickness varies from 0.50 to 3.88 meters and has been located in two (2) outcrops and fourteen (14) cored holes. The dip angles of the coal seams vary from 20º to 30°.

Bactinan	Coal Thickness	Where Identified
A	0.50 - 3.05 m	22 drillholes and 2 coal outcrops
B	0.50 - 3.88 m	14 drillholes and 2 coal outcrops

Three coal seams were identified based on coal outcrops and drill intercepts in Macopa. Seam A has a coal thickness ranging from 0.50 to 4.57 meters. Seam B coal thickness varies from 0.50- to 3.40 meters. Seam C thickness is 0.10 meters. The dip angles of the coal seams also vary from 20º to 30°. The seams occur in a syncline with axis trending west northwest (WNW) and plunging approximately 1^0 to the East Southeast (ESE).

Macopa	Coal Thickness
A	0.50-4.57 m
B	0.50-3.40 m
C	0.10 m

Six (6) coal seams were interpreted based on coal outcrops and drill intercepts at Sagasa. Seam A, the bottom most seam, has a coal thickness ranging from 0.15 to 0.85 meters. Seam B coal thickness varies from 0.12 to 2.63 meters. Seam C coal thickness varies from 0.05 to 1.34 meters. Seam D coal thickness varies from 0.09 to 2.40 meters. Seam E coal thickness varies from 0.10 to 2.64 meters. The topmost seam, Seam F coal thickness ranges from 0.05 to 1.80 meters. The dip angles of the coal seams also vary from 30º to 45°. The seams occur in a monocline striking Northwest (NW) and dips to the North East (NE).

Sagasa	Coal Thickness
A	0.15 - 0.85 m
B	0.12 - 2.63 m
C	0.05 - 1.34 m
D	0.09 - 2.40 m
E	0.10 - 2.64 m
F	0.05 - 1.80 m

The average heating value for the Macopa, Bactinan and Sagasa coal seams is 8,290 BTU/lb.

On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for the Certification Precondition for Development and Production are ongoing.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

Ideal Location for Mining

TMEC's exploration camps are accessible via the municipalities' major thoroughfares and smaller in-roads. They are also located near seaports, which will be critical during the production phase.

TMEC has cordial relations with the local government units ("LGUs") in its operating areas. Furthermore, small-scale mining operators are present and prevalent in other municipalities of Zamboanga-Sibugay, which allowed TMEC to secure the Governor-, Mayor-, and Barangay-level permits in addition to the approvals from the DENR-Environment and Management Bureau for the Certificate of Non-Coverage and the National Commission on Indigenous Peoples ("NCIP") for the Certificate of Non-Overlap. The same holds true for the Municipality of Manay, Davao Oriental through its acquisition of its Environmental Compliance Certificate (ECC) on May 16, 2014 and a signed Memorandum of Agreement ("MOA") with the Mandaya Tribe facilitated by the NCIP last July 19, 2012 for its Exploration Phase. TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

The peace and order situation in the TMEC's area of operation is relatively quiet and conducive to business. There have been no recorded attacks on TMEC's mine sites in Davao Oriental. The Davao Oriental Project site is, in fact, less than a hundred (100) meter away from a military detachment.

In Zamboanga Sibugay however, unfavorable insurgent situations have been reported in the upland areas, as well as kidnappings of personnel and other untoward incidents perpetuated by the NPAs and lawless elements.

The lack of power capacity in Mindanao has also prompted the government to push for the construction of power plants to augment the power requirement of the Mindanao power grid. As one of the coal mining companies in the area, TMEC has established a key position by initiating discussions with the DOE and other power companies that plan to expand operations in Mindanao for long-term supply agreements. TMEC also plans to supply steam coal for cement plants, canneries, and manufacturing plants in Mindanao that have converted their diesel-powered plants into coal-powered plants to mitigate costs.

Experienced Technical Management and Staff

TMEC's technical management and staff have a combined 156-years' worth of work experience in the exploration and mining industry. The team consists of a CP-Geologist accredited by the Geological Society of the Philippines-Philippine Mineral Reporting Code (GSP-PMRC), a Senior Geologist, all duly licensed by the Professional Regulatory Commission, one (1) Junior Geologist, and two (2) Mining and Geology Consultants.

Experienced Executive Management

The Company's leadership team is composed of senior and experience executives with notable successes in the mining, hotel and resorts field, financial services sector, manufacturing base and real estate industries. These executives and managers have a history of successfully pioneering, building, establishing, and growing start-up companies from inception to fruition.

Business Plan

Exploration Work

Davao Oriental Project

Initial surface geologic mapping in COC#159 in Manay, Davao Oriental delineated ten (10) coal- bearing paralic basins with a Potential Deposit of 69 MMT. Preliminary sub-surface exploration via diamond drilling (22 cored drill holes) of two (2) of the ten (10) identified targets in June 2012 delineated a total M&I Resources of 7.1 MMT and Inferred Resource of 5.6 MMT and 7.0 MMT of Proved and Probable Reserves over a 214-hectare block using 28,000MT coal yield per hectare as

determined during the preparation of the Pre-Feasibility Study covering the drilled areas of the two (2) paralic basins.

The next phase of subsurface exploration that covered the extent of the three (3) paralic basins in Barangay Bactinan Old Macopa and Sagasa located east of Macopa, was completed in 2013. For Macopa and Bactinan, a total of ninety-three (93) diamond drill holes were cored resulting to an M&I Resource of 3 MMT with an average calorific value of 8,258 Btu/lb. For Sagasa, 22 cored holes were drilled resulting to an M&I Resource of 1.9 MMT.

Based on the DOE's conversion standard of resource to reserve, the project has a reserve of 3 MMT with a possible additional 1.5 MMT from Sagasa, east of Macopa. These coal basins represent three (3) of the ten (10) coal basins in the area which has a Potential Deposit of 69 MMT.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014 and August 30, 2018.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. TMEC also submitted a 10-year work program to the DOE on October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

Development Plan

The development plan involves all the activities required for the preparation and entry into the coal reserves, extraction, transport, handling and shipment of the coal products and other auxiliary requisites and requirements.

These activities will also include building mine access infrastructure, port facilities, stockyard facilities, a POL stock farm, blasting operation facilities, campsite facilities, supplemental infrastructure for power and water, in-house laboratory and testing, coal preparation, and beneficiation and treatment plants and facilities. The development plan also involves activities relating to the acquisition of necessary equipment, human resource staffing, securing requisite governmental and non- governmental organizations' certifications and approvals, as well as environmental protection compliance.

The development plan also calls for identifying key customers and markets for the eventual coal production output.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, core house/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

Mining Plan and Layout

The feasibility study states that coal deposits from the Davao Oriental Project will be extracted mainly through open-pit mining, and eventually moving into underground mining. The coal deposits of the Zamboanga-Sibugay Project, on the other hand, will be extracted through underground mining right from the initial stages of extraction.

The characteristics, mode of occurrence, and depth of burial of the coal deposits necessitate the extraction be undertaken in three (3) progressive stages, namely; (a) initial surface extraction (b) intermediate near surface and shallow underground extraction, and (c) final deep underground extraction.

The mine layout will be entirely based on surface operation. Surface extraction would be a series of tracts 100-meters in length measured along the outcrops and about 50-meters in width down slope to dip of coal. Tracts are opened one at a time, progressive and contiguous fashion to minimize surface disturbance footprint. Each exploited tract is reclaimed by backfill of stripped open-burden on completion of shallow underground operation. Refilled cavity is restored. Pre-determined access and vent ways to deep underground operations are preserved. Each tract when opened is service by entry and exit ramps. The main haulage route is a re-conditioned barangay feeder access road.

On March 2014, a bulk sampling pit was dug exposing the coal at Macopa to find out the bulk coal quality in the area. The stockpiled incidental coal formed part of the 8,000 MT of coal Permit to Sell/Transport incidental coal requested from the DOE.

Production and Operational Parameters

The following initial operating parameters are planned for the area covered by the Feasibility Study for the Davao Oriental Project submitted last December 21, 2018 to the DOE.

Production and Operational Parameters	
Total Mineable Reserves for Macopa and Sagasa (by Open Pit Extraction)	1.2 MMT
Mine Life	9 years
Annual Production	148,000 MT
Monthly Production	12,300 MT

Marketing Plan

The company has developed a marketing strategy and marketing plan based on its geographic location, competitive strengths, and the industries it primarily hopes to serve.

The mines are located in Mindanao Island, whose growth and development are crippled by, among others, a power crisis. This has resulted in regular, rotating power outages causing hefty losses to industries and businesses situated therein, not to mention inconvenience to its populace. The same situation holds true for its neighboring group of islands to the north, the Visayas. To remedy this situation, the government has put in place incentives for private firms setting up power plants in Visayas and Mindanao. With the advent of new technologies that are environmentally-sound, many of these power plants that have been set up or are still to be put up are coal-fired power plants.

Based on information obtained from the DOE, by 2017 the total projected coal demand in Visayas and Mindanao is estimated at 13.5 Million Metric Tons Per Annum (MMTPA). Of this total, demand from coal-fired power plants accounts for about 64%. On the other hand, from a geographic standpoint, demand from Mindanao accounts for about 57% of the combined total for Visayas and Mindanao. Aside from serving the requirements of power plants, the Company also plans to serve cement manufacturers which account for about 35% of the total projected coal demand by 2017. Lastly, the Company also plans to serve Canneries located in General Santos City, which account for more than 1% of total projected demand by 2017.

The new market potential in Mindanao, in particular, is a prime motivator for continued exploration in the areas covered by the Company's COCs. Again, based on 2017 projections, at full production capacity the Company can only serve around 7% of market demand in that area, with the remaining 93% coming mainly from imports and also from other local coal miners such as Semirara, etc.

Management Plan

In 2018, the management plan was to proceed with the Macopa-Sagasa Development Work Program and Feasibility for its Davao Coal Project in connection with the signed Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation dated April 6, 2017 with initial delivery dated scheduled on November 2, 2018. However, this plan did not push through because the Company was not able to obtain from the Department of Energy (DOE), the conversion of Coal Operating Contract (COC) from exploration to Development/Production (D/P) phase and the related approval from National Commission on Indigenous Peoples (NCIP).

In 2019, the DOE approved the conversion of COC 159 from exploration to D/P Phase. As indicated in the terms and conditions, before the commencement of the D/P Phase, the company shall secure Certificate of Non-Overlap (CNO)/ Certification Precondition (CP) from the NCIP thus, the Company requested the DOE for a new endorsement to the NCIP for the issuance of CNO/CP. The estimated acquisition date of CNO is within three to six months.

The ECC shall be applied for in time for the Development and Production Phase. The estimated date of production is within 18 months. The estimated price of coal is USD58 per metric ton.

Moreover, the Company will comply with the reportorial, documentary and permitting requirements in accordance with its Coal Operating Contract (COC), Environmental Compliance Certificate (ECC), and Local Government Unit (LGU) related laws and ordinances as applicable. The estimated amount of working capital needed to support the Group's operating cost before actual conversion is Php 23 Million. After the acquisition of the required permits and the required equipment, it will take around six (6) months, more or less, for the company to produce the saleable coal. The amount needed to meet the initial start-up cost and sustaining costs is estimated to be Php 500 Million with annual growth rate of 2.5%. This would require loan to finance the Group's start-up and sustaining costs. The composition of WACC is estimated to be 70% debt and 30% equity.

Aside from the maintenance of the physical assets of the Company, it will also continue the transferring of lot titles from the Old Macopa Sellers to the Company.

KEY AFFILIATES IN THE MINING AND ENERGY INDUSTRY

COAL's key affiliates in the mining and energy industry are presented below. These companies are considered related parties because they have certain common shareholders with COAL.

Pacifico Sul Mineracao Corporation

Pacifico Sul Mineracao Corporation is an affiliate of TMEC that owns mining rights to 6-iron ore, nickel, and chromite areas in the provinces of Aurora, Nueva Ecija, Zambales, Zamboanga del Sur, and Zamboanga Sibugay spanning a total of almost 32,000 hectares.

Colossal Petroleum Corporation

Colossal Petroleum Corporation is an affiliate of TMEC. It was established for potential investments in oil, gas, petroleum, acids and chemicals, other geothermal natural resources and mining projects.

Risks Related to the Company and its Subsidiary

Risks Inherent in the Mining Business

There are numerous hazards and risks normally encountered in the mining business. These include, but are not limited to geological structures not clearly manifested on the ground surface, unfavorable weather conditions, flooding, and other occurrences that may arise out of the drilling and removal of material. Any such occurrence may cause damage to mines, life, property, the environment, as well as legal liability. Although proper safety measures will be implemented, theses safety measures will not cancel out the above–mentioned risks.

The location and establishment of mineral resources, ore, reserves, mine construction, ore extraction, and metallurgical development will require major expenditures. It is often difficult to ensure that these investments will result in meaningful returns.

The Company, through its subsidiary, has undertaken extensive research and exploratory work on its COC areas that improve its chances for success. Furthermore, the Company's technical team has a combined 156 years' experience in exploration and development of

mines with the top mining companies both in the Philippines and abroad. These key technical personnel were hired to improve the Company's success in the mining business.

Risks Related to Exploration and Future Coal Reserves

The company is subject to exploration risk. If the Company fails to explore, acquire, and develop coal resources, the Company's coal reserves will decline and will not be able to sustain its business. There is no assurance that the resources will be economically viable. The success of the Company's business is dependent upon its successful exploration and conversion of coal resources to coal reserves.

Converting the coal resources to coal reserves will take time and additional investment. The Company continuously undertakes additional and confirmatory drilling activities within its COC areas, which will remove uncertainty as to its economic viability and improve on its existing mine development plans.

Risks Related to the Estimation of Coal Resources and Reserves and the Valuation of Coal Reserves

There are many factors involved in the process of estimating coal resources, some of which are beyond the Company's control. The company cannot ascertain that measured indicated, and/or inferred tonnage and grades will be accurately achieved, or that the level of recovery will be realized.

The Company bases the estimation of the coal resources in COC #159 on the PMRC- compliant technical report generated in June 2013 by Mr. Enrique C. Payawal, incorporating the recently concluded exploration drilling campaign at the Davao Oriental Project. Said report was revised three months after to include a section on reserve estimate in conformance with the Department of Energy's standard of Coal Reserves Classification. The final report authored by Ms. Gizella Gonzales, under the supervision of Mr. Enrique C. Payawal, was submitted to the DOE on December 2013. The report stated that the project has an M&I of 3 MMT with an average calorific value of 8,258 Btu/lb for Bactinan and Macopa with a remaining Potential Deposit of 69 MMT considering the undrilled carbonaceous mudstone areas of the 7,000-hectare COC. Further drilling at Sagasa further determined an additional M&I resource of 1.9 MMT.

Reserves in the area following the DOE's Reserve Classification resulted to 3 MMT for Macopa and Bactinan and 1.5 MMT for Sagasa.

The DOE has completed its validation of TMEC's coal resource estimate for the Davao Project (Macopa and Bactinan) on March 16, 2014 and (Sagasa) on August 30, 2018.

TMEC submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

Risks Related to Drilling and Mining Equipment

The Company's sole subsidiary, TMEC, has and will continue to engage the service of an external diamond drilling contractor to mitigate the risks that may be encountered during drilling activities. Despite outsourcing the work to an experienced drilling company, there is no assurance that the operating company can minimize errors or discrepancies in core recovery. However, these risks are mitigated by engaging drilling contractors with sufficient fleet of drilling equipment and manpower pool. Contracted drilling companies are likewise penalized for not attaining required standard core recoveries.

A significant investment will be made by TMEC in major mining equipment once it goes into mine development and production. There is no guarantee that this equipment will not suffer breakdowns, defect and obsolescence or loss: thus, causing a delay in the Company's operations. TMEC intends to cover all its equipment with adequate insurance and sufficient stock of replacement parts. Minor mining equipment will be rented, so the risk will be transferred to the minor mining equipment contractor.

Risks Related to Customer Demand

The coal that will be produced from TMEC's Davao Oriental Projects is intended to be sold to coal-fired power plants, cement plants, tuna canneries, and other industrial users of coal in both the Philippines and other countries. If the aforementioned potential buyers of TMEC's coal decide to purchase coal from other sources, then TMEC may have no alternative customers. This may have an adverse impact on the revenues of the Company.

The Company believes that, based on results gathered from coal samples from both Davao Oriental, the quality of its subsidiary's coal is comparable, if not superior, to that of other potential sources of coal both in the Philippines and other neighboring Asian countries.

Risks Related to Coal Price

The viability of the Company's and its subsidiary's business is highly dependent on the worldwide price of coal, the sale of which is the primary source of TMEC's revenues. As a globally traded commodity, the price of coal can be quite volatile and its price as affected by numerous factors, including demand from customers, changes in domestics and international coal supply conditions, the price of alternative fuels, among many other factors. Furthermore, a substantial and extended decline in the price of coal will reduce TMEC's earnings potential.

Risks Related to Foreign Exchange

TMEC intends to export a portion of its coal production to take advantage of higher prices for better quality coal in other markets. As such, a part of the Company's revenue may be subject to fluctuations between its base currency, the Philippine Peso, and the buyer's base currency. Such fluctuations may negatively affect the Company's margins. To protect against such risks, TMEC will endeavor to include in its export sales contracts hedging provisions to protect against significant adverse movement in foreign exchange rates.

Risks Related to Domestics and International Competition

The Company faces competition from both local and foreign coal mining companies. In 2011, about 77.00% of local coal consumption locally was met by coal importations. Historically,

the Philippines have imported coal primarily from Indonesia, Australia and China. Among local producers of coal, Semirara Mining Corp. ("SCC"), a listed company, is the country's largest producer and the acknowledged market leader, accounting for about 94.00% of total domestic coal production in 2011. As a result of SCC's dominant position in the market, it enjoys significant advantages over a new entrant in the market such as the Company.

The Company will also face competition from other domestic coal producers including new coal producers who have or are in the process of acquiring rights to or operating other coal deposits in the country. As indicated in the section "The Philippine Coal Market", the DOE estimates that the country has a total of approximately 435.0 MMT of in situ coal reserves dispersed over various provinces in the country as of December 31, 2010. Coal mining operations in these previously untapped sites will increase coal availability and may have an effect on domestic coal prices. In addition, the proximity of some of these new coal-mining sites to the Company's target customers may create delivery.

The Company believes it has the advantage of having better quality thermal coal, and proximity of both sites to new coal plants being set-up in Mindanao. Against other prospective competitors, the Company has already made significant progress on exploration and drilling activities and expects that its coal reserves and projected production levels will result to certain scale advantages.

Risks Related to Limited Operating History and Track Record

The Company was incorporated on June 11, 2012 and has had limited operations.

TMEC, the Company's only operating subsidiary, was incorporated in November 11, 2008. TMEC spent its first few years of operations on the acquisition and exploration of its COCs.TMEC acquired COC #159 on September 16, 2009 and COC #166 on November 18, 2009 under the Philippine Energy Contracting Round (PECR) of 2009.

TMEC commenced surface investigation exploration on COC #159 during two periods: from October to November 2009 and May to June 2010, which resulted in the identification of coal exposures/outcrops. Trenches were dug along major coal exposures and estimates were set resulting in an initial report on estimated Potential Deposit of 53MMT in June 2010. A second surface investigation conducted by Mr. Arturo A. Ona, an independent consulting geologist, under NI-43101 from Nevada, USA in June 2011 on the mudstone "islands" gave a figure of about 68 MMT tons of coal. An initial 10 probes/exploratory DDH programmed for Bactinan and Old Macopa areas with mudstone units (two (2) out of 13 mudstones potential coal bearing areas) were initiated in late November 2010. A second drilling program was undertaken in August 2011 where nine (9) holes were drilled with seven (7) holes intercepting coal seams at depth. In April 2012, Mr. Enrique C. Payawal, TMEC's Vice President for Exploration and an accredited Competent Person-Geologist, conducted a field geological investigation to determine the resources in COC #159. The results of the investigation were collated and reported through an Internal Geological Report. The report provides that out of 72.0 MMT Potential Deposit identified during the surface exploration (mapping), the results of the diamond drilling (subsurface exploration) provide TMEC to have estimated M&I Resources of 7.1 MMT and Inferred Resources of 5.6 MMT. The remaining Potential Deposit for the Davao Oriental Project is 59.3 MMT. A Pre-Feasibility Study was completed in June 2012 by an independent consulting mining engineer, Engr. Rafael R. Baladad, on a combined 214-hectare block from Bactinan and Old Macopa identifying total Probable and Proved Reserves of 7 MMT.

A PMRC-compliant technical report was generated in June 2013 by Mr. Enrique C. Payawal, incorporating the recently concluded exploration drilling campaign at the Davao Oriental Project. Said report was revised three months after to include a section on reserve estimate in conformance with the Department of Energy's standard of Coal Reserves Classification. The

final report authored by Ms. Gizella Gonzales under the supervision of Mr. Enrique C. Payawal was submitted to the DOE on December 2013. The report stated that the project has an M&I of 3 MMT with an average calorific value of 8,258 Btu/lb for Bactinan and Macopa with a Potential Deposit of 69 MMT. It also mentioned the on–going diamond drilling activity conducted at Sagasa, located southeast of Macopa. The M&I resource for Sagasa was determined to be 1.9 MMT.

A five (5) year work program with financial feasibility for the project was prepared in July 2013 authored by Engr. Raul A. Fellizar, an independent consulting mining engineer.

Both reports were submitted to the DOE in support of TMEC's request to convert COC #159 from exploration phase to development and production phase.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014 and August 30, 2018.

In support of the Company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC also submitted a 10-year work program to the DOE in October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

As of December 2018, TMEC is in the process of obtaining said conversion from the DOE.

The Company's management and technical team have a combined 156 years' experience in exploration and development of mining companies with the top mining companies both in the Philippines and in other countries. In addition, the Company's Board of Directors has an established record in starting-up companies and developing these companies to a strong position in their respective market segments.

Risks Related to Reliance on Key Personnel

The success of TMEC depends upon, among other factors, the retention of its key personnel as well as its ability to attract and retain a strong management team. The Company believes there is significant demand for TMEC's skilled professionals not only locally but also from companies outside of the Philippines, particularly companies operating in Asia. The inability of TMEC to hire and retain qualified personnel could impair its ability to undertake the exploration and mine development of its two sites. This may cause TMEC to incur additional

costs by having to engage third parties to perform these activities.

Risks Related to Labor Matters

TMEC is naturally exposed to the risk of industrial or labor disputes. At present, 9 of the rank-and-file employees are regular and 2 are probationary. Furthermore, once TMEC starts full production, it will need to employ more mining engineers, operators, staff, and workers.

At present, TMEC's labor force in all locations is not unionized; hence the risk of work stoppage due to strikes or similar concerted action is mitigated. The Company complies with all the labor laws, rules, and regulations, thus avoiding any significant dispute with its workers. The Company's management believes that current relations between the Company and its employees are generally good. None of the employees is under any collective bargaining agreement. The Company has not experienced any work stoppage or strike since it started operations.

Risks Related Philippine Laws and Regulations

The business of TMEC is subject to various Philippine Laws and regulations. The DOE is mandated by RA 7638 (Department of Energy Act of 1992) to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation.

On July 6, 2012, President Benigno S. Aquino III issued E.O. 79 entitled "Institutionalizing and Implementing Reforms in the Philippine Mining Sector Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral

Resources' E.O. 79 pertains to the mining sector but it does not cover coal mining as the latter is covered under RA 7492, or the Philippine Mining Act of 1995.

The listing of COAL shares was approved with the submission of a Philippine Mineral Reporting Code (PMRC)-compliant technical report by a Competent Person (CP)-Geologist that indicated the coal resources of COAL's Coal Operating Contracts. Thereafter, the PSE required COAL to also submit a PMRC-compliant technical report by a CP-Mining Engineer, to be submitted to the PSE not later than December 31, 2012.

COAL attempted to submit said report to the PSE, but circumstances beyond its control resulted in further delays and penalties.

On September 30, 2015, Engr. Rufino B. Bomasang, the lone CP-Mining Engineer for coal in the Philippines, submitted to the PSE a PMRC-compliant Technical Report entitled "Final Report on the Economic Assessment of the COC #159 Davao Coal Project."

There is risk those government regulators, both at the national and local levels, may implement more stringent policies and/or regulations that will make it more difficult or more costly for TMEC to operate its business.

The Company and TMEC have no control over these events. However, TMEC has put into place a compliance team that focuses on ensuring TMEC's adherence to laws, rules, and regulations that are in practice.

Risks Related to Taxation

The Philippines currently has tax systems that encourage investment in coal mining operations to address the wide demand between local demand and supply. The current COC system gives the following incentives to contractors:

- Exemption from all taxes except income tax;
- Exemption from payment of tariff duties and compensation tax on importation of machinery / equipment / spare parts / materials required for coal operations;
- Allow entry of alien technical personnel;
- The right of ingress to and egress from the COC area; and
- Recovery of operating expense

TMEC registered with the Board of Investment under the Omnibus Investment Code of 1987 for the exploration and development of indigenous thermal coal in Davao Oriental as a new producer of coal under the 2012 Investment Priorities Plan. There is no guarantee, however, that the existing tax regime will remain, and that no changes will be implemented that will be adheres to the Company's operations.

The industry, however, maintains a liaison within the legitimate branch of the Government, which helps ensure that coal-mining operations will continue to enjoy a fair tax environment in the years to come.

Risks Related to Company's COCs

Risks Related to Expiration of COCs

Substantially all of the Company's assets and revenues are derived from TMEC's COCs and rights under the COCs issued by the DOE, which give TMEC exclusive rights to conduct exploration, development and coal-mining operations on the areas designated by these COCs. These COCs contain respective terms, and allow maximum extension periods subject to the application of extension before the COC's expiration date.

While the term extension of a COC is provided for, any extension is ultimately at the discretion of the DOE and at the satisfaction on the DOE that has been substantial accomplishment of the commitments as stipulated in the DOE approved work program. There can be no assurance that the DOE will extend the term of these COCs upon their respective expiration. The DOE may also impose new terms and conditions during this extension that may not be acceptance to the Company.

The table ensuing sets forth the original expiration dates and the maximum extension periods for the COCs covering the Davao Oriental:

Table 1: Summary of Coal Operating Contracts of TMEC

COC	Coal Block Nos.	Applicant	Date Awarded	Original Expiration Date	Max. Extension	Remarks
Davao Oriental Coal Operating Contract						
159	CB-136 CB-137 CB-176 CB-177 CB-188 CB-217 CB-218	TMEC	16-Sep-09	15-Sep-11 (2 years Exploration)	September 15, 2013) 2 years Extension)	Submitted Geologic Report, 5 and 10 year mining plan, ECC, Permit to Sell incidental Coal Production from DOE; Amended 10Year Work Program and Feasibility Study covering Macopa and Sagasa submitted on October 2017 and December 2018. NCIP CP for Exploration acquired last December 14, 2018; preparations for FPIC for CP Development and Production on going.

Any inability or failure on the part of TMEC or the Company to meet their respective obligations, or comply with the terms and conditions under any of the COCs may constitute a material breach thereof and could lead to the cancellation or termination of such COC. A cancellation or termination of any COC pertaining to the Davao Oriental Project will adversely affect the business, financial condition and results of operations of the Company.

TMEC is in the process of fulfilling its obligations with regard to the COCs and satisfying the terms and conditions of the COCs, including the requirements of the DOE in connection therewith. For the Davao Oriental Project, as a pre-requisite to enter the development and productivity phase, TMEC has completed the Feasibility Study. In addition, its coal resources have also been validated by the DOE.

TMEC plans to enter the development and production phase as soon as the DOE converts the COC to Development & Production phase for the Davao Oriental Project. COAL used its IPO proceeds to fully fund TMEC's exploration, development, and production in the Davao Oriental Project and used a portion of it to partially fund its planned exploration in the Zamboanga-Sibugay Project. If TMEC suddenly cannot proceed to the development/production phase for some unexpected reason, the Company's long-term business performance and eventually, its viability will be at risk. To address the risk, TMEC continuously fulfills and complies with, and even exceeds the conditions that the DOE set forth in the COCs it granted to TMEC. These conditions include the conduction and completion of exploration work commitment and financial investments in the coal projects. Thus, with the proceeds spent from the IPO and the Company's good standing with the DOE as regards its COCs. The Company is confident that it will be able to secure the COC for the development/production stage for the Davao Oriental Project.

Risks Related to Environmental Protection, Safe Mining Operations, and Social and Economic Development

TMEC's COCs not only grant it rights over certain coal-mining assets but also prescribe guidelines for coal-mining operations among which includes rules with respect to environmental protection, safe mining operation, and social and economic development of the surrounding areas. These guidelines include safety rules for underground and surface mine operations covering requirements for exit, escape ways, submission of mine maps, ventilation, allowable limits of toxic and explosive gases, control of coal dust, ground support, rescue organization for emergency situations, fire protection, handling of explosives, health and sanitation facilities and other miscellaneous safety rules, air, water, hazardous materials and waste management, and the rehabilitation of mine sites. In addition, TMEC is required to conduct an environmental impact study prior to start of development and production pursuant to securing an environmental compliance certificate ("ECC") from the Department of Environment and Natural Resources ("DENR"). Nonetheless, in support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. There is also the possibility that existing laws and regulations may be amended or new laws may be enacted in the future.

Risk Related to Third Party Claim on Specified Areas Defined in COCs

Under the terms of its COCs, TMEC was appointed and constituted as the exclusive party that will conduct the coal operations over the specified areas defined in such COCs. There is, however, no assurance that other parties will not claim mining rights adverse to TMEC over such designated areas or that the Company will be able to successfully defend its right to conduct coal operations over such areas against any such adverse claims.

Risk Related to the Philippines

Risks Related to Political or Social Instability in the Philippines

The Philippines has from time to time experienced political and military instability. In the last few years, there has been political instability in the Philippines, including public and military protests arising from alleged misconduct by the former administration. No assurance can be given that the political environment in the Philippines will stabilize and any political or social instability in the future could result in inconsistent or sudden changes in regulations and policies that affect the Company or its partners, which could have an adverse effect on the Company's business, results of operations and financial condition.

Risks Related to Terrorist and Insurgent Groups' Activities in the Philippines

The island of Mindanao has had a long history of terrorist activities and insurgency in certain isolated areas instigated by groups such as or connected to the Moro Islamic Liberation Front, Abu Sayyaf, and the New People's Army. There have been attacks by the New People's Army on mining company facilities of Xstrata's Sagittarius Mines Inc. (SMI) and of firms associated with the mining company in the hinterlands of Davao del Sur, South Cotabato, and Sultan Kudarat, and a couple of small mining companies in the Compostela Valley. There is no guarantee that such attacks will not occur in the Company's subject areas in Davao Oriental and Zamboanga-Sibugay.

The Company, through TMEC, has maintained excellent relationships with the host communities of its two coal projects through an active Corporate Social Responsibility program, which have included the replanting of trees that may have been uprooted in the building of access road and the construction of a church in Zamboanga-Sibugay.

Risk Related to Anti-Mining Groups

There is high anti-mining sentiment in the Philippines, brought mainly by the country's past and highly-publicized episodes of community destruction and environmental degradation resulting from mining operations. This is especially true in less developed regions, where there are anti-mining advocacies of groups such as LGUs, non-governmental organizations and environmental groups, communist separatists and other militant groups, and even the Catholic Church. The methods may vary, from peaceful protests to local bans on mining operations. There have also been sporadic acts of violence, including destroying equipment and inflicting bodily harm.

As a result of these factors, the Philippines has become a high-risk, high-reward environment for mining operations. In developed countries, where many of the large international mining outfits operate, profit margins are often slimmer but this lower profitability is made up for by greater stability.

TMEC has good relationships with the respective LGUs in Davao Oriental and Zamboanga-Sibugay. Furthermore, TMEC has maintained excellent relationships with the host communities of its two coal projects through an active Corporate Social Responsibility program, which have included the replanting of trees that may have been uprooted in the building of the access road, donation of an ambulance in Davao Oriental and the construction of a church in Zamboanga-Sibugay. As of the date of this Report, there have been no attacks or threats of attack received by the Company at its mining site in Davao Oriental. In Davao Oriental, TMEC also had good rapport with the local indigenous people, having entered into a

MOA with the NCIP on July 19, 2012 and the issuance of the Certification Precondition for Exploration on December 14, 2018.

Risk Related to Occurrence of Natural Catastrophes or Blackouts

The Philippines has experienced a number of major natural catastrophes in recent years including typhoons, floods, volcanic eruptions, earthquakes, mudslides, and droughts. Natural catastrophes may disrupt the Company's ability to deliver its services and impair the economic conditions in the affected areas, as well as the overall Philippine economy. The Philippines has also experienced power outages from power generation shortages and transmission problems, and from disruptions such as typhoons, storm surges and floods. These types of events may materially disrupt and adversely affect the Company's business and operations. The Company cannot assure prospective investors that the insurance coverage the Company maintains will adequately compensate it for all damages and economic losses resulting from natural catastrophes or blackouts, including possible business interruptions.

Risk Related to Foreign Exchange Controls

Currently, the Philippines has liberal foreign exchange controls. The BSP has statutory authority, with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, to:

- Suspend temporarily or restrict sales of foreign exchange;
- Require licensing of foreign exchange transactions; or
- Require the delivery of foreign exchange to the BSP or its designee banks for the issuance and guarantee of foreign currency-denominated borrowings.

Risks Related to the Shares

Risks Related to Market Volatility

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

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

(2) BUSINESS OF ISSUER

Products

COAL is an investment holding company primarily engaged in the business of investing in coal and other related energy through its subsidiary, Titan Mining and Energy Corporation;

TMEC is engaged in coal exploration and the extraction, processing and trade of coal and other energy related products.

Distribution of Products

Coal from incidental outcrops and small-scale operators were primarily sold to local customers such as local canneries and food manufacturing companies.

Competition

The Company directly competes with other coal mining companies in the Philippines. A list of these other coal-mining companies is presented in the following tables on existing COC holders (as of June 2017). Most of the companies listed below, except for Semirara Mining Corporation, have shut down their operations as of this writing.

Table 2: Coal Operating Contract (COC) holders		
COC No.	**NAME OF COMPANY**	**LOCATION OF CONTRACT AREA**
5,189,190	**Semirara Mining Corporation**	Semirara Island, Caluya, Antique; Bulalacao, Oriental Mindoro; Maitum and Kiamba, Sarangani
13	**Ibalong Resources & Development Corporation**	Mantalongon, Dalaguete, Cebu
9	**Adlaon Energy Development Corporation**	Brgy. Santicon, Bala-as, Maloray&Manlapay, Municipalities of Dalaguete &Argao, Cebu
83	**Benguet Corporation**	Lianga, Marihatag& San Miguel, Surigao del Sur
68,77,78	**Filipinas (Prefab) Systems, Inc.**	Bulalacao, Mindoro Oriental, Payao, Zamboanga Sibugay,
93	**A Blackstone Energy Corporation**	Lalat, Zamboanga Sibugay
116, 123	**D. M. Wenceslao and Associates, Inc.**	Baculod, Gattaran and Iguig, Cagayan
127	**Smart Mining and Resources Development Corporation (SMRDC)**	Bislig, Surigao del Sur
41, 122, 184,185,186	**PNOC Exploration Corporation**	Buug, Imelda, Payao, Malangas, Zamboanga Sibugay, Cauayan, Isabela, Trento, Agusan del Sur and Lingig, Surigao del Sur
104,137	**Batan Coal Resources Corporation**	Liguan, Batan Island, Rapu-Rapu, Albay,
125, 153	**Lima Coal Development Corporation**	Batan Island, Rapu-Rapu, Albay, Bacon and Gubat, Sorsogon
126	**DagumaAgro Minerals Inc.**	South Cotabato and Sultan Kudarat
128, 129	**SAMAJU Corporation**	Bilbao, Batan Island, Rapu-Rapu, Albay, Bagaobawan, Batan Island, Rapu-Rapu, Albay
130	**Grace Coal Mining & Development Corporation**	Diplahan and Buug, Zamboanga Sibugay
131	**Forum Cebu Coal Corporation**	Dalaguete, Cebu

132	**First Asian Resource Mining Corp.**	Balamban, Cebu
134	**Sultan Energy Phils. Corporation**	Sultan Kudarat, South Cotabato
136,179,180	**SKI Energy Resources, Inc.**	Carmen, Asturias and Catmon, Cebu; Alpaco, Naga, Cebu
135	**SKI Construction Group, Inc.**	Cahumayan, Portland & Dungga, Danao City, Cebu
187	**SKI Mining Corp.**	Trento, Agusan del Sur
138	**Bonanza Energy Resources, Inc.**	Maitum, Sarangani Province and Ned, Lake Sebu, South Cotabato
142	**Visayas Multi-Minerals Mining and Trading Corporation**	Toledo City, Cebu
145	**Great Wall Mining and Power Corporation**	San Miguel &Tandag, Surigao del Sur
148	**Abacus Coal Exploration and Development Corp.**	Tandag, Surigao del Sur
149	**IL Rey'c Coal Mining Exploration Corp.**	Danao City, Cebu
151	**Guidance Management Corp.**	Calatrava, Negros Occidental
154	**DMC-Cons truction Equipment Resources, Inc.**	Bagumbayan, Sultan Kudarat
162	**ASK Mining & Exploration Corp.**	Cagwait-Marihatag, Surigao del Sur
165	**3Kings Sunrise Mining Corp.**	Carmen, Cebu
169,174,175	**Blackgem Resources & Energy Inc.**	Tarragona, Davao Oriental;Batan Island, Rapu-rapu, Albay; Cateel and Baganga, Davao Oriental
170	**Dell Equipment & Cons truction Corp.**	Sarangani & South Cotabato
171	**Cedaphil Mining Corp.**	Toledo City, Cebu
172	**Core 8 Mining Corp.**	Toledo City, Cebu
173	**BBB Mining and Energy Corp.**	Asturias, Carmen, Danao, Cebu
181	**Timberwolves Resources, Inc.**	Guigaquit, Surigao del Norte
182,200,202	**Altura Mining Philippines, Inc.**	Bagamanoc, Caramoran and Panganiban, Catanduanes; Rapu-Rapu, Albay; Bislig, Surigao del Sur
183	**Blackstone Mineral Resources, Inc.**	Naga, Zamboanga Sibugay
188	**Mega Philippines, Inc.**	Lake Sebu, South Cotabato; Palimbang, Sultan Kudarat; and Maitum, Sarangani

191	**South Davao Development Corp., Inc.**	San Jose and Magsaysay, Occidental Mindoro
192,201,203	**Empire Asia Mining Corporation**	Bislig and Lingig, Surigao del Sur; Kitcharao, Agusan del Norte;Bislig, Surigao del Sur & Trento, Agusan del Sur
193	**Coal Black Mining Corporation**	Tandag and Tago, Surigao del Sur
194, 195, 198,199	**Sahi Mining (SMC)**	Butuan City, Agusan del Norte and Sibagat Agusan del Sur; Godod, Zamboanga Del Norte & Kabasalan, Zamboanga Sibugay
196, 197	**Philsaga Mining Corporation**	Bunawan and Trento, Agusan del Sur
176	**Yolo Mining Resources, Inc. (Formerly Goodyield Resources Development, Inc.)**	Trento, Agusan del Sur and Boston, Davao Oriental

The largest coal mining company in the Philippines, based on production output, is Semirara Mining Corporation that accounted for more than 94% of total production in the Philippines of 7.3 MMT in 2011. Currently, Semirara has an existing coal supply contract with Semirara Calaca Power Corporation. The potential requirement of the Calaca plant is approximately 1.5 to 2.0 MMT. In March 2003, the National Power Corporation tested Semirara coal for its Masinloc plant, while deliveries were made to Sual and Pagbilao Power Plants in 2004 and 2005. These plants have potential demand of 600,000 to 800,000 MT of Semirara coal per annum.

Aside from Semirara, most other coal mining companies are in various stages of the Exploration Phase or the Development / Production Phase. These companies produce small volume of coal either as incidental production derived from exploratory adits or as output of small-scale permittees operating under the supervision of the holder of the COC whose tenements encompass the area of small-scale permittees.

Most of the output of coal mining companies is used as fuel to feed boilers used by industries in power generation, cement, and food. It is often critical that the coal mined or produced is of lower ash content to ensure efficient heat generation.

As a strategy, Semirara Mining Corp. has entered the power generation business to find a ready market for their coal output.

Most coal mining companies will also look for the end-markets near their mine sites to reduce logistics cost for the transport and delivery of the product.

Expenses on Development Activities

As of 31 December, 2024 TMEC, has no expenditure on exploration and development activities.

Costs and Effects of Compliance with Environmental Laws

TMEC is required to conduct an environmental impact study prior to the start of development and production. In November 2012, TMEC contracted the services of Lichel Technologies, Inc. to do the environmental impact study of its coal mining project in Davao Oriental. A comprehensive ECC application was filed with the DENR already and released on May 16, 2014**.**

Employees

The present manpower complement, as well as the projected manpower complement for the next 12 months, is as follows:

	2022	**Next 12 months (pending conversion of COC)**
Administration and Accounting	1	1
Exploration and Development		
Regular	2	2
Contractual	0	0

There is no collective bargaining agreement in effect between management and the employees.

Transaction with and/or Dependence of Related Parties

The term "Related Parties" covers the Corporation's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the Corporation. It also covers the Corporation's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

TMEC has transactions with related parties, particularly Pacifico Sul Mineracao Corporation, pertaining to working capital purposes. These advances are unsecured, non-interest bearing and generally settled in cash and payable on demand.

TMEC also leases office space from JTKC Equities. Dexter Y. Tiu of both TMEC and COAL and a major stockholder of COAL, and Alexander Y. Tiu, a major stockholder of COAL, are also stockholders of JTKC Equities, Inc.

The aforementioned companies and TMEC are related parties under common ownership with certain stockholders of COAL.

TMEC has no other transactions with other parties that the Company or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm's length basis.

Government Approvals on Products and Services

TMEC secured permits and licenses from the Philippine government for their exploration activities. There is no extraordinary government approval needed for TMEC'S present business activities. TMEC also does not foresee any effect of existing or probable government regulations on its business. It is important to note that the recently issued Executive Order No. 79 series of 2012 of the mining sector does not cover coal mining. Coal Mining is covered under Presidential Decree No.972, or the Coal Development Act, while E.O.79 pertains to mining activities under Republic Act No. 7492, or the Philippine Mining Act of 1995.

Environmental Laws

TMEC's COCs not only grants it rights over certain coal-mining assets but also prescribes guidelines for coal-mining operations among which include rules with respect to environmental protection, safe mining operations, and social and economic development of the surrounding areas. These guidelines include safety rules for underground and surface mine operations covering requirements for exit, escape ways, submission of mine maps, ventilation, allowable limit of toxic and explosive gases, control of coal dust, ground support, rescue organization for emergency situations, fire protection, handling of explosives, health and sanitation facilities and other miscellaneous safety rules, air, water, hazardous materials and waste management, and the rehabilitation of mine sites. In addition, TMEC is required to conduct an environmental impact study prior to start of development and production pursuant to securing an ECC from the DENR. There is also the possibility that existing laws and regulations may be amended or new laws may be enacted in the future.

TMEC has been issued Certificates of Non-Coverage by the Environmental Management Bureau for its COCs #159 and # 166. An Environmental Compliance Certificate (ECC) was granted to TMEC for COC # 159 on May 16, 2014.

ITEM 2: PROPERTIES

The mine sites under COC #159 are located in the Municipality of Manay, Davao Oriental, while mine sites under COCs #166 are located in the Municipality of Diplahan and Buug, Province of Zamboanga-Sibugay. Infrastructure such as living quarters, coal quality laboratory, road network (camp road and camp to pit) and pier facilities are some of the improvements made by TMEC on the mine sites. Properties of TMEC in the mine sites are primarily composed of the following: Drilling Equipment, Survey Equipment, Testing Equipment, Transpiration Equipment, and Office Furniture and Equipment.

TMEC also leases office space from its affiliate, JTKC Equities, Inc. which commenced in 2010 and renewable upon mutual consent of both parties. In 2017, the Group renewed the lease agreement with lesser area to save on costs.

All properties are free of any liens and encumbrances.

ITEM 3: LEGAL PROCEEDINGS

To the best of the Company's knowledge, there are no occurrences of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director or executive officer of the Company in the past five years and as of date:

- any bankruptcy petition filed by or against any business of which the incumbent's directors or senior management of the Company was a general partner or executive officer, either at the time of the bankruptcy or within five years prior to that time;

- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or senior management of the company;

- any order, judgment, or decree, not subsequent reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or senior management of the Company in any type of business, securities, commodities or banking activities; and

- any finding by documents or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic

marketplace or said regulatory organization, that any of the incumbent Directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

PART II - SECURITIES OF THE REGISTRANT

(1) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

The Company's common equity was first listed and traded on the Philippines Stock Exchange on October 23, 2012.

The trading prices of the Corporation's shares at the PSE for the last trading day of each quarter for year 2025 and 2024 are as follows:

Quarter	High	Low	Close
1Q 2025	0.121	0.116	0.12
2Q 2025	0.138	0.138	0.138
3Q 2025	0.28	0.26	0.27
1Q 2024	0.144	0.14	0. 14
2Q 2024	0.194	0.0178	0.194
3Q 2024	0.15	0.141	0.141
4Q 2024	0.1720	0.116	0.155

The trading prices at the PSE for the year 2023 and 2022 are as follows:

Quarter	High	Low	Close
1Q 2023	0.199	0.199	0.199
2Q 2023	0.165	0.163	0.165
3Q 2023	0.174	0.15	0.15
4Q 2023	0.12	0.12	0.12
1Q 2022	0.245	0.242	0.245
2Q 2022	0.22	0.22	0.22
3Q 2022	0.202	0.202	0.202
4Q 2022	0.20	0.20	0.20

As of the latest practicable trading date (30 September 2025), the price of the company's securities closed at ₱ 0.027.

(2) Holders of Common Equity

As of 30 September 2025, the Company had 19 stockholders as per its stock and transfer agent, Professional Stock Transfer, Inc. The list of shareholders reported by the Stock and Transfer Agent were as follows:

	Name of Stockholders	No. of shares	Percent
1	PCD Nominee Corp. (F and NF)	39,951,658,820	99.8791
2	Yan, Lucio W. Yan &/or Clara Y.	40,000,000	0.10%
3	Tacub, Pacifico B.	4,000,000	0.01%
4	Regina Capital Devt. Corp.	1,200,000	0.00%
5	Sucaldito, Enrique L.	1,000,000	0.00%
6	Mendoza, Roseller A.	650,000	0.00%
7	Comia Jr., Juan D.	500,000	0.00%

8	Puno, Orpha C.	220,000	0.00%
9	Young, Bartholomew Dybuncio	200,000	0.00%
10	Asuncion, Alexander G.	150,000	0.00%
11	Marana, Cenon Bienvenido C.	135,000	0.00%
12	Marana, Marie Jane C.	135,000	0.00%
13	Rayos Del Sol, Oscar M.	100,000	0.00%
14	Mariano, Maria Ana B.	20,000	0.00%
15	Limgenco, Dondi Ron R.	11,110	0.00%
16	Gili Jr, Guillermo F.	10,000	0.00%
17	Bes, Ronald S.	10,000	0.00%
18	Falcotelo, Matthew Henri H.	100	0.00%
19	Bautista, Joselito T.	10	0.00%
	Total	**40,000,000,0040**	**100.00%**

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

As of 30 September 2025, 1,830,732,600 common shares are held by non-Filipinos, placing the foreign ownership level of the Corporation at 4.58%. This is significantly below the foreign ownership limit of 40%.

(3) Dividends

The Company has not declared any kind of dividend to its shareholders since its incorporation. As of 31 December 2024, the Company has no unrestricted retained earnings.

(4) Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

For the year ended 31 December 2024, the Company has not issued any securities constituting an exempt transaction.

PART III - FINANCIAL INFORMATION

(A) Management's Discussion and Analysis

Plan of Operation

In 2018, the management plan was to proceed with the Macopa-Sagasa Development Work Program and Feasibility for its Davao Coal Project in connection with the signed Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation dated April 6, 2017 with initial delivery dated scheduled on November 2, 2018. However, this plan did not push through because the Company was not able to obtain from the Department of Energy (DOE), the conversion of Coal Operating Contract (COC) from exploration to Development/Production (D/P) phase and the related approval from National Commission on Indigenous Peoples (NCIP).

In 2019, the DOE approved the conversion of COC 159 from exploration to D/P Phase. As indicated in the terms and conditions, before the commencement of the D/P Phase, the company shall secure Certificate of Non-Overlap (CNO)/ Certification Precondition (CP)

from the NCIP thus, the Company requested the DOE for a new endorsement to the NCIP for the issuance of CNO/CP. The estimated acquisition date of CNO is within three to six months.

The ECC shall be applied for in time for the Development and Production Phase. The estimated date of production is within 18 months. The estimated price of coal is USD58 per metric ton.

Moreover, the Company will comply with the reportorial, documentary and permitting requirements in accordance with its Coal Operating Contract (COC), Environmental Compliance Certificate (ECC), and Local Government Unit (LGU) related laws and ordinances as applicable. The estimated amount of working capital needed to support the Group's operating cost before actual conversion is Php 23 Million. After the acquisition of the required permits and the required equipment, it will take around six (6) months, more or less, for the company to produce the saleable coal. The amount needed to meet the initial start-up cost and sustaining costs is estimated to be Php 500 Million with annual growth rate of 2.5%. This would require loan to finance the Group's start-up and sustaining costs. The composition of WACC is estimated to be 70% debt and 30% equity.

Aside from the maintenance of the physical assets of the Company, it will also continue the transferring of lot titles from the Old Macopa sellers to the Company.

The following tables present the summary financial Statements and Independent Auditor's Report for the ended December 31, 2024, 2023, and 2022.

COAL's Summary Audited Consolidated Financial Information			
as at			
	2024	**2023**	**2022**
	(One year)	**(One year)**	**(One year)**
Amounts are in Php			
Consolidated Statement of Comprehensive Income			
Sales	-	-	-
Cost of Sales	-	-	-
Gross Profit	-	-	-
General and Administrative Expenses	-22,272,894	-22,168,229	-31,502,566
Provision for Impairment Loss on EEA	-936,045,824	-211,922,923	-
Operating Income	-234,091,152	-234,091,152	-31,502,566
Other Income	-	750,000	-
Interest Income	8,360	1,171	965
Finance Cost	-	-	-
Income (loss) before income tax	-958,310,358	-233,338,783	-31,482,025

Provision For (Benefit From) Income Tax - Deferred	-11,507	-1,198	19,576
Net Income (loss)	-958,298,851	-233,338,783	-31,482,025
Consolidated Statement of Financial Position			
Assets			
Cash and cash equivalents	790,316	506,818	462,164
Funds held in escrow	-	-	-
Advances to Affiliates	2,050,940	2,070,917	2,063,862
Prepayments and other current assets	-	449,293	449,293
Total Current Assets	**2,841,256**	**3,027,028**	**2,975,319**
Exploration and evaluation assets	90,881,117	90,881,117	302,804,040
Property, plant and equipment –net	37,403,605	49,749,965	67,050,852
Coal Reserves	2,286,431,394	3,131,596,101	3,131,596,101
Deferred Tax Asset	-	-	-
Other Noncurrent Asset	1,089,465	1,082,925	1,082,925
Total Non-Current Assets	**2,324,924,464**	**3,273,310,108**	**3,502,533,918**
TOTAL ASSETS	**2,327,765,720**	**3,276,337,136**	**3,505,509,237**
Liabilities and Equity			
Trade and other payables	13,348,567	10,004,964	9,146,696
Advances from related parties	75,635,941	69,275,381	66,015,561
Current portion of loans payable	-	-	-
Income tax payable	-	-	-
Total Current Liabilities	**88,984,508**	**79,291,595**	**75,162,257**
Loan Payable-net of current portion	-	-	-
Retirement benefit liability	540,425	494,396	444,604
Deferred Tax Liability	1,179,796	1,191,303	1,203,751
Total Non-Current Liability	**1,720,221**	**1,685,699**	**1,648,355**
Capital Stock	4,000,000,004	4,000,000,004	4,000,000,004
Deficit	-1,766,267,935	-807,969,084	-574,630,301
Other Comprehensive income	3,328,922	3,328,922	3,328,922

Stockholders' Equity	**2,237,060,991**	**3,195,359,842**	**3,428,698,625**
TOTAL LIABILITIES AND EQUITY	**2,327,765,720**	**3,276,337,136**	**3,505,509,237**
Key Indicators			
Gross Profit Margin (%)	-	-	-
Net Income (loss) Margin (%)	-	-	-
Return on Asset (%)	-	-	-
Return on Equity (%)	-	-	-
Current Ratio(x)	0.03:1.00	0.04:1.00	0.06:1.00
Total Liabilities to Equity (x)	.04:1.00	.03:1.00	.02:1.00
Earnings Per Share (Basic) (Php 0.0000)	-0.240	-0.058	-0.0079
Book Value Per Share (Php 0.0000)	0.5593	0.7988	0.8571

Additional Disclosures for issuers with no revenues from operations in two (2) fiscal years

(1) The Company is planning will continue processing its permitting applications with, among others, the Department of Energy and the National Commission on Indigenous Peoples, in order to pursue commercial operations.
(2) As stated in the Consolidated Financial Statements for 2024 of the Company, the Group has not started commercial operations because of the delays in getting necessary approvals from the government of its COCs. This reduced the Group's operating funds. However, there is the commitment of the majority stockholders to provide continuing financial support not only for the Group's pre-operating activities but also for its working capital requirements when the Group starts commercial operations. There are no plans to raise additional funds from any public offering within the next twelve (12) months.
(3) There are no product research and development planned within the next twelve (12) months.
(4) There are no expected purchase or sale of plant and significant equipment within the next twelve (12) months.
(5) There are no expected significant changes in the number of employees within the next twelve (12) months.

A. Comprehensive Income for the year ended December 31, 2024 vs. Comprehensive Income for the year ended December 31, 2023 vs. Comprehensive Income for the year ended December 31, 2022

Sales

There were no sales for 2024, 2023 and 2022. TMEC focused on exploration of its COC areas and is awaiting conversion to development and production from the Department of Energy.

As at December 31, 2018, the Group has two Coal Operating Contracts (COC) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166). The Group has applied for a change in status of the COCs from exploration and evaluation stage to development and production stage.

On December 11, 2019, TMEC received the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the Pre-Condition Certificate (for Development and Production Phase) or Certificate of Non-Overlap (CNO) from the NCIP.

General and Administrative Expenses

General and administrative expenses amounted to ₱22.27M, due mainly to personnel costs, professional fees, communication expense, depreciation expense and taxes.

Interest Expense

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 Million. It bears an annual interest rate of 9%. On August 31, 2018, the Company fully paid its loans payable.

No interest expense incurred for the year 2024.

Interest Income

Interest income which came from interest earned from bank deposits, cash equivalents, restricted cash and funds held in escrow was Nil in 2024, 2023, and 2022, respectively.

Other Income

No sale of incidental produced coal since 2018.

Net Income

As a result of the foregoing, The Group realized net loss of ₱958.3 Million, ₱233.3 Million, ₱31.5 Million in 2024, 2023, and 2022, respectively.

B. Consolidated Statement of Financial Position

December 31, 2024 vs. December 31, 2023
Cash and Cash Equivalent

Cash and cash equivalents increased by ₱0.28 Million or 56%, to ₱0.50 Million as of December 31, 2024 from ₱0.50 Million as of December 31, 2023 was due mainly on additional exploration assets, rehabilitation of access roads, repayment of loan and other working capital expenses.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 31, 2024 was ₱2.05 Million.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. As of December 31, 2024, the balance is Nil.

Prepayments and Other Current Assets

Prepayments and other current assets decreased by ₱0.449 Million or 100%, to ₱0.00 Million as of December 31, 2024 from ₱0.449 Million as of December 31, 2023, mainly due to advances made to officers and employees.

Exploration and Evaluation Assets

Exploration and Evaluation Assets were decreased by ₱936.00 Million due to impairment.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by ₱12.3 Million or 25% due to depreciation incurred during the year.

Coal Reserves

Coal Reserves is now amounted to ₱2.29 Billion as of December 31, 2024. This represents the fair value of the coal reserve acquired as a result of the business combination. Based on the review of the recoverable amount of the Group's nonfinancial assets, management determined that there are no impairment losses in property and equipment.

Deferred Tax Assets

Deferred tax assets balance is Nil as of December 31, 2024 and December 31, 2023.

Other Noncurrent Asset

Restricted cash includes cash bond required by the NCIP upon the application of the Group's permit to proceed with its development phase for COC #159 and cash in bank set aside to settle obligations arising from a certain court case. During 2018, the National Labor Relations Commission released motion to issue order of release of the garnished deposit to execute the judgement award amounting to ₱1.08 Million.

Trade and Other Payables

Trade and other payables increased by ₱3.34 Million, to ₱13.34 Million as of December 31, 2024 from ₱10.0 Million as of December 31, 2024.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to ₱75.6 Million and ₱69.3 Million as at December 31, 2024 and 2023.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 Million. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%.

On August 31, 2018, the Company fully paid its loan payable.

Retirement Benefit Liability

Retirement Benefit Liability amounted to ₱0.54 Million of December 31, 2024, this is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to ₱1,766.27 Million as of end December 31, 2024. Deficit increased because of increased expenses and no sales during the year.

December 31, 2024 vs. December 31, 2023

Cash and Cash Equivalent

Cash and cash equivalents decreased by ₱0.28 Million or 55%, to ₱0.79 Million as of December 31, 2024 from ₱0.51 Million as of December 31, 2023 was due mainly on additional exploration assets, rehabilitation of access roads, repayment of loan and other working capital expenses.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 31, 2024 was ₱2.0 Million.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. As of December 31, 2024, the balance is Nil.

Prepayments and Other Current Assets

Prepayments and other current assets increased by ₱0.449 Million or 100%, to ₱0.00 Million as of December 31, 2024 from ₱0.449M as of December 31, 2023, mainly due to advances made to officers and employees.

Exploration and Evaluation Assets

There were no changes in Exploration and Evaluation due to the delay on exploration and pre-development phase of the mining properties in Davao Oriental.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by ₱12.34 Million or 25% due to depreciation incurred during the year.

Coal Reserves

Coal Reserves is now amounted to ₱2.29 Billion as of December 31, 2024. This represents the fair value of the coal reserve acquired as a result of the business combination. Based on the review of the recoverable amount of the Group's nonfinancial assets, management determined that there are no impairment losses in property and equipment.

Deferred Tax Assets

Deferred tax assets balance is Nil as of December 31, 2024 and December 31, 2023.

Other Noncurrent Asset

Restricted cash includes cash bond required by the NCIP upon the application of the Group's permit to proceed with its development phase for COC #159 and cash in bank set aside to settle obligations arising from a certain court case. During 2018, the National Labor Relations Commission released motion to issue order of release of the garnished deposit to execute the judgement award amounting to ₱1.08 Million.

Trade and Other Payables

Trade and other payables increased by ₱3.34 Million, to ₱13.34 Million as of December 31, 2024 from ₱10.00 Million as of December 31, 2023.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to ₱75.0 Million and ₱69.0 Million as at December 31, 2024 and 2023.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 Million. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%.

On August 31, 2018, the Company fully paid its loan payable.

Retirement Benefit Liability

Retirement Benefit Liability amounted to ₱0.54 Million of December 31, 2024, this is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to ₱1,766.27 Million as of end December 31, 2024. Deficit increased because of increased expenses and no sales during the year.

Consolidated Statement of Financial Position

Notes on the COAL's Financial Information

Coal Reserves

The Parent Company acquired TMEC in 2012 in exchange for Parent Company's common shares valued at P3,200.00 million. The Parent Company recognized the portion of consideration amounting to ₱3,131.6 Million as coal reserves.

In 2024 and 2023, the Group carried out a review of the recoverable amount of its coal reserves, exploration and evaluation assets, property and equipment, and intangible assets. The impairment test is based on value in use calculations using discounted cash flow approach from the Group's operations.

The key assumptions used to determine the value in use of the nonfinancial assets are as follows:

	2024	2023
Coal price	**$197/MT**	$197/MT
Foreign exchange rate	**₱58.01:$1**	₱55.57:$1
Discount rate	**11.48%**	10.35%
Estimated coal	**17.3 MMT**	17.3 MMT

projections are based on the most recent feasibility study approved by the senior management and submitted to the DOE. The values assigned to each key assumption are estimated with reference to recent external market information.

Average forecast period for COC #159 and COC #166 is at 9 years and 5 years, respectively. The average forecast period for COC #159 is greater than 5 years as the management can reliably estimate the cash flow for the entire duration. The terminal value was computed based on a zero-growth assumption for forecasts beyond the average forecast period.

Based on the impairment test performed, management assessed that the recoverable amounts of the coal reserves and other nonfinancial assets exceed it carrying amount. Management also believes that no reasonably possible change in any of the key assumptions would cause the carrying amounts of the nonfinancial assets to materially exceed their respective recoverable amounts.

In 2012, the Group obtained an independent valuation report to estimate the value of TMEC's coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information.

The independent valuation determined the value of the Group's coal reserves at ₱12.5 Billion.

Exploration and Evaluation Asset

Exploration and evaluation activity involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the coal resource.

Exploration and evaluation activity include:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the coal resource.

The account "Exploration and evaluation asset" is carried at cost less accumulated impairment losses.

Exploration and evaluation asset are no longer classified as such when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and

evaluation asset are assessed for impairment, and any impairment loss recognized, before reclassification.

The assets, liabilities, income and expense and operating and investing cash flows as at and for the year ended December 31, 2024 from the exploration for and evaluation of coal resources are as follows:

	2024	2023
Total assets	**P626,803,146**	**P694,459,716**
Total liabilities	**619,331,319**	**610,247,896**
Expenses	**79,759,008**	**19,745,303**
Net cash used in operating activities	**267,642**	**(2,411,127)**
Net cash used in investing activities	**(6,604,550)**	**(857,055)**
Net cash provided by financing activities	**6,400,000**	**3,250,000**

Exploration and evaluation asset pertain to costs incurred for the exploration and evaluation of the mining property situated in the province of Davao Oriental and Zamboanga Sibugay, Philippines.

COC #159and COC #166 provide a certain minimum work expenditure obligation covered by the work program of exploration phase.

The recovery of the exploration and evaluation asset is dependent upon the success of future exploration and evaluation activities and events.

Movements of this account are as follows:

	2024
Balance at beginning of year	P90,881,117
Additions for the year	-
Impairment for the year	-
Cost at the end of year	P90,881,117

The Group obtained an independent valuation report using the discounted cash flow approach to estimate the value of the coal reserves. The expected net present value of the coal reserve is estimated at P 12.5 Billion. The Group obtained an enterprise report dated March 15, 2013 to estimate the enterprise value of COC #159, Coal Blocks Nos. 217 (Macopa) and 136 (Bactinan). Discounted cash flow approach was used in the valuation of the coal reserve of COC #159, Coal blocks Nos. 217 (Macopa) and 136 (Bactinan) is estimated at P4.1 Billion.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash- generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less cost of disposal or value in use. In assessing value in use, the estimated future cash flows are

discounted to 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of comprehensive income.

An assessment is made at each reporting 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. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Exploration and Evaluation Assets. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. One or more of the following facts and circumstances indicate that exploration and evaluation assets require impairment test:

a. the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.

b. substantive expenditure on further exploration for and evaluation of coal reserves in the specific area is neither budgeted nor planned.

c. exploration for and evaluation of coal reserves in the specific area have not led to the discovery of commercially viable qualities of coal reserves and the entity has decided to discontinue such activities in the specific area.

d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Revenue Recognition of Sale of Coal

Revenue is recognized to the extent that the revenue can be reliably measured, it is probable that the economic benefits will flow to the Group, and the costs incurred or to be incurred can be measured reliably. In addition, the following specific recognition criteria must also be met before revenue is recognized.

Specifically, revenue from coal sales is recognized when the goods are delivered, the title to the goods has passed to the buyer and the amount of revenue can be measured reasonably.

Other Financial Information

As of and for period ended December 31, 2024:

- No material changes on COAL's financial position (changes of 5.00% or more).
- COAL is not aware of any known trends, or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in COAL's liquidity increasing or decreasing in any material way.

- It is not aware of any event that would trigger direct or contingent financial obligation that is material to COAL, including any default or acceleration of an obligation.
- All material off-balance sheet transactions, arrangements, obligations and other relationships of COAL with unconsolidated entities or other persons created during the period were considered.
- There were no known trends, events, or uncertainties on net revenues or income from continuing operations.
- Coal Asia Holdings Incorporated.
- COAL is not aware of any significant elements of income and loss that did not arise from COAL's continuing operations.
- COAL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.
- COAL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.

PART IV - MANAGEMENT AND CERTAIN SECURITY HOLDERS

Please refer to the portion of this Information Statement on "Directors and Executive Officers".

PART V - CORPORATE GOVERNANCE

In compliance with the initiative of the Securities and Exchange Commission ("SEC") under Memorandum Circular No. 19, Series of 2016, the Company's Revised Manual on Corporate Governance (the "Manual") was approved by the Board of Directors on 30 May 2017. The Manual is a supplement to the Company's Amended By-Laws.

Other portions of this Corporate Governance Section have been deleted pursuant to SEC Memorandum Circular No. 5, Series of 2013. The Integrated Annual Corporate Governance of the Corporation was submitted to the SEC and PSE on 30 May 2023.

For the meetings of the Board in 2025, the following directors were present:

DIRECTOR	12 SEPTEMBER	4 DECEMBER	22 DECEMBER	%
1. Harald R. Tomintz	✓	✓	✓	100
2. Johnson A. Sanhi Jr.	✓	✓	✓	100
3. Dexter Y. Tiu	✓	✓	✓	100
4. Eric Y. Roxas	✓	✓	✓	100
5. Juan Kevin G. Belmonte	✓	✓	-	75
6. Aristides S. Armas	-	✓	✓	100
7. Arsenio M. Bartolome III	-	✓	✓	100

For the meeting of the Audit Committee in 2024, the following members were present:

MEMBERS	APRIL 20	%
1. Eric Y. Roxas	-	0
2. Aristides S. Armas	✓	100
3. Arsenio M. Bartolome III	✓	100

PART VI - EXHIBITS AND SCHEDULES

Exhibits

Please refer to the attached audited consolidated financial statements as of and for the year ended 31 December 2024, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes, Tacandong & Co. Please see also the unaudited interim financial statements for period ended 30 SEPTEMBER 2025.

UNDERTAKING TO PROVIDE COPIES OF REPORTS

UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S INFORMATION STATEMENT (SEC FORM 20-IS), ANNUAL REPORT FOR 2021 (SEC FORM 17-A) FREE OF CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

ERIC PETER Y. ROXAS
THE CORPORATE SECRETARY
COAL ASIA HOLDINGS INCORPORATED
3RD FLOOR JTKC CENTER
2155 DON CHINO ROCES AVENUE MAKATI CITY

Coal Asia Holdings
Reliable energy resources through responsible mining

3rd Floor, JTKC Centre, 2155 Pasong Tamo, Makati City, Philippines

MINUTES OF THE ORGANIZATIONAL (REGULAR) MEETING OF THE BOARD OF DIRECTORS HELD ON 4 DECEMBER 2025 AT THE PRINCIPAL OFFICE ADDRESS AT 11:15 A.M..

==========

PRESENT:

HARALD R. TOMINTZ	-	Chairman
DEXTER Y. TIU	-	Treasurer
JOHNSON A. SANHI, JR.	-	President & CEO
ERIC PETER Y. ROXAS	-	Corporate Secretary
JUAN KEVIN G. BELMONTE	-	Independent Director
ARSENIO M. BARTOLOME III	-	Independent Director

ALSO PRESENT:

ROSANNA T. DESIDERIO	-	CHIEFINFORMATIONOFFICER /INVESTOR RELATIONS OFFICER/ COMPLIANCE OFFICER
GLENN Z. YAP		
MICHELLE EUNICE C. ROXAS		

I. PROOF OF CALL & CONFIRMATION OF NEWLY-ELECTED DIRECTORS

The Chairman, Mr. Harald R. Tomintz, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Eric Peter Y. Roxas, certified that the following have been duly elected as members of the Board of Directors for the year 2025, namely:

HARALD R. TOMINTZ
DEXTER Y. TIU
JOHNSON A. SANHI, JR.
ERIC PETER Y. ROXAS
ARISTIDES S. ARMAS
JUAN KEVIN G. BELMONTE
ARSENIO M. BARTOLOME III

II. CERTIFICATION OF QUORUM

Thereupon, Mr. Roxas certified that six out of the seven newly elected directors are present and that a quorum exists for the transaction of business. He then proceeded to record the minutes of the meeting.

III. PRESIDENT'S OPERATIONS & PERFORMANCE REPORT

The Chairman noted that the President's Report was already taken up during the Annual Stockholders' Meeting held immediately prior to the organizational meeting of the Board of Directors.

FOR APPROVAL

Forthwith, upon motion duly made and seconded, the President's Report was noted with approval by the Directorate.

IV. ELECTION OF CORPORATE OFFICERS FOR Y2025

The Corporate Secretary read out the names of the nominees as corporate officers for the year 2025. Upon motion duly made and seconded, the following were elected as Corporate Officers for the year 2025, namely:

NAME	POSITION
1. Harald R. Tomintz	Chairman
2. Johnson A. Sanhi, Jr.	President and Chief Executive Officer
3. Dexter Y. Tiu	Treasurer
4. Eric Peter Y. Roxas	Corporate Secretary
5. Rolando P. Domingo	Chief Financial Officer
6. Rosanna T. Desiderio	Chief Information Officer/ Investor Relations Officer/ Compliance Officer

- to act as such for one year and/or until their successor/s shall have been elected and qualified into office.

V. APPOINTMENT OF COMMITTEE MEMBERS FOR 2025-2026

Upon motion duly made and seconded, the following were designated to committees set out opposite their names, with their respective positions therein, thus:

COMMITTEE	MEMBERS
Corporate Governance Committee	Chairman: Arsenio M. Bartolome III Members : Aristides S. Armas Juan Kevin G. Belmonte
Risk and Audit Committee	Chairman: Aristides S. Armas Members : Arsenio M. Bartolome III Eric Peter Y. Roxas

A

Furthermore, Mr. Arsenio M. Bartolome III was named as Lead Independent Director.

VI. APPROVAL OF RESOLUTION

Upon motion duly made and seconded, the Board of Directors passed, approved and confirmed the following resolution, thus:

RESOLUTION

==========

In re Appointment of External Auditor for Y2025

"RESOLVED, that the appointment of the auditing firm, REYES, TACANDONG AND COMPANY (RTC) as the Corporation's external auditor for the Y2025, be, as it is hereby APPROVED, RATIFIED and CONFIRMED."

VII. ADJOURNMENT

Upon motion duly made and seconded, the Chairman declared the meeting adjourned at 11:25 A.M..

CERTIFIED CORRECT:

FOR APPROVAL

HARALD R. TOMINTZ
Chairman

ERIC PETER Y. ROXAS
Corporate Secretary

ATTEST:

DEXTER Y. TIU
Director

JOHNSON A. SANHI, JR.
Director

JUAN KEVIN G. BELMONTE
Director

ARSENIO M. BARTOLOME III
Director

FOR APPROVAL

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

CERTIFICATION

I, ERIC PETER Y. ROXAS, of legal age, Filipino, with office address at the 3rd Floor, JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, Philippines, after having been sworn to in accordance with law, do hereby certify, that:

1. I am the duly elected and incumbent Corporate Secretary of **COAL ASIA HOLDINGS INCORPORATED** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at the 3rd Floor, JTKC Centre, 2155 Pasong Tamo, Makati City.

2. Based on the information provided to the Corporation by the members of its Board of Directors and its principal executive officers, none of said members of the Board of Directors and principal executive officers of the Corporation, with the exception of Mr. Arsenio M. Bartolome III, are presently employed by any office or agency of the Philippine Government.

3. Attached herewith is a copy of the Certification of Independent Director executed by Mr. Arsenio M. Bartolome III dated October 23, 2025, which sets forth the positions and offices he presently holds in both the government and private sector, in accordance with the disclosure requirements of the Securities Exchange Commission and relevant corporate governance regulations.

4. This certification is being issued to attest to the truth and veracity of the foregoing and for whatever legal purpose it may serve.

IN ATTESTATION OF THE ABOVE, this Certificate was signed this 24 OCT 2025 day of October 2025 at Makati City, Philippines.

ERIC PETER Y. ROXAS
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 24 OCT 2025 day of October 2025 at Makati City, affiant exhibiting to me his TIN 106-207-301, as competent evidence of identity in accordance with the 2004 Rules on Notarial Practice.

Doc. No. 267
Page No. 55
Book No. 41
Series of 2025.

ATTY. RENE MA. M. VILLA
Notary Public of Makati City
Appointment No M-110
(Ren) (2025 2026)
Until December 31, 2026
PTR No 10467471, 01-03-2025; Makati City
IBP Lifetime No 013595, 12-27 2013; I.C
Roll No 37226
MCLE Compliance No VIII-0012754, 08-27-2024
Ground Floor, Makati Terraces Condominium
3650 Davila St., Tejeros, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JUAN KEVIN G. BELMONTE,** Filipino, of legal age after having been duly sworn to in accordance with law do hereby declare that:

1. I am currently a member of the Board of Directors, as Independent Director, of **COAL ASIA HOLDINGS INCORPORATED**, a publicly-listed corporation with principal office address at the 3rd Floor, JTKC Centre, 2155 Pasong Tamo, Makati City, and have been nominated for election to the same position at the forthcoming stockholders' meeting on 4 December 2025.

2. I am currently affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Philstar.Com	President and CEO	2000 – Present
People Asia	Director	2007 - Present
Nuvoland Philippines	Director and Chairman	2010 - Present
Philstar Daily, Inc.	Director	1994 – Present
JP Ventures Corp.	Director	2011 - Present
IP E-Games	Director	2010 – Present
PhilPlans Inc.	Director	

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **COAL ASIA HOLDINGS INCORPORATED,** as provided for in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of **COAL ASIA HOLDINGS INCORPORATED** and its subsidiaries and affiliates, as provided under Rules and Regulations and other SEC issuances.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. 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.

7. I shall inform the Corporate Secretary of **COAL ASIA HOLDINGS INCORPORATED** of any changes in the abovementioned information within five days from its occurrence.

Done this OCT 23 2025 day of October 2025, at Makati City.

JUAN KEVIN G. BELMONTE
Affiant

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S. S.

OCT 23 2025

SUBSCRIBED AND SWORN to before me this ___ day of October 2025 at Makati City, with affiant exhibiting to me his TIN No. 102-081-718 as his competent evidence of identity.

Doc. No. 203
Page No. 42;
Book No. XLV;
Series of 2025.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-118 until Dec. 31, 2026
Unit 3C LTA Building, 119 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 472006 / 10-02-2024 / Pasig City
PTR No. 10465768 / 01-02-2025 / Makati City
MCLE Compliance No. VIII-0024929/April 14, 2028

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ARISTIDES S. ARMAS,** Filipino, of legal age after having been duly sworn to in accordance with law do hereby declare that:

1. I am currently a member of the Board of Directors, as Independent Director, of **COAL ASIA HOLDINGS INCORPORATED**, a publicly-listed corporation with principal office address at the 3rd Floor, JTKC Centre, 2155 Pasong Tamo, Makati City, and have been nominated for election to the same position at the forthcoming stockholders' meeting on 4 December 2025.

2. I am currently affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
NexGen Energy Corp.	Independent Director	One (1) year
Pure Energy Holdings Corporation	Independent Director	Eight (8) years

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **COAL ASIA HOLDINGS INCORPORATED,** as provided for in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of **COAL ASIA HOLDINGS INCORPORATED** and its subsidiaries and affiliates, as provided under Rules and Regulations and other SEC issuances.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. 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.

7. I shall inform the Corporate Secretary of **COAL ASIA HOLDINGS INCORPORATED** of any changes in the abovementioned information within five days from its occurrence.

Done this OCT 23 2025 day of October 2025, at Makati City.

ARISTIDES S. ARMAS
Affiant

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S. S.

OCT 23 2025

SUBSCRIBED AND SWORN to before me this ___ day of October 2025, at Makati City, with affiant exhibiting to me his TIN No. 105-802-254 as his competent evidence of identity.

Doc. No. 204
Page No. 42
Book No. 44;
Series of 2025.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-116 until Dec. 31, 2026
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 470006 / 10-02-2024 / Pasig City
PTR No. 10465768 / 01-02-2025 / Makati City
MCLE Compliance No. VIII-0024929/April 14, 2023

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ARSENIO M. BARTOLOME III,** Filipino, of legal age after having been duly sworn to in accordance with law do hereby declare that:

1. I am currently a member of the Board of Directors, as Independent Director, of **COAL ASIA HOLDINGS INCORPORATED**, a publicly-listed corporation with principal office address at the 3rd Floor, JTKC Centre, 2155 Pasong Tamo, Makati City, and have been nominated for election to the same position at the forthcoming stockholders' meeting on 4 December 2025.

2. I am currently affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Amber Properties, Inc.	Chairman and President	April 2001 – Present (24 years)
National Development Company	Director	March 06, 2023 - Present
Enterprise Capital Bank, Inc.	Director	May 08, 2025 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **COAL ASIA HOLDINGS INCORPORATED,** as provided for in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of **COAL ASIA HOLDINGS INCORPORATED** and its subsidiaries and affiliates, as provided under Rules and Regulations and other SEC issuances.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. 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.

7. I shall inform the Corporate Secretary of **COAL ASIA HOLDINGS INCORPORATED** of any changes in the abovementioned information within five days from its occurrence.

Done this OCT 23 2025 day of October 2025, at Makati City.

ARSENIO M. BARTOLOME III
Affiant

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S. S.

OCT 23 2025

SUBSCRIBED AND SWORN to before me this ___ day of October 2025 at Makati City, with affiant exhibiting to me his TIN No. 110-179-356 as his competent evidence of identity.

Doc. No. 205
Page No. 42
Book No. VII
Series of 2025.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-116 until Dec. 31, 2026
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 470006 / 10-02-2024 / Pasig City
PTR No. 10465768 / 01-02-2025 / Makati City
MCLE Compliance No. VIII-0024929/April 14, 2028

SECURITIES AND EXCHANGE COMMISSION

SEC Form 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. January 6, 2025
(Date of Report)

2. SEC Identification No. **CS201210314**

3. BIR Tax Identification No. **008-297-271-000**

4. **COAL ASIA HOLDINGS INCORPORATED**
Exact name of issuer as specific in its charter

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

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

7. **3rd Floor, JTKC Centre, 2155 Pasong Tamo, Makati City, 1231**
Address of Principal Office and Postal Code

8. **(02) 8813 8892 to 97**
Issuer's telephone number, including area code

9. **N/A**
Former name, former address and former fiscal year, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	**40,000,000,040**

11. Item 9. Other Matters

Subject of the Disclosure

Comprehensive Corporate Disclosure on (1) the amendments to the Articles of Incorporation of Coal Asia Holdings Incorporated ("**COAL**" or the "**Company**"), which include (a) the change in corporate name, (b) the change in corporate purposes, and (c) the increase in Authorized Capital Stock; (2) the proposed issuance of common shares of stock of COAL in exchange for Tubig Pilipinas Group, Inc. ("**TPGI**") shares of stock; and (3) the divestment of Titan Mining Energy Corporation ("**TMEC**") (collectively, the "**Resolutions**").

Background/Description of the Disclosure

On December 22, 2025, during the special board meeting held by the Board of Directors of COAL (the "**Board**"), the Board approved the Resolutions.

Due primarily to the change in business of COAL, the PSE deemed the foregoing acts and transactions of the Company to be covered by the PSE's Revised Rules on Backdoor Listing and consequently directed COAL to submit a Comprehensive Corporate Disclosure to apprise the trading participants and the investing public.

Date of Approval by Board of Directors

The Board approved the Resolutions on December 22, 2025, and they were disclosed to the PSE immediately thereafter.

Nature and description of the proposed transaction including the timetable for implementation, and related regulatory requirements

On December 22, 2025, during its special board meeting, the Board approved the following Resolutions:

1. Amendments to the Articles of Incorporation

    a. Change in Corporate Name of the Company from Coal Asia Holdings Incorporated to "Tubig Pilipinas Holdings Inc.";

    b. Amendment in the Primary and Secondary Purposes of the Company
        i. Upon approval of the Securities and Exchange Commission ("**SEC**"), the primary purpose of the Company will read, thus:
            1. To engage in the business of holding companies engaged in the business of water distribution, supply, sewage, septage and bulk supply, and and their related activities;
            2. To vote its shareholdings in other companies and exercise all the rights of a shareholder under the Corporation Code and applicable laws;
            3. To purchase, acquire x x x;
            4. To enter into x x x;
            5. To purchase or otherwise acquire x x x;

6. To engage in the business x x x;
7. To purchase, own, sell x x x;
8. To act as manufacturer's representative x x x;
9. To act as managers x x x;
10. To do other acts and things, necessary, desirable or appropriate for the attainment of these purposes;

ii. And its Secondary Purposes, amended, to read thus:

1. To carry on the general business of operating, managing, maintaining and rehabilitating waterworks, sewerage, and sanitation systems and services, specifically, for the distribution, supply and sale of potable water; the provision of sewerage and sanitation systems; the maintenance, development, repair and upgrading of water and wastewater facilities including water supply, treatment, distribution of water, sewerage and sanitation, metering and leakage control, customer service and billing; the construction, maintenance and operation of all necessary and convenient buildings, structures, dams, reservoirs, conduits, aqueducts, tunnels, purification plants, water mains, pipes, pumping stations, machineries, sanitary sewerages and other waterworks and the acquisition, lease, occupation or use of land rights of way and easement therein; the provision of allied and ancillary services; and undertaking such other activities incidental to the foregoing;
2. To act as holding company for, and/or to carry on directly or indirectly, the business of generating energy derived from geothermal, nuclear including the use of small modular reactors (SMRs), natural gas, hydroelectric new and renewable energy including but not limited to utility scale ground solar farms, floating solar farms and rooftop solar power, wind farms for onshore and offshore, biomass and biogas power systems, and energy generation and other viable sources of power, for lighting and power purposes and whole selling the electric power to any corporation, public electric utilities and electric cooperatives and for carrying on of all necessary and convenient buildings, structures, machinery, sub-stations, transmission lines, poles, wires and other things and devices, and to acquire and hold water and flowage rights and to acquire, lease, hold, occupy or use land rights of way and easement therein; buying, selling, brokering, marketing or aggregating electricity to end-users; to provide power generation, electricity trading and electricity supply services to distribution utilities and other entities, including but not limited to, electric cooperatives to install, build, own, lease, maintain or operate power generation facilities, using renewable energy; and to engage in any and all acts which may be necessary, or convenient, in the furtherance of such power generation services to develop, construct, own, lease and operate electricity generation and/or distribution, and/or hydropower plants or related businesses; to engage in build-operate-transfer arrangements with the government, its branches, agencies and instrumentalities, and any non-government entity; act as consultants, contractors or principals in the business of developing, constructing, operating, repairing and maintaining of hydropower plants and systems and other power-generating or converting stations and in the manufacture, operation and repair of associated mechanical and electrical equipment; to carry on the general business of manufacture, generation, and/or transmission of electric power in accordance with existing laws, rules and

regulations; and to carry on all business necessary or incident to all the foregoing; to purchase, acquire, own, lease, sell and convey real properties such as lands, buildings, factories, and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, including the importation of plants, machineries, equipment, and any and all implements necessary, desirable and required for the corporation's power generation, distribution, transmission systems and other matters related to but not confined to energy related businesses; to engage, operate and maintain water and electric facilities or make the necessary undertakings for the distribution of such facilities to consumers, and in relation thereto, engage in other allied services and business necessary for the conduct and maintenance of the above projects; to engage in the business of agriculture, plantations of any kind, farms, indoor farming, aquaculture, and akin industries and activities; Watershed conservation, forestry, and all other allied industries and activities; to engage in the business of generating of electricity and distribution of the same through waste energy with agricultural waste and commercial/residential and waste, and all other waste to energy power systems.

iii. With the rest of the un-amended provisions in such articles re-numbered.

c. Increase in Authorized Capital Stock
   i. From PESOS: FIVE BILLION (P5,000,000,000.00) divided into FIFTY BILLION (50,000,000,000) shares with a par value of Ten Centavos (P0.10) per share, to PESOS: THIRTEEN BILLION (P13,000,000,000.00) divided into ONE HUNDRED THIRTY BILLION (130,000,000,000) shares with a par value of Ten Centavos (P0.10) per share;
   ii. And the subscription out of the increase of PESOS: EIGHT BILLION (P8,000,000,000.00) shall be at least twenty-five percent (25%) thereof or PESOS: TWO BILLION (P2,000,000,000.00), divided into TWENTY BILLION (20,000,000,000) shares, and out of such subscription, the paid-in capital shall be at least twenty-five percent (25%) thereof or PESOS: FIVE HUNDRED MILLION (P500,000,000.00);

2. Share Swap

The issuance by the Company of primary shares out of the increase in the Authorized Capital Stock at par value to Pure Water Corporation, Quadwater Corporation and, subject to the receipt of necessary approvals, CEF2 A09 B.V., in exchange for the transfer by them to the Company of up to one hundred percent (100%) of the outstanding capital stock of Tubig Pilipinas Group, Inc. ("**TPGI**"; and the transaction, the "**Share Swap**"), at a value determined based on an independent fairness opinion and valuation report.

Further details on the Share Swap will be disclosed once the terms and conditions are finalized.

3. Divestment of Titan Mining Energy Corporation

The divestment by the Company of its lone subsidiary, Titan Mining Energy Corporation ("**TMEC**"). Further details on the divestment of TMEC will be disclosed once the terms and conditions are finalized.

4. Other approvals related to the Resolutions above.

The Company has set the Special Stockholders' Meeting on February 11, 2026 for the approval of the Resolutions. After the stockholders' approval, the Company shall file an application for the increase of its Authorized Capital Stock to accommodate the Share Swap. Upon approval of the SEC of the increase in Authorized Capital Stock, the Share Swap will be executed. To comply with the Revised Backdoor Listing Rules of the Exchange, a follow-on offering is expected to be undertaken by COAL within one (1) year following the completion of the Share Swap.

Reason/purpose of the transaction including the benefits which are expected to accrue to the listed company as a result of the transaction

The proposed increase in authorized capital stock is for the purpose of meeting the present and future business requirements of the Company, including the implementation of the Share Swap.

The Share Swap and the divestment of TMEC align with the Company's strategic objective of pivoting its business from coal mining into water utilities. Acquiring TPGI represents a unique and valuable opportunity for the Company to transform its business and play an important role in improving the quality of Philippine infrastructure and the delivery of basic services through the sustainable development of the country's water facilities.

The aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any arrangements for payment on a deferred basis

Share Swap

The aggregate value of COAL's acquisition of TPGI is approximately PESOS: SIX BILLION SIX HUNDRED FORTY-SIX MILLION (P6,646,000,000.00) based on the preliminary valuation report dated December 22, 2025 by independent valuation firm Isla Lipana & Co.

Subject to the receipt of requisite regulatory approvals, TPGI shall be infused into COAL through a tax-free exchange, i.e., via the issuance by COAL of primary shares out of its increase in Authorized Capital Stock at par value to Pure Water Corporation, Quadwater Corporation, and, subject to their receipt of necessary approvals, CEF2 A09 B.V., in exchange for the transfer by them to COAL of up to one hundred percent (100%) of the outstanding capital stock of TPGI.

Divestment of TMEC

The terms and conditions of the divestment by COAL of TMEC shall be determined by its Board in due course. Once such terms and conditions are finalized, the Company shall promptly provide the appropriate disclosures or notifications to the Exchange.

The basis upon which the consideration or the issue value was determined with a detailed explanation thereof

Share Swap

The price of Ten Centavos (P0.10) for the COAL shares to be issued to TPGI shareholders in consideration of their transfer of TPGI shares to COAL was determined by the Board of COAL based on the par value of Ten Centavos (P0.10) per share of the Company's Authorized Capital Stock. Under applicable law, primary shares must be issued at a price that is not less than the par value of the Company's shares as fixed in the Articles of Incorporation.

The value of the TPGI shares to be infused into COAL was agreed among the parties as a reasonable value after extensive negotiations informed by a preliminary valuation report prepared by Isla Lipana & Co. The valuation range in such preliminary valuation report was independently estimated by Isla Lipana & Co. using a combination of the income and market approaches.

After it has obtained its confirmation of independence from the PSE, Isla Lipana & Co. will be required to issue the corresponding "fairness opinion" with the valuation report to support the application for the approval of the Share Swap to be filed with the SEC and the PSE.

Divestment of TMEC

The terms and conditions of the divestment by COAL of TMEC shall be determined in due course. Once such terms and conditions are finalized, the Company shall promptly provide appropriate disclosures or notifications to the Exchange.

Detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program

Share Swap

There will be no cash consideration for the issuance of common shares to TPGI shareholders as part of the Share Swap.

Divestment of TMEC

The terms and conditions of the divestment by COAL of TMEC shall be determined in due course. Once such terms and conditions are finalized, the Company shall likewise determine the corresponding use of proceeds and promptly provide appropriate disclosures or notifications to the Exchange.

A statement of active business pursuits and objects which details the steps undertaken and proposed to be undertaken by the listed company in order to advance its business

(1) The matters that have been approved by the Board in its meeting on December 22, 2025, which will be presented to the stockholders for their approval at the Special Stockholders' Meeting on February 11, 2026, and (2) the contemplated subsequent follow-on offering are the steps being undertaken by the Company in order to advance its business.

Comparison before and after the transaction of the following:

1. ***Increase in authorized capital stock***

   From: Five Billion Pesos (P5,000,000,000.00) divided into Fifty Billion (50,000,000,000) shares with a par value of Ten Centavos (P0.10) per share.

   To: Thirteen Billion Pesos (P13,000,000,000.00) divided into One Hundred Thirty Billion (130,000,000,000) shares with a par value of Ten Centavos (P0.10) per share.

2. ***Nature of business or primary purpose***

From: *"To act as a holding company which will invest in corporations engaged in the business of generating energy derived from coal, fossil, fuel, geothermal, nuclear including the use of small modular reactors (SMRs), natural gas, hydroelectric new and renewable energy including but not limited to utility scale ground solar farms, floating solar farms and rooftop solar power, wind farms for onshore and offshore, biomass and biogas power systems, and energy generation and other viable sources of power, for lighting and power purposes and whole selling the electric power to any corporation, public electric utilities and electric cooperatives and for carrying on of all necessary and convenient buildings, structures, machinery, sub-stations, transmission lines, poles, wires and other things and devices, and to acquire and hold water and flowage rights and to acquire, lease, hold, occupy or use land rights of way and easement therein without however engaging as an investment company under the Investment Act or a finance company or as a bank or financial institution but only holding the foregoing assets for purely investment purposes."*

To: *"To engage in the business of holding companies engaged in the business of water distribution, supply, sewage, septage and bulk supply, and their related activities"*

3. ***Board of Directors, principal officers, major shareholders***

Board of Directors

Before		After	
Name	**(Regular or Independent)**	**Name**	**(Regular or Independent)**
Harald R. Tomintz	Regular	Harald R. Tomintz	Regular
Johnson A. Sanhi, Jr.	Regular	Johnson A. Sanhi, Jr.	Regular
Dexter Y. Tiu	Regular	Dexter Y. Tiu	Regular
Eric Peter Y. Roxas	Regular	Eric Peter Y. Roxas	Regular
Juan Kevin G. Belmonte	Independent	Juan Kevin G. Belmonte	Independent
Aristides S. Armas	Independent	Aristides S. Armas	Independent
Arsenio M. Bartolome III	Independent	Arsenio M. Bartolome III	Independent

Principal Officers

Before		After	
Name	**Position**	**Name**	**Position**
Johnson A. Sanhi, Jr.	President and Chief Operating Officer	Johnson A. Sanhi, Jr.	President and Chief Operating Officer
Dexter Y. Tiu	Treasurer	Dexter Y. Tiu	Treasurer
Eric Peter Y. Roxas	Corporate Secretary	Eric Peter Y. Roxas	Corporate Secretary

Before		After	
Name	**Position**	**Name**	**Position**
Rolando P. Domingo	Chief Financial Officer	Rolando P. Domingo	Chief Financial Officer
Rosanna T. Desiderio	Accounting Manager, Investor Relations Officer, Compliance Officer	Rosanna T. Desiderio	Accounting Manager, Investor Relations Officer, Compliance Officer

4. ***Name of the listed company***

From: Coal Asia Holdings Incorporated (with stock symbol "COAL")

To: Tubig Pilipinas Holdings Inc. (with stock symbol "[TUBIG]")

5. ***Effect of transaction on the following:***

Ownership structure (including percentage holdings to total outstanding shares before and after the transaction)

Principal Shareholders	Before		After	
	Number of shares	**%**	**Number of shares**	**%**
Pure Water Corporation	11,840,585,008	29.60%	40,086,085,008	37.65%
Quadwater Corporation	11,840,585,007	29.60%	40,086,085,007	37.65%
Pure Energy Holdings Corporation	4,990,229,985	12.48%	4,990,229,985	4.69%
CEF2 A09 B.V.	0	0.00%	9,969,000,000	9.36%
Directors and Officers	4,120,040	0.01%	4,120,040	0.00%
Public Float	11,324,480,000	28.31%	11,324,480.000	10.64%
Total	**40,000,000,040**	**100.00%**	**106,460,000,040**	**100.00%**

Capital structure

Issued Shares

Type of Security/Stock Symbol	Before	After
Common Shares / COAL	40,000,000,040	106,460,000,040

Outstanding Shares

Type of Security/Stock Symbol	Before	After
Common Shares / COAL	40,000,000,040	106,460,000,040

Treasury Shares

Type of Security/Stock Symbol	Before	After
Common Shares / COAL	0	0

Listed Shares

Type of Security/Stock Symbol	Before	After
Common Shares / COAL	40,000,000,040	40,000,000,040

Public float

Effect(s) on the public float, if any	From 28.31%, public float shall decrease to 10.64% after the completion of the Share Swap
Effect(s) on foreign ownership level, if any	N/A

6. ***Registration statement of the listed company***

The Company will be coordinating with the SEC with respect to the amendment of its registration statement, if necessary, in relation to the Resolutions and shall promptly make the appropriate disclosure to the Exchange once a final decision or directive has been received from the SEC.

Information on the unlisted company, including the following:

Tubig Pilipinas Group Inc. ("**TPGI**") was incorporated under the laws of the Philippines and maintains its registered office address and principal place of business at 3/F JTKC Centre, 2155 Don Chino Roces Ave., Makati City, 1231. TPGI was incorporated for the primary purpose to carry on the general business of operating, managing, maintaining and rehabilitating waterworks, sewerage and sanitation systems and services, specifically, for the distribution, supply and sale of potable water; the provision of sewerage and sanitation systems; the maintenance, development, repair and upgrading of water and waste water facilities including water supply, treatment, distribution of water, sewerage and sanitation, metering and leakage control, customer service and billing; the construction, maintenance and operation of all necessary and convenient buildings, structures, dams, reservoirs, conduits, aqueducts, tunnels, purification plants, water mains, pipes, pumping stations, machineries, sanitary sewerages and other waterworks and the acquisition, lease, occupation or use of land rights of way and easement therein; the provision of allied ancillary services; and undertaking such other activities incidental to the foregoing.

1. ***Articles of Incorporation, By-Laws and General Information Sheet***

Please refer to **Annex A** for TPGI's latest Amended Articles of Incorporation.

Please refer to **Annex B** for TPGI's latest Amended By-Laws.

Please refer to **Annex C** for TPGI's General Information Sheet for the year 2025.

2. ***Discussion on major projects and investments***

TPGI was incorporated on October 27, 2014 with the goal to own, operate, manage and rehabilitate waterworks, sewage and sanitation systems and services and supply clean, potable water to unserved or underserved communities outside Metro Manila. TPGI currently has a roster of 12 operational plants nationwide, 5 projects in construction, as well as other projects at various stages in the pipeline.

3. ***Capital structure***

Authorized Capital Stock

Type of Security	Amount	Number of Shares
Common Shares	2,000,000,000.00	2,000,000,000

Subscribed Shares

Type of Security	Amount	Number of Shares
Common Shares	632,352,943.00	632,352,943

Paid-Up Capital

Type of Security		Amount
Amount		232,767,113.00

Issued Shares

Type of Security	Amount	Number of Shares
Common Shares	632,352,943.00	632,352,943

Outstanding Shares

Type of Security	Amount	Number of Shares
Common Shares	632,352,943.00	632,352,943

Par Value

Type of Security		Amount
Common Shares		1.00

4. ***Ownership structure (including percentage holdings)***

Name	Number of Shares	% Ownership
Pure Water Corporation	268,749,998	42.50%
Quadwater Corporation	268,749,997	42.50%
CEF2 A09 B.V.	94,852,942	15.00%
Directors and Officers	6	0.00%
Total	**632,352,943**	**100.00%**

5. ***Board of Directors, principal officers and major shareholders***

Board of Directors

Name	(Regular or Independent)
Dexter Y. Tiu	Regular
Ryan Wesley T. Yapkianwee	Regular
Conrado Ma. Leandro Francisco G. Belisario	Regular
Howard Conrad T. Sy	Regular
John Benedict B. Victorino	Regular

Principal Officers

Name	Position
Ryan Wesley T. Yapkianwee	President
Conrado Ma. Leandro Francisco G. Belisario	Treasurer
Eric Peter Y. Roxas	Corporate Secretary
Marc Eric C. Roxas	Chief Operating Officer

6. ***Audited financial statements or Annual Report for the last three (3) years.***

Please refer to **Annex D, E and F** for TPGI's Audited Financial Statements for the years ended December 31, 2024, 2023, and 2022.

The interest which directors of the parties to the transaction have in the transaction

Name	Position in TPGI	Shareholdings in TPGI	Position in COAL	Shareholdings in COAL
Dexter Y. Tiu	Shareholder and Director	0.00% - 1 Share	Shareholder, Director, and Treasurer	0.0% - 0 shares
Eric Peter Y. Roxas	Shareholder and Corporate Secretary	0.00% - 1 Share	Shareholder, Director, and Corporate Secretary	0.0% - 2,000,000 shares

Statement as to the steps to be taken, if any, to safeguard the interests of the shareholders which shall include the company's concrete and detailed plans of compliance with the mandatory tender offer requirements under the SRC and all relevant rules of the Commission and the Exchange, if applicable

Pursuant to a Share Purchase Agreement dated September 26, 2025, as amended on December 18, 2025, Pure Water Corporation, Quadwater Corporation and Pure Energy Holdings Corporation acquired 71.68%

of COAL's issued and outstanding capital stock. In compliance with Section 19 of the Securities Regulation Code and Rule 19 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code, as amended, Pure Water Corporation and Quadwater Corporation conducted a tender offer from November 14, 2025 until December 12, 2025. There were no availments or tendered shares during the tender offer period.

The Company will be coordinating with the SEC regarding their confirmation that no tender offer is necessary to effect the transactions contemplated under the Resolutions and shall promptly make the appropriate disclosure to the Exchange once such confirmation is received.]

In addition, COAL shall initiate and pursue fundraising activities that include at least one follow-on offering that shall be conducted by the Company within one (1) year from the completion of the Share Swap.

Other relevant information as may be required by the Exchange

For additional information, the Amended Articles of Incorporation, By-Laws, 2025 General Information Sheet, and the latest Audited Financial Statements of TPGI are attached as **Annexes A, B, C, D, E and F** respectively.

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on January 6, 2026.

By:

HARALD R. TOMINTZ
Chairman of the Board

JOHNSON A. SANHI, JR.
President and Chief Operating Officer

ROLANDO P. DOMINGO
Chief Financial Officer

ERIC PETER Y. ROXAS
Corporate Secretary

SUBSCRIBED AND SWORN to before me this _____ day of JAN 0 6 2026, affiants exhibiting to me their Tax Identification Number, as follows:

NAME	TAX IDENTIFICATION NUMBER
HARALD R. TOMINTZ	[redacted]
JOHNSON A. SANHI, JR.	[redacted]
ROLANDO P. DOMINGO	[redacted]
ERIC PETER Y. ROXAS	[redacted]

Doc. No. 376
Page No. 77
Book No. I
Series of 2026.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-118 until Dec. 31, 2026
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 556586 / 12-18-2025 / Pasig City
PTR No. 10764057 / 01-02-2026 / Makati City
MCLE Compliance No. VII-0024229 / April 14, 2025

SIGNATURES

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

COAL ASIA HOLDINGS INCORPORATED
(Registrant)

By:

ERIC PETER Y. ROXAS
Corporate Secretary

Date: **06 January 2026**

ANNEX "A"

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
Ground Floor, Secretariat Building, PICC
City Of Pasay, Metro Manila

COMPANY REG. NO. CS201421025

CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the amended articles of incorporation of the

TUBIG PILIPINAS GROUP INC.

(Amending Article II Secondary Purpose thereof)

copy annexed, adopted on October 14, 2019 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on his date pursuant to the provision of Section 15 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019, and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing/lending company and time shares/club shares/membership certificates issuers or selling agents thereof; nor to operate a fiat money to virtual currency exchange. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 17th day of January, Twenty Twenty.

DANIEL P. GABUYO
Assistant Director
SO Order 1188 Series of 2018

JV/qba

COVER SHEET

for Applications at

COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application

AMENDMENT

SEC Registration Number

CS201421025

Former Company Name

TUBIG PILIPINAS GROUP, INC.

AMENDED TO:

New Company Name

Principal Office (No./Street/Barangay/City/Town)Province)

3F JTKC CENTRE, 2155 DON CHINO

AVENUE MAKATI CITY

ZIP CODE

COMPANY INFORMATION

Company Email Address	Company's Telephone Number/s	Mobile Number
contact@tubigpilipinas.com	(02) 813-8892	-

CONTACT PERSON INFORMATION

*The designated person **MUST** be a Director/Trustee/Partner/Officer/Resident Agent of the Corporation*

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ryan Wesley T. Yapkianwee	ryan.yap@pureenergy.com.ph	(02) 813-8892	-

Contact Person's Address

3F JTKC Centre ,2155 Chino Roces Avenue, Makati City

To be accomplished by CRMD Personnel

	Date	Signature
Assigned Processor		

Document I.D.

PRESENTED ON:

COUNTER OFFICER:

PROCESSOR:

Received by **Corporate Filing and Records Division (CFRD)**

Forwarded to:

- ☐ Corporate and Partnership Registration Division
- ☐ Green Lane Unit
- ☐ Financial Analysis and Audit Division
- ☐ Licensing Unit
- ☐ Compliance Monitoring Division

AMENDED
ARTICLES OF INCORPORATION
of
TUBIG PILIPINAS GROUP INC.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned incorporators, all Filipinos, of legal ages and all of whom are residents of the Republic of the Philippines, have this day voluntarily associated together for the purpose of forming a stock corporation under the laws of the Philippines.

AND WE CERTIFY THAT-

FIRST: The name of the corporation shall be:

TUBIG PILIPINAS GROUP INC.

SECOND: That the purposes for which the said corporation is formed are as follows:

PRIMARY PURPOSE

To carry on the general business of operating, managing, maintaining and rehabilitating waterworks, sewerage, and sanitation systems and services, specifically, for the distribution, supply and sale of potable water; the provision of sewerage and sanitation systems; the maintenance, development, repair and upgrading of water and wastewater facilities including water supply, treatment, distribution of water, sewerage and sanitation, metering and leakage control, customer service and billing; the construction, maintenance and operation of all necessary and convenient buildings, structures, dams, reservoirs, conduits, aqueducts, tunnels, purification plants, water mains, pipes, pumping stations, machineries, sanitary sewerages and other waterworks and the acquisition, lease, occupation or use of land rights of way and easement therein; the provision of allied and ancillary services; undertaking such other activities incidental to the foregoing.

SECONDARY PURPOSES

1. To purchase, acquire, own, build, construct, lease (except financial leasing), mortgage, sell and convey real properties such as lands, buildings, factories and warehouse and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business; and to pay in cash, shares of its capital stock, debentures and other indebtedness, or other securities as may be deemed expedient, for any business or property acquired by the Corporation;

2. To borrow or raise money from not more than nineteen (19) lenders including its stockholders necessary to meet the financial requirements of its business by the issuance of bonds, promissory notes and other evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the corporation or to issue pursuant to law shares of its capital stock, debentures and other evidences of indebtedness in payment for properties acquired by the Corporation for money borrowed in the prosecution of its lawful business;

3. To invest and deal with the money and properties of the Corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell, dispose of or transfer the business, properties and goodwill of the Corporation or any part thereof for such consideration and under such terms as it shall see fit to accept;

4. To acquire or obtain from any government, or authority, national, provincial, municipal or otherwise, or any corporation, company, partnership or person, such charter, contract, franchise, privileges, exemption, licenses and concessions as may be conducive to any of the objects of the Corporation;

5. To establish and operate one or more branch of office or agencies and to carry on any or all of its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge and convey or otherwise deal in and with real or personal property anywhere within the Philippines;

6. To conduct and transact any and all lawful activities, or to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation;

7. **TO MAKE ANY KIND OF GUARANTEE OR ACT AS SURETY AND/OR SECURE, IN WHATEVER MAY BE NECESSARY OR INCIDENTAL TO THE BUSINESS OF THE COMPANY, SOLELY OR JOINTLY, ANY DEBT, OBLIGATION OR LOAN OF ANY PARENT, SISTER, SUBSIDIARY CORPORATION, INCORPORATED OR UNINCORPORATED JOINT VENTURE, OR ANY CORPORATION OR PROJECT OR FINANCING WHERE THE COMPANY HAS INTEREST. (As amended by the stockholders representing at least 2/3 of the outstanding capital stock, and the Board of Directors constituting the entire membership thereof, at the meeting held on 14 October 2019 at the principal office address.)**

THIRD: That the place where the principal office of the corporation is to be established is at 3rd Floor JTKC Centre, 2155 Don Chino Roces Ave. Makati City, Philippines without prejudice to the opening or maintenance of branches or correspondent or representative offices in or outside the Republic of the Philippines as the exigencies of the business or operations of the Corporation may require from time to time.

FOURTH: That the term for which said corporation is to exist is FIFTY (50) years from and after the date of the issuance of the Certificate of Incorporation, renewable for such terms as may be permitted under the laws of the Republic of the Philippines.

FIFTH: That the names, nationalities and addresses of the incorporators of the Corporation are as follows:

NAME	NATIONALITY	ADDRESS
DEXTER Y. TIU	Filipino	[redacted]
RYAN WESLEY T. YAPKIANWEE	Filipino	[redacted]

GERTIM G. CHUAHIONG	Filipino	[redacted]
PAULO M. CALUGAY	Filipino	[redacted]
ERIC Y. ROXAS	Filipino	[redacted]

SIXTH: That the number of directors of the corporation shall be five (5) and the names, nationalities and addresses of the first directors of the Corporation who are to serve until their successors are elected and qualified as provided in its By-Laws are as follows:

NAME	NATIONALITY	ADDRESS
DEXTER Y. TIU	Filipino	[redacted]
RYAN WESLEY T. YAPKIANWEE	Filipino	[redacted]
GERTIM G. CHUAHIONG	Filipino	[redacted]
PAULO M. CALUGAY	Filipino	[redacted]
ERIC Y. ROXAS	Filipino	[redacted]

SEVENTH: That the authorized capital stock of the corporation is FIFTY MILLION (P50,000,000.00) Pesos in lawful money of the Philippines, divided into FIFTY MILLION (50,000,000) shares with a par value of One Peso (P1.00) per share.

EIGHTH: That at least twenty five percent (25%) of the authorized capital stock above stated have been subscribed as follows:

NAME	NATIONALITY	NO. OF SHARES SUBSCRIBED	AMOUNT SUBSCRIBED
PURE WATER CORPORATION	Filipino	6,249,997	Php6,249,997.00
QUADWATER CORPORATION	Filipino	6,249,998	PHP6,249,998.00
DEXTER Y. TIU	Filipino	1	1.00
RYAN WESLEY T. YAPKIANWEE	Filipino	1	1.00
ERIC Y. ROXAS	Filipino	1	1.00
GERTIM G. CHUAHIONG	Filipino	1	1.00
PAULO M. CALUGAY	Filipino	1	1.00
TOTAL		12,500,000	12,500,000.00

NINTH: That at least twenty-five percent (25%) of the total subscription has been paid as follows:

NAME	NATIONALITY	NO. OF SHARES SUBSCRIBED	AMOUNT SUBSCRIBED
PURE WATER CORPORATION	Filipino	1,562,497	Php1,562,497.00
QUADWATER CORPORATION	Filipino	1,562,498	Php1,562,498.00
DEXTER Y. TIU	Filipino	1	1.00
RYAN WESLEY T. YAPKIANWEE	Filipino	1	1.00
ERIC Y. ROXAS	Filipino	1	1.00
GERTIM G. CHUAHIONG	Filipino	1	1.00
PAULO M. CALUGAY	Filipino	1	1.00
TOTAL		3,125,000	3,125,000.00

TENTH: That DEXTER Y. TIU has been elected by subscribers as Treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the by-laws; and that as such Treasurer-in-Trust, he has been authorized to receive for and in the name and for the benefit of the corporation, all subscriptions paid by the subscribers.

ELEVENTH: No transfer of stocks or interest which would reduce the stock ownership of Filipino citizen to less the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the corporation and this restriction shall be indicated in all the stock certificates issued by the corporation.

TWELVETH: That the corporation manifest its willingness to change its corporate name in the event another person, firm or entity has acquired prior rights to use the firm name or one deceptively or confusingly similar to it.

IN WITNESS WHEREOF, we have set our hands this 10th day of October 2014 at Makati City, Philippines.

(SGD) DEXTER Y. TIU
[redacted]

(SGD) GERTIM G. CHUAHIONG
[redacted]

(SGD) RYAN WESLEY T. YAPKIANWEE
[redacted]

(SGD) PAULO M. CALUGAY
[redacted]

(SGD) ERIC Y. ROXAS
[redacted]

SIGNED IN THE PRESENCE OF:

Republic of the Philippines)
QUEZON CITY) S.S.

Before Me, a Notary Public in and for QUEZON CITY, Philippines, this OCT 22 2014 day of
personally appeared :

NAMES	TIN NO.
DEXTER Y. TIU	[redacted]
RYAN WESLEY T. YAPKIANWEE	
PAULO M. CALUGAY	
GERTIM G. CHUAHIONG	
ERIC Y. ROXAS	

Personally known to me to be the same persons who executed the foregoing instrument as identified through their competent evidence of identity as defined by the Rules of Notarial Practice and they acknowledged to me that the same is their free and voluntary act and deed.

This instrument refers to an Articles of Incorporation of **TUBIG PILIPINAS GROUP INC.** which consists of six (6) pages including the page whereon the acknowledgement is written and which is signed by the parties and their instrumental witnesses on each and every page thereof.

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

Doc. No. 52;
Page No. 11;
Book No. 275;
Series of 2014.

Tomas F. Dulay Jr.
ATTY. TOMAS F. DULAY JR.
NOTARY PUBLIC
Until December 31, 2014
ADM MATTER #. NP-061-2014-2015
PTR# [illegible] 01-07-14 Q.C.
IBP# [illegible] Q.C.
Roll No. [illegible]
TIN# 410-235-916
Add. 92 Legaspi St. Prof. 4 Q.C.
MCLE EXEMPTEE # [illegible]

Date: 15-11-2019 Time: 9:29:18 AM

www.sec.gov.ph User Name: 4secexpressc

CERTIFIED TRUE COPY
Page 10 of 14 pages
Verified by: L. ALDAY Date: NOV 18 2019

DIRECTORS' CERTIFICATE OF AMENDMENT OF THE ARTICLES OF INCORPORATION OF TUBIG PILIPINAS GROUP, INC.

SEC JAN 07 2020 RECEIVED Time: By:

We the undersigned, being the Presiding Officer and Secretary of the Stockholders' meeting and majority of the members of the Board of Directors of TUBIG PILIPINAS GROUP, INC. (the "Company") hereby certify that the following amendment in Article II - That the purposes for which the said corporation is formed particularly the Secondary Purposes now indicates Item No. 7 which provides:

7. TO MAKE ANY KIND OF GUARANTEE OR ACT AS SURETY AND/OR SECURE, IN WHATEVER MAY BE NECESSARY OR INCIDENTAL TO THE BUSINESS OF THE COMPANY, SOLELY OR JOINTLY, ANY DEBT, OBLIGATION OR LOAN OF ANY PARENT, SISTER, SUBSIDIARY CORPORATION, INCORPORATED OR UNINCORPORATED JOINT VENTURE, OR ANY CORPORATION OR PROJECT OR FINANCING WHERE THE COMPANY HAS INTEREST.

We further certify that the said amendment was unanimously approved by the majority vote of the Board of Directors and ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock at the 14 October 2019 meeting held at the Company's principal office.

IN WITNESS THEREOF, we have hereunto set out hands on the 25th day of November 2019 at Makati City, Philippines.

DEXTER Y. TIU
Director

RYAN WESLEY T. YAPKIANWEE
Director

GERTIM G. CHUAHIONG
Director

CONRADO MA. LEANDRO FRANCISCO G. BELISARIO
Director

ERIC PETER Y. ROXAS
Director

Countersigned:

RYAN WESLEY T. YAPKIANWEE
Presiding Officer/President

MARK ERIC C. ROXAS
Corporate Secretary

DEC 05 2019

SUBSCRIBED AND SWORN to before me, this ___ day of November, 2019 at Makati City, Metro Manila, Philippines, declarants being identified as follows:

NAME	I.D.
Dexter Y. Tiu	[redacted]
Ryan Wesley T. Yapkianwee	[redacted]
Eric Peter Y. Roxas	[redacted]
Gertim G. Chuahiong	[redacted]
Conrado Ma. Leandro Francisco G. Belisario	[redacted]
Mark Eric C. Roxas	[redacted]

Doc. No. 156;
Page No. 33;
Book no. IX;
Series of 2019.

SHERLUCK JUN C. VILLEGAS NOTARY PUBLIC ROLL NO. 70942 MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-555 until December 2020
Unit 3C LTA Building, 178 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 077619 /06-21-2019/ Pasig City
PTR No. 7623640 /04-16-2019/ Makati City
MCLE Compliance No.-VI-0028223

Republic of the Philippines)
City of Makati) S.S.

SECRETARY'S CERTIFICATE

I, **MARK ERIC C. ROXAS**, of legal age, single, with office address at 3rd Flr. JTKC Centre, 2155 Don Chino Roces Ave., Makati City, being duly sworn, depose and state that:

1. I am the duly elected and qualified Corporate Secretary of Tubig Pilipinas Group, Inc. (the Corporation), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, Metro Manila.

2. To the best of my knowledge, no action or proceeding has been filed or is pending before any Court involving an intra-corporate dispute and/or claim by any person or group against the Board of Directors, individual directors and/or major corporate officers of the Corporation as its duly elected and/or appointed directors or officers or vice versa.

Makati City, 25th day of November 2019.

MARK ERIC C. ROXAS
Corporate Secretary

SUBSCRIBED AND SWORN TO before me on this DEC 0 5 2019 day of November, 2019 in Makati City, Philippines, affiant exhibiting to me his TIN No. [redacted]

Notary Public

Doc. No. 157;
Page No. 33;
Book No. IX;
Series of 2019.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-555 until December 2020
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 077619 /06-21-2019/ Pasig City
PTR No. 7623640 /04-16-2019/ Makati City
MCLE Compliance No.-VI-0028223

ANNEX "B"

COVER SHEET

COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application	SEC Registration Number
REGISTRATION	

Company Name

TUBIG PILIPINAS GROUP INC.

Principal Office (No./Street/Barangay/City/Town)Province)

3RD FLOOR JTKC CENTER 2155

CHINO ROCES AVE. MAKATI CITY

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Company's Fascimile Number/s
[redacted]	818-6772	813-3536

CONTACT PERSON INFORMATION

Name of Contact Person	Email Address	Telephone Number/s	Facsimile Number/s
R.DESIDERIO	ros22_des@yahoo.com	0917-5960910	

Contact Person's Address

5D Lopez Jaena St.Tanyong Marikina City

To be accomplished by CRMD Personnel

	Date	Signature
Assigned Processor :		

Document I.D.

Received by **Corporate Filing and Records Division (CFRD)**

Forwarded to:

- ☐ Corporate and Partnership Registration Division
- ☐ Green Lane Unit
- ☐ Financial Analysis and Audit Division
- ☐ Licensing Unit

ARTICLES OF INCORPORATION

OF

TUBIG PILIPINAS GROUP INC.

SECURITIES AND EXCHANGE COMMISSION
Green Lane Unit - CRMD
OCT 27 2014
RECEIVED
By: Time: 11:01

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned incorporators, all Filipinos, of legal age and all of whom are residents of the Republic of the Philippines, have this day voluntarily associated together for the purpose of forming a stock corporation under the laws of the Philippines.

AND WE CERTIFY THAT-

FIRST: The name of the Corporation shall be

TUBIG PILIPINAS GROUP INC.

SECOND: That the purposes for which said corporation is formed are as follows:

PRIMARY PURPOSE

To carry on the general business of operating, managing, maintaining and rehabilitating waterworks, sewerage, and sanitation systems and services, specifically, for the distribution, supply and sale of potable water; the provision of sewerage and sanitation systems; the maintenance, development, repair and upgrading of water and wastewater facilities including water supply, treatment, distribution of water, sewerage and sanitation, metering and leakage control, customer service and billing; the construction, maintenance and operation of all necessary and convenient buildings, structures, dams, reservoirs, conduits, aqueducts, tunnels, purification plants, water mains, pipes, pumping stations, machineries, sanitary sewerages and other waterworks and the acquisition, lease, occupation or use of land rights of way and easement therein; the provision of allied and ancillary services; and undertaking such other activities incidental to the foregoing.

SECONDARY PURPOSES

1. To purchase, acquire, own, build, construct, lease (except financial leasing), mortgage, sell and convey real properties such as lands, buildings, factories and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business; and to pay in cash, shares of its capital stock, debentures and other indebtedness, or other securities as may be deemed expedient, for any business or property acquired by the Corporation;

2. To borrow or raise money from not more than nineteen lenders including its stockholders necessary to meet the financial requirements of its business by the issuance of bonds, promissory notes and other evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the corporation or to issue pursuant to law shares of its capital stock, debentures and other evidences of indebtedness in payment for properties acquired by the Corporation of for money borrowed in the prosecution of its lawful business;

3. To invest and deal with the money and properties of the Corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell, dispose of or transfer the business, properties and goodwill of the Corporation or any part thereof for such consideration and under such terms as it shall see fit to accept;

4. To acquire or obtain from any government or authority, national, provincial, municipal or otherwise, or any corporation, company or partnership or person, such charter, contracts, franchise, privileges, exemption, licenses and concessions as may be conducive to any of the objects of the Corporation;.

5. To establish and operate one or more branch offices or agencies and to carry on any or all of its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge and convey or otherwise deal in and with real or personal property anywhere within the Philippines;

6. To conduct and transact any and all lawful activities, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation.

THIRD: That the place where the principal office of the corporation is to be established is at 3rd Floor JTKC Centre, 2155 Don Chino Roces Ave. Makati City, Philippines without prejudice to the opening or maintenance of branches or correspondent or representative offices in or outside the Republic of Philippines as the exigencies of the business or operations of the Corporation may require from to time.

FOURTH: That the term of for which the corporation is to exist is FIFTY (50) years from and after the date of issuance of the Certificate of Incorporation, renewable for such terms as may be permitted under the laws of the Republic of the Philippines.

FIFTH: The names, nationalities, and addresses of the incorporators of the Corporation are as follows:

NAMES	NATIONALITY	ADDRESSES
DEXTER Y. TIU	Filipino	[redacted]
RYAN WESLEY T. YAPKIANWEE	Filipino	[redacted]
GERTIM G. CHUAHIONG	Filipino	[redacted]
PAULO M. CALUGAY	Filipino	[redacted]
ERIC V. ROXAS	Filipino	[redacted]

SIXTH: That the number of directors of the corporation shall be five (5) who and the names, nationalities, and addresses of the first directors of the Corporation who are to serve as such until their successors are duly elected and qualified as provided in its By-Laws are as follows:

NAMES	NATIONALITY	ADDRESSES
DEXTER Y. TIU	Filipino	[redacted]
RYAN WESLEY T. YAPKIANWEE	Filipino	[redacted]
GERTIM G. CHUAHIONG	Filipino	[redacted]
PAULO M. CALUGAY	Filipino	[redacted]
ERIC V. ROXAS	Filipino	[redacted]

SEVENTH: That the authorized capital stock of the corporation is FIFTY MILLION (P 50,000,000.00) Pesos in lawful money of the Philippines, divided into FIFTY MILLION (50,000,000) shares with a par value of One (P1.00) Peso per share.

EIGHTH: That at least twenty five percent (25%) of the authorized capital stock above stated have been subscribed as follows:

NAME	NATIONALITY	No. of Subscribed		Amount Subscribed
PURE WATER CORPORATION	Filipino	6,249,997	P	6,249,997.00
QUADWATER CORPORATION	Filipino	6,249,998		6,249,998.00
DEXTER Y. TIU	Filipino	1		1.00
RYAN WESLEY T. YAPKIANWEE	Filipino	1		1.00
ERIC Y. ROXAS	Filipino	1		1.00
GERTIM G. CHUAHIONG	Filipino	1		1.00
PAULO M. CALUGAY	Filipino	1		1.00
TOTAL		**12,500,000**	**P**	**12,500,000.00**

NINTH : That least twenty five percent (25%) of the total subscription has been paid as follows;

NAME	NATIONALITY	Subscribed/ Paid in		Amount Paid Up
PURE WATER CORPORATION	Filipino	1,562,497	P	1,562,497.00
QUADWATER CORPORATION	Filipino	1,562,498		1,562,498.00
DEXTER Y. TIU	Filipino	1		1.00
RYAN WESLEY T. YAPKIANWEE	Filipino	1		1.00
ERIC Y. ROXAS	Filipino	1		1.00
GERTIM G. CHUAHIONG	Filipino	1		1.00
PAULO M. CALUGAY	Filipino	1		1.00
TOTAL		**3,125,000**	**P**	**3,125,000.00**

TENTH: That **DEXTER Y. TIU** has been elected by the subscribers as treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the by-laws; and that as such Treasurer-in-Trust, he has been authorized to receive for and in the name and do the benefit of the corporation, all subscriptions paid in by the subscribers;

ELEVENTH: No transfer of stock or interest which would reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the corporation and this restriction shall be indicated in all the stock certificates issued by the corporation;

TWELVETH: - That the corporation manifests its willingness to change its corporate name in the event another person, firm or entity has acquired prior right to use the firm name or one deceptively or confusingly similar to it.

IN WITNESS WHEREOF, we have set our hands this 10th day of October 2014 at Makati City, Philippines.

DEXTER Y. TIU
[redacted]

GERTIM G. CHUAHIONG
[redacted]

RYAN WESLEY T. YAPKIANWEE
[redacted]

PAULO M. CALUGAY
[redacted]

ERIC Y. ROXAS
[redacted]

SIGNED IN THE PRESENCE OF:

_____ _____

Republic of the Philippines)
_____) S.S.

Before Me, a Notary Public in and for QUEZON CITY, Philippines , this OCT 22 2014 day of _____ personally appeared :

NAMES	TIN NO.
DEXTER Y. TIU	[redacted]
RYAN WESLEY T. YAPKIANWEE	
PAULO M. CALUGAY	
GERTIM G. CHUAHIONG	
ERIC Y. ROXAS	

Personally known to me to be the same persons who executed the foregoing instrument as identified through their competent evidence of identity as defined by the Rules of Notarial Practice and they acknowledged to me that the same is their free and voluntary act and deed.

This instrument refers to an Articles of Incorporation of **TUBIG PILIPINAS GROUP INC.** which consists of six (6) pages including the page whereon the acknowledgement is written and which is signed by the parties and their instrumental witnesses on each and every page thereof.

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

Doc. No. 52;
Page No. 11;
Book No. 275;
Series of 2014.

Tomas F. Dulay Jr.
ATTY. TOMAS F. DULAY JR.
NOTARY PUBLIC
Until December 31, 2014
ADM MATTER #. NP-051-2014-2015
PTR# 9043226-201-02/10-07-14 Q.C
IBP# 915073 CY-2014 Q.C.
Roll No. 16553/03/13-61
TIN# 410225916
Add. 92 Legaspi St. Proj. 4 Q.C
MCLE EXEMPTED # [illegible]

REPUBLIC OF THE PHILIPPINES }
CITY OF MAKATI _____ _}S.S.

TRESURER'S AFFIDAVIT

I, **DEXTER Y. TIU** , of legal age, married, with office address at 3rd Floor JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, being duly sworn, depose and says:

That I am the elected Treasurer of **TUBIG PILIPINAS GROUP INC.;**

That as Treasurer, I am authorized to act as such until my successor has been duly elected and qualified in accordance with the by-laws of the corporation;

That I certify that at least twenty five percent (25%) of the authorized capital stock of the abovementioned corporation has been subscribed and at least twenty five (25%) of the subscription in the amount of **THREE MILLION ONE HUNDRED TWENTY FIVE THOUSAND (Php 3,125,000.00)** has been paid, and received by me in cash/property for the benefit and credit of the corporation.

IN WITNESS THEREOF, I hereby sign this Affidavit this 10th day of October , 2014 in Makati City, Metro Manila.

DEXTER Y. TIU
Treasurer

SUBSCRIBED AND SWORN to before me this OCT 2 2 2014 day of _____, 20___ affiant exhibiting to me his/her Tin No [redacted]

NOTARY PUBLIC

ATTY. DWIGHT M. GALA[illegible]
NOTARY PUBLIC
APPOINTMENT No. M-264 / MAKATI CITY
UNTIL DECEMBER 31, 2015
PTR No. [illegible] 01-06-2014 MAKATI CITY
IBP No. [illegible] 01-06-101 [illegible] CITY
MCLE COMPLIANCE ID No. IV-0021150
ROLL NO. 62625
Suite 252 Citylord Pasong Tamo, Inc.,
626 Pasong Tamo Street, Dasmariñas,
Makati City, Metro Manila

Doc. No. 120
Page No. 24
Book No. LVII
Series of 2014

BY – LAWS

OF

TUBIG PILIPINAS GROUP INC.

ARTICLE I
SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES

Section 1. Subscriptions- Subscribers to the capital stock of the corporation shall pay the value of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

Section 2. The stockholder shall be entitled to one or more certificates for fully paid stock subscription in his name in the books of the corporation. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificate shall be signed by the President, countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal.

Section 3. Transfer of Shares - Subject to the restrictions, terms and conditions contained in the Articles of Incorporation , shares may be transferred, sold , assigned or pledged by delivery of the certificates duly indorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the corporation only upon record thereof in the books of the corporation. The Secretary shall cancel the stock certificates and issue new certificates to the transferee.

No share of stock against which the corporation holds unpaid claim shall be transferable in the books of the corporation.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

Section 4. Lost Certificates – In case any stock certificate is lost, stolen, or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 1. Annual /Regular Meetings – The annual/ regular meetings of stockholders shall be held at the principal office on June 30 of each year, if a legal holiday, then on the day following.

Section 2. Special Meeting - The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock, (b) President.

Section 3. Place of Meeting – Stockholders meetings, whether regular or special, shall be held in the principal office of the corporation or at any place designated by the Board of Directors in the city or municipality where the principal office of the corporation is located.

Section 4. Notice of Meeting - Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail at least two (1) weeks prior to the date of the meeting to each stockholder of record at his last known address. The notice shall state the place, date, and hour of the meeting, and the purpose or purposes for which the meeting is called. When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Section 5. Quorum - Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

Section 6. Conduct of Meeting - Meeting of the stockholders shall be presided over by the President, or in his absence, by a chairman to be chosen by the stockholders. The Secretary, shall act as Secretary of every meeting, but if not present, the Chairman of the meeting shall appoint a secretary of the meeting.

Section 7. Manner of Voting - At all meetings of stockholders, a stockholder may vote in person or by proxy. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting or by their personal presence at the meeting.

Section 8. Closing of Transfer of Books or Fixing of Record Date - For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, the Board of Directors may provide that the stock and transfer books be closed for ten (10) working days immediately preceding such meeting.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Powers of the Board - Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors to be elected by and from among the stockholders. Without prejudice to such powers as may be granted by law, the Board of Directors shall also have the following powers:

a. From time to time, to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation' s business and affairs;
b. To purchase, received, take or otherwise acquire for and in the name of the corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;
c. To invest the funds of the corporation in other corporations or for purposes other than those for which the corporation was organized, subject to such stockholders' approval as may be required by law;
d. To incur such indebtedness as the Board may deem necessary, to issue evidence of indebtedness including without limitation, notes, deeds of trust, bonds, debentures, or securities, subject to such stockholders approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the corporation;
e. To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and directors of the corporation;
f. To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officer are either plaintiffs or defendants in connection with the business of the corporation;
g. To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business of the corporation to any standing or special committee or to any officer or agent and to appoint any person to be agent of the corporation with such powers and upon such terms as may be deemed fit;
h. To implement these by-laws and to act on any matter not covered by these by-laws, provided such matter does not require the approval or consent of the stockholders under the Corporation Code.

Section 2. Election and Term - The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

same person, except that no one shall act as President and Treasurer or Secretary at the same time.

Section 2. President - The President shall be the Chief Executive Officer of the corporation and shall exercise the following functions:

a. To preside at the meetings of the stockholders;
b. To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, compensation; including those for executive training, development and
c. To supervise and manage the business affairs of the corporation upon the direction of the Board of Directors;
d. To implement the administrative and operational policies of the corporation under his supervision and control;
e. To appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;
f. To oversee the preparation of the budgets and the statements of accounts of the corporation;
g. To represent the corporation at all functions and proceedings;
h. To execute on behalf of the corporation all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board of Directors;
i. To make reports to the Board of Directors and stockholders;
j. To sign certificates of stock;
k. To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

Section 3. The Vice-President – He shall, if qualified, act as President in the absence of the latter. He shall have such other powers and duties as may from time to time be assigned to him by the Board of Directors or by the President.

Section 4. The Secretary - The Secretary must be a resident and a citizen of the Philippines. He shall have the following specific powers and duties;

a. To record the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;
b. To keep record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;
c. To keep the corporate seal and affix it to all papers and documents requiring a seal, requiring the same;
d. And to attest by his signature all corporate documents to attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;
e. To certify to such corporate acts, counter-sign corporate documents or certificates, and make reports and statements as may be required of him by law or by government rules and regulations;

f. To act as inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine questions, in connection with the right to vote, count and tabulate all votes, determine the result, and do such acts as are proper to conduct the election;
g. To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.

Section 5. The Treasurer -The Treasurer of the corporation shall have the following duties;

a. To keep full and accurate accounts of receipts and disbursements in the books of the corporation;
b. To have custody of, and be responsible for, all the funds, securities and bonds of the corporation;
c. To deposit in the name and to the credit of the corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the corporation which may come under his control;
d. To render an annual statements showing the financial condition of the corporation and such other financial reports as the Board of Directors, or the President may, from time to time require;
e. To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;
f. To exercise such powers and perform such duties and functions as may be assigned to him by the President.

Section 6. Term of Office – The term of office of all officers shall be one year and until their successors are duly elected and qualified.

Section 7. Vacancies –If any position of the officers becomes vacant by reason of death , resignation, disqualification or for any other cause, the Board of Directors, by majority vote may elect a successor who shall hold office for the unexpired term.

Section 8. Compensation – The officers shall receive such remuneration as the Board of Directors may determine. A director shall not be precluded from serving the corporation in any other capacity as an officer, agent or otherwise and receiving compensation therefor.

ARTICLE V
OFFICES

Section 1. The principal office of the corporation shall be located at the place stated in Article III of the Articles of Incorporation. The corporation may have such other branch offices, either within or outside the Philippines as the Board of Directors may designate.

ARTICLE VI
AUDIT OF BOOKS, FISCAL YEAR AND DIVIDENDS

Section 1. External Auditor - At the regular stockholders' meeting , the external auditor of the corporation for the ensuing year shall be appointed. The external auditor shall examine, verify and report on the earnings, and expenses of the corporation.

Section 2. Fiscal Year –The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

Section 3. Dividends –Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law.

ARTICLE VII
SEAL

Section 1. Form and Inscriptions –The corporate seal shall be determined by the Board of Directors.

ARTICLE VIII
AMENDMENTS

Section 1. These by-laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock; provided, however, that any such delegation of powers to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of stockholders representing a majority of the outstanding capital stock at a regular or special meeting.

IN WITNESS WHEREOF, we, the undersigned stockholders have adopted the foregoing by-laws and hereunto affixed our signatures this 10th day of October at Makati City, Philippines.

DEXTER Y. TIU
[redacted]

RYAN WESLEY T. YAPKIANWEE
[redacted]

GERTIM G. CHUAHIONG
[redacted]

PAULO M. CALUGAY
[redacted]

ERIC Y. ROXAS
[redacted]

Republic of the Philippines)
Makati City QUEZON CITY)S.S.

JOINT AFFIDAVIT OF UNDERTAKING TO CHANGE NAME

We, DEXTER Y. TIU and ERIC Y. ROXAS, all of legal age, Filipinos and with business address at 3RD Floor JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, after having been sworn to in accordance with law hereby depose and state:

That we are the incorporators of **TUBIG PILIPINAS GROUP INC.** which is in the process of registering its corporate name with the Securities and Exchange Commission.

That we, in behalf of said corporation, hereby undertake to change its corporate name or as herein provided, as amended thereafter immediately upon receipt of notice or directive from the Commission that another corporation, partnership or person has acquired a prior right to the use of that name or that the name has been declared as misleading, deceptive, confusingly similar to a registered name, or contrary to public morals, good custom or public policy.

That this affidavit is executed to attest to the truth of the foregoing and for whatever legal purpose and intent it may serve.

IN WITNESS WHEREOF, we hereby signed this affidavit this OCT 14 2014 day of _____ at QUEZON CITY.

DEXTER Y. TIU [redacted]

ERIC Y. ROXAS [redacted]

OCT 14 2014

SUBSCRIBED AND SWORN to before me in the City of Makati this _____ day of _____ by Dexter Y. Tiu and Eric Y. Roxas , all personally known to me , who are the same persons who personally signed before me the foregoing Joint Affidavit and acknowledged that they executed the same.

Doc. No. 220;
Page No. 44;
Book No. 267;
Series of 2014.

ATTY. TOMAS F. DULAY JR.
NOTARY PUBLIC
Until December 31, 2014
ADM MATTER B, NP 063-2014-2015
PTR# 9[illegible] 07-14 QC

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

ANNEX "C"

The following document has been received:

Receiving: Ryan Piramide
Receipt Date and Time: September 12, 2025 04:38:37 PM

Company Information

SEC Registration No.: CS201421025
Company Name: TUBIG PILIPINAS GROUP INC.
Industry Classification: E41000
Company Type: Stock Corporation

Document Information

Document ID: OST10912202583749331
Document Type: GENERAL_INFORMATION_SHEET
Document Code: GIS
Period Covered: August 19, 2025
Submission Type: Annual Meeting
Remarks: None

Acceptance of this document is subject to review of forms and contents

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2025

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: TUBIG PILIPINAS GROUP INC.	**DATE REGISTERED:** OCTOBER 27,2014
BUSINESS/TRADE NAME: TUBIG PILIPINAS GROUP INC.	**FISCAL YEAR END:** DECEMBER 31
SEC REGISTRATION NUMBER: CS201421025	
DATE OF ANNUAL MEETING PER BY-LAWS: JUNE 30	**CORPORATE TAX IDENTIFICATION NUMBER (TIN):** 000-893-422-000
ACTUAL DATE OF ANNUAL MEETING: AUGUST 19,2025	**WEBSITE/URL ADDRESS:** www.tubigpilipinas.com
COMPLETE PRINCIPAL OFFICE ADDRESS: 7th Floor, One Oculus Center, 2120 Chino Roces Ave., Makati City	**E-MAIL ADDRESS:** contact@tubigpilipinas.com
COMPLETE BUSINESS ADDRESS: 7th Floor, One Oculus Center, 2120 Chino Roces Ave., Makati City	**FAX NUMBER:** N.A.

OFFICIAL E-MAIL ADDRESS	ALTERNATE E-MAIL ADDRESS	OFFICIAL MOBILE NUMBER	ALTERNATE MOBILE NUMBER
contact@tubigpilipinas.com	mark.roxas@tubigpilipinas.com	09178988260	09171527378

NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: REYES TACANDONG AND CO.	**SEC ACCREDITATION NUMBER (if applicable):**	**TELEPHONE NUMBER(S):** 88003898
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: WATER DISTRIBUTION	**INDUSTRY CLASSIFICATION:** OTHER SERVICE ACTIVITIES	**GEOGRAPHICAL CODE:** 1380300000

========== INTERCOMPANY AFFILIATIONS ==========

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
QUADWATER CORPORATION	CS201400082	PROGRESO ST. UMINGAN PANGASINAN,2443
PURE WATER CORPORATION	CS201320614	3F JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
SAN JOSE CITY(N.E.) WATER COMPANY INC.	2021070020251-12	2675 G/F SAN JOSE CITY (N.E.) WATER DISTRICT, MAHARLIKA ROAD 2ND DISTRICT ABAR 1ST, SAN JOSE CITY, NUEVA ECIJA, REGION III
BACOLOD BULK WATER INC.	CS201637936	3F JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY
TUBIG NABUA INC.	CS201914612	NABUA WATER DISTRICT,LOURDES HOSPITAL ROAD, SAN FRANCISCO (POB), NABUA, CAMARINES SUR,4434
TUBIG TRECE MARTIRES CORP.	202011000331005	SUNSHINE VILLE 2 TRECE MARTIRES CITY CABUCO, TRECE MARTIRES CITY CAVITE, REGION IV-A CALABARZON, 4109
TUBIG CADIZ INC.	202103000906201	LOT 21BLOCK 30 ANTONIO HEIGHTS VILLA LUISA HOUSING WESTERN NUATICAL HIGHWAY 2ND DISTRICT LUNA, CADIZ CITY, NEGROS OCCIDENTAL, REGION VI, 6121
TUBIG CORON, INC.	CS201914178	CORON MUNICIPAL HALL COMPOUND, DON PEDRO ST., BRGY. 2(POB), CORON, PALAWAN,5316
TUBIG CATBALOGAN CORP.	2023090117187-50	CATBALOGAN WATER DISTRICT ALLEN AVENUE EXTENSION POBLACION 4(BARANGAY 4), CITY OF CATBALOGAN(Capital), SAMAR (WESTERN SAMAR), REGION VIII (EASTERN VISAYAS), 6700
TUBIG ECHAGUE CORP.	2023090118775-22	2155 3F JTKC CENTRE CHINO ROCES AVE. PIO DEL PILAR MAKATI CITY, 1230
ALV TUBIG NG MANDAUE INC.	2024050152149-15	2155 3RD FLOOR JTKC CENTRE DON CHINO ROCES AVE., PIO DEL PILAR, MAKATI CITY FOURTH DISTRICT, NCR, 1230
TUBIG PILIPINAS GLOBAL GROUP INC.	2022020040514-00	2155 3F JTKC CENTRE CHINO ROCES AVE. PIO DEL PILAR MAKATI CITY, 1230
PRINCESS URDUJA WATERWORKS SYSTEM INC.	CS201200558	GRD FLR LITTLE STAR'S LITTLE PLAZA COMMERCIAL BUILDING, PADILLA STREET, POBLACION, SUAL,
WMTP BULK WATER CORP.	2025050202358-02	2120 7TH FLOOR ONE OCULUS CENTER DON CHINO ROCES AVE, PIO DEL PILAR, MAKATI CITY, 1230

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

Corporate Name: TUBIG PILIPINAS GROUP INC.

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) ○ Yes ◉ No

Please check the appropriate box:

1.

a. Banks
b. Offshore Banking Units
c. Quasi-Banks
d. Trust Entities
e. Non-Stock Savings and Loan Associations
f. Pawnshops
g. Foreign Exchage Dealers
h. Money Changers
i. Remittance Agents
j. Electronic Money Issuers
k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

a. Insurance Companies
b. Insurance Agents
c. Insurance Brokers
d. Professional Reinsurers
e. Reinsurance Brokers
f. Holding Companies
g. Holding Company Systems
h. Pre-need Companies
i. Mutual Benefit Association
j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

a. Securities Dealers
b. Securities Brokers
c. Securities Salesman
d. Investment Houses
e. Investment Agents and Consultants
f. Trading Advisors
g. Other entities managing Securities or rendering similar services
h. Mutual Funds or Open-end Investment Companies
i. Close-end Investment Companies
j. Common Trust Funds or Issuers and other similar entities
k. Transfer Companies and other similar entities
l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
m. Entities administering of otherwise dealing in valuable objects
n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

a. acting as a formation agent of juridical persons
b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

a. managing of client money, securities or other assets
b. management of bank, savings or securities accounts
c. organization of contributions for the creation, operation or management of companies
d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. None of the above

Describe nature of business: WATER DISTRIBUTION

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? ○ Yes ◉ No

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:	TUBIG PILIPINAS GROUP INC.

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	2,000,000,000	1.00	2,000,000,000.00
	TOTAL	2,000,000,000	TOTAL P	2,000,000,000.00

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	8	COMMON	537,500,001		1.00	537,500,001.00	100.00
		TOTAL	537,500,001	TOTAL	TOTAL P	537,500,001.00	

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
DUTCH	1	COMMON	94,852,942		1.00	94,852,942.00	100.00
Percentage of Foreign Equity :		TOTAL	94,852,942	TOTAL	TOTAL P	94,852,942.00	
					TOTAL SUBSCRIBED P	632,352,943.00	

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	8	COMMON	189,348,513	1.00	189,348,513.00	100.00
		TOTAL	189,348,513	TOTAL P	189,348,513.00	

FOREIGN	NO. OF	TYPE OF SHARES *	NUMBER OF	PAR/STATED VALUE	AMOUNT (PhP)	% OF
DUTCH	1	COMMON	43,418,600	1.00	43,418,600.00	100.00
18.65 %		TOTAL	43,418,600	TOTAL P	43,418,600.00	
				TOTAL PAID-UP P	232,767,113.00	100.00

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: TUBIG PILIPINAS GROUP INC.

DIRECTORS / OFFICERS

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. DEXTER Y. TIU [redacted]	FILIPINO	Y	M	M	Y	N.A.		[redacted]
2. RYAN WESLEY T. YAPKIANWEE [redacted]	FILIPINO	Y	C	M	Y	PRESIDENT		[redacted]
3. CONRADO MA. LEANDRO FRANCISCO G. BELISARIO [redacted]	FILIPINO	N	M	M	Y	TREASURER		[redacted]
4. ERIC PETER Y. ROXAS [redacted]	FILIPINO	Y	N/A	M	Y	CORPORATE SECRETARY		[redacted]
5. HOWARD CONRAD TANCUAN SY [redacted]	FILIPINO	N	M	M	Y	N/A		[redacted]
6. JOHN BENEDICT B. VICTORINO [redacted]	FILIPINO	N	M	M	Y	N/A		[redacted]
7. MARK ERIC C. ROXAS [redacted]	FILIPINO	N	N/A	M	N	COO		[redacted]
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME:	TUBIG PILIPINAS GROUP INC.		
TOTAL NUMBER OF STOCKHOLDERS:	9	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH**	3
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:	**PHP 1,319,048,868.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
1 PURE WATER CORPORATION FILIPINO 3F JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY	COMMON	268,749,998	268,749,998.00	42.50%	94,674,254.00	008-645-943
	TOTAL	**268,749,998**	**268,749,998.00**			
2. QUADWATER CORPORATION FILIPINO 3F JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY	COMMON	268,749,997	268,749,997.00	42.50%	94,674,253	201-346-374-000
	TOTAL	**268,749,997**	**268,749,997.00**			
3. DEXTER Y. TIU FILIPINO [redacted]	COMMON	1	1.00		1.00	[redacted]
	TOTAL	**1**	**1.00**			
4. RYAN WESLEY T. YAPKIANWEE FILIPINO [redacted]	COMMON	1	1.00		1.00	[redacted]
	TOTAL	**1**	**1.00**			
5. ERIC PETER Y. ROXAS FILIPINO [redacted]	COMMON	1	1.00		1.00	[redacted]
	TOTAL	**1**	**1.00**			
6. HOWARD CONRAD TANCUAN SY FILIPINO [redacted]	COMMON	1	1.00		1.00	[redacted]
	TOTAL	**1**	**1.00**			
7. CONRADO MA. LEANDRO FRANCISCO G. BELISARIO FILIPINO [redacted]	COMMON	1	1.00		1.00	[redacted]
	TOTAL	**1**	**1.00**			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			632,352,943.00	**85.00%**		
TOTAL AMOUNT OF PAID-UP CAPITAL					**232,767,113.00**	
ADDITIONAL PAID-IN CAPITAL					**378,636,901.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET
STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:	TUBIG PILIPINAS GROUP INC.		
TOTAL NUMBER OF STOCKHOLDERS:	9	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	3
TOTAL ASSETS BASED ON LATEST AUDITED FS:	**PHP 1,319,048,868.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFCATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8. CEF2 A09 B.V. DUTCH [redacted]	COMMON	94,852,942	94,852,942.00	15.00%	43,418,600.00	[redacted]
	TOTAL					
9. JOHN BENEDICT VICTORINO FILIPINO [redacted]	COMMON	1	1.00		1.00	[redacted]
	TOTAL					
10.						
	TOTAL					
11.						
	TOTAL					
12.						
	TOTAL					
13.						
	TOTAL					
14.						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			632,352,943.00	**100.00%**		
TOTAL AMOUNT OF PAID-UP CAPITAL					**232,767,113.00**	
ADDITIONAL PAID-IN CAPITAL					**378,636,901.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	TUBIG PILIPINAS GROUP INC.		
TOTAL NUMBER OF STOCKHOLDERS:	9	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	3
TOTAL ASSETS BASED ON LATEST AUDITED FS:	**PHP 1,319,048,868.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
15.						
	TOTAL					
16.						
	TOTAL					
17.						
	TOTAL					
18.						
	TOTAL					
19.						
	TOTAL					
20.						
	TOTAL					
21. **OTHERS (Indicate the number of the remaining stockholders)**						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			632,352,943.00	0.00%		

TOTAL AMOUNT OF PAID-UP CAPITAL	**232,767,113.00**
ADDITIONAL PAID-IN CAPITAL	**378,636,901.00**

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: TUBIG PILIPINAS GROUP INC.

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS		
BACOLOD BULK WATER INC.	147,487,217.00	MARCH 01,2021
TUBIG NABUA INC.	4,687,494.00	JANUARY 18,2021
TUBIG CORON,INC.	2,499,995.00	SEPTEMBER 05,2022
TUBIG CADIZ INC.	1,562,499.00	NOVEMBER 16,2020
TUBIG TRECE MARTIRES CORP.	3,124,998.00	JUNE 15,2020
SAN JOSE CITY(N.E.) WATER COMPANY INC.	73,542,000.00	MARCH 08,2021
CALBAYOG WATER COMPANY INC.	2,240,000.00	JANUARY 07,2019
TUBIG ECHAGUE CORP.	874,998.00	MARCH 04,2024
TUBIG CATBALOGAN CORP.	4,999,995.00	MARCH 04,2024
ALV TUBIG NG MANDAUE INC.	318,747.00	JUNE 03,2024
TUBIG PILIPINAS GLOBAL GROUP INC.	20,399,997.00	DECEMBER 06,2021
WMTP BULK WATER CORP.	2,825,997.00	OCTOBER 7, 2024
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	N.A.	N.A.
1.3 LOANS/ CREDITS/ ADVANCES	N.A.	N.A.
1.4 GOVERNMENT TREASURY BILLS	N.A.	N.A.
1.5 OTHERS	N.A.	N.A.

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION
N.A.	N.A.	N.A.

3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED
N.A.	N.A.	

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH	N.A.	N.A.
5.2 STOCK	N.A.	N.A.
5.3 PROPERTY	N.A.	N.A.
TOTAL	P	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:

DATE	NO. OF SHARES	AMOUNT
N.A.	N.A.	N.A.

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	BSP	IC
TYPE OF LICENSE/REGN.			
DATE ISSUED:			
DATE STARTED OPERATIONS:			

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT
	4		

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **ERIC PETER Y. ROXAS** Corporate Secretary of **TUBIG PILIPINAS GROUP INC.** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.
I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.
I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this _____ day of SEP 10 2025, 20 ___ in MAKATI CITY.

ERIC PETER Y. ROXAS
Corporate Secretary

SUBSCRIBED AND SWORN TO before me in MAKATI CITY on SEP 10 2025 by affiant who personally appeared before me and exhibited to me his/her competent evidence of identity consisting o[redacted] issued at _____ on _____.

NOTARY PUBLIC

Doc. No. 69
Page No. 13
Book No. 2
Series of 20 25

ATTY. SUZETTE A. ANCIRO
Notary Public for the City of Makati
Appointment No. M-333 (2024-2025)| until 31 Dec. 2025
Roll No. 81569 | 23 May 2022
IBP OR No. 429097 | 24 Jan. 2024 | Cavite Chapter
PTR. No. MKT-10475580 | 08 Jan. 2025 | Makati City
MCLE Compliance No. VIII - 0024449 | until 14 Apr. 2028
JTKC Centre, 2155 Don Chino Roces Ave., Makati City

BENEFICIAL OWNERSHIP DECLARATION
FOR THE YEAR: 2025

SEC REGISTRATION NUMBER: CS201421025
CORPORATE NAME: TUBIG PILIPINAS GROUP INC.

Instructions:

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"**Beneficial Owner**" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category	Description
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
E	Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
F	Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
G	Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
H	Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
I	Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III)	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP[1] / % OF VOTING RIGHTS[2]	TYPE OF BENEFICIAL OWNER[3] Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
RYAN WESLEY T. YAPKIANWEE	[redacted]	FILIPINO	[redacted]	[redacted]	31.88%	D	A,C,D

Note: This page is not for uploading on the SEC iView.

1 For Stock Corporations.
2 For Non-Stock Corporations.
3 For Stock Corporations.

ANNEX "D"

Tubig Pilipinas Group Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2022 and 2021

With independent auditors' report provided by

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Accreditation No. 4782 SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Tubig Pilipinas Group Inc.
3F JTKC Centre
2155 Don Chino Roces Avenue
Makati City

Opinion

We have audited the consolidated financial statements of Tubig Pilipinas Group Inc. (the Parent Company) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' 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 the 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which indicate that the Group has a capital deficiency amounting to ₱5.28 million as at December 31, 2022. This condition indicates the existence of a material uncertainty about the Group's ability to continue as a going concern. To address this condition, the stockholders of the Parent Company have agreed to provide continuing financial support to the Group. The Group also plans to increase revenue through expansion and improving customer portfolio.

As at December 31, 2022, the Parent Company received deposits for future stock subscription aggregating ₱129.15 million. On June 30, 2023, the Parent Company filed its application for the increase in authorized capital stock with the SEC. As a result, the deposits for future stock subscription were reclassified as part of equity in 2023. As at the report date, the application is still subject to approval. Our opinion is not modified in respect of this matter.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

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 PFRS, 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.

Auditors' 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 auditors' 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 PSA 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, these 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 PSA, 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 auditors' 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 auditors' 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 group audits. 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

ARTHUR VINSON U. ONG
Partner
CPA Certificate No. 120745
Tax Identification No. 253-222-555-000
BOA Accreditation No. 4782; Valid until April 13, 2024
SEC Accreditation No. 120745-SEC Group A
Issued March 29, 2022
Valid for Financial Periods 2021 to 2025
BIR Accreditation No. 08-005144-015-2023
Valid until June 4, 2026
PTR No. 9564572
Issued January 3, 2023, Makati City

December 1, 2023
Makati City, Metro Manila

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2022	2021
ASSETS			
Current Assets			
Cash	5	**₱67,917,191**	₱18,706,085
Trade and other receivables	6	**78,400,310**	76,341,601
Due from related parties	15	**222,926,940**	108,877,469
Creditable withholding taxes		**6,231,675**	5,569,601
Other current assets	7	**4,510,173**	2,224,930
Total Current Assets		**379,986,289**	211,719,686
Noncurrent Assets			
Investment in associates	8	**101,273,391**	105,062,982
Goodwill	4	**66,410,279**	66,410,279
Property and equipment	9	**567,866,238**	540,695,943
Service concession asset	17	**394,193,620**	406,887,966
Right-of-use assets	18	**14,480,283**	15,627,833
Deferred tax asset	16	**11,215,440**	6,189,044
Other noncurrent assets	7	**51,027,617**	16,834,242
Total Noncurrent Assets		**1,206,466,868**	1,157,708,289
		₱1,586,453,157	₱1,369,427,975
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	10	**₱122,528,879**	₱106,617,014
Due to related parties	15	**467,012,065**	393,331,851
Current portion of:			
Loans payable	11	**63,106,633**	33,494,628
Service concession liability	17	**12,666,359**	11,006,596
Lease liabilities	18	**1,121,055**	313,352
Income tax payable		**2,232,865**	1,499,427
Total Current Liabilities		**668,667,856**	546,262,868

(Forward)

	Note	December 31 **2022**	2021
Noncurrent Liabilities			
Noncurrent portion of:			
Service concession liability	17	**₱393,951,421**	₱396,465,906
Loans payable	11	**372,796,078**	241,328,598
Lease liabilities	18	**18,401,078**	18,022,927
Deposits for future stock subscription	15	**129,145,472**	129,145,472
Deferred tax liability	16	**8,767,628**	5,826,439
Total Noncurrent Liabilities		**923,061,677**	790,789,342
Total Liabilities		**1,591,729,533**	1,337,052,210
Equity			
Capital stock		**50,000,000**	50,000,000
Additional paid-in capital		**51,500,000**	51,500,000
Deficit		**(123,427,273)**	(72,104,516)
Equity attributable to equity holders of the Parent Company		**(21,927,273)**	29,395,484
Non-controlling interest	4	**16,650,897**	2,980,281
Total Equity		**(5,276,376)**	32,375,765
		₱1,586,453,157	₱1,369,427,975

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	**2022**	2021
REVENUES	12	**₱139,819,466**	₱92,725,924
COST OF SERVICES	13	**(87,251,778)**	(56,725,496)
GROSS INCOME		**52,567,688**	36,000,428
OPERATING EXPENSES	14	**(91,091,823)**	(76,501,695)
LOSS FROM OPERATIONS		**(38,524,135)**	(40,501,267)
INTEREST EXPENSE	11	**(31,206,421)**	(16,770,121)
EQUITY SHARE IN NET LOSS OF ASSOCIATES	8	**(3,789,591)**	(7,439,225)
OTHER INCOME (EXPENSE) - Net			
Reversal of liabilities	10	**5,573,758**	–
Management fees	15	**3,751,572**	2,533,988
Construction revenue	17	**3,113,944**	8,143,057
Construction costs	17	**(3,113,944)**	(8,143,057)
Exploration and feasibility study fees	6	**–**	20,000,000
Others		**5,710,406**	(585,183)
		15,035,736	21,948,805
LOSS BEFORE INCOME TAX		**(58,484,411)**	(42,761,808)
INCOME TAX EXPENSE (BENEFIT)	16		
Current		**852,935**	1,873,527
Deferred		**(2,085,207)**	(884,515)
		(1,232,272)	989,012
NET LOSS		**(57,252,139)**	(43,750,820)
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE LOSS		**(₱57,252,139)**	(₱43,750,820)
NET LOSS/TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Equity holders of the Parent Company		**(₱51,322,757)**	(₱36,402,103)
Non-controlling interest		**(5,929,382)**	(7,348,717)
		(₱57,252,139)	(₱43,750,820)

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31 **2022**	2021
CAPITAL STOCK			
Authorized - 50,000,000 shares at ₱1 par value			
Issued and outstanding - 50,000,000 shares		**₱50,000,000**	₱50,000,000
ADDITIONAL PAID-IN CAPITAL		**51,500,000**	51,500,000
DEFICIT			
Balance at beginning of year		**(72,104,516)**	(35,702,413)
Net loss attributable to the equity holders of the Parent Company		**(51,322,757)**	(36,402,103)
Balance at end of year		**(123,427,273)**	(72,104,516)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**(21,927,273)**	29,395,484
NON-CONTROLLING INTEREST			
Balance at beginning of year, as previously reported		**5,444,828**	8,766,498
Prior period adjustment	4	**(2,464,547)**	–
Balance at beginning of year, as restated		**2,980,281**	8,766,498
Additional non-controlling interest		**19,599,998**	1,562,500
Net loss attributable to non-controlling interest		**(5,929,382)**	(7,348,717)
Balance at end of year		**16,650,897**	2,980,281
		(₱5,276,376)	₱32,375,765

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2022**	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱58,484,411)**	(₱42,761,808)
Adjustments for:			
Interest expense	11	**31,206,421**	16,770,121
Depreciation and amortization	9	**29,701,942**	20,912,048
Equity share in net loss of associates	8	**3,789,591**	7,439,225
Provision for expected credit losses (ECL)	6	**1,004,402**	6,773,575
Interest income	5	**(212,085)**	(10,432)
Reversal of allowance for ECL	6	**–**	(8,067,269)
Operating income before working capital changes		**7,005,860**	1,055,460
Decrease (increase) in:			
Trade receivables		**(3,063,111)**	9,563,998
Other assets		**(36,478,617)**	7,526,003
Increase in trade and other payables		**11,222,468**	11,507,214
Net cash provided by (used for) operations		**(21,313,400)**	29,652,675
Income tax paid		**(781,571)**	(9,745,644)
Interest received		**212,085**	10,432
Net cash provided by (used in) operations		**(21,882,886)**	19,917,463
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment		**(26,192,396)**	(19,213,910)
Service concession assets	17	**(3,113,944)**	(7,340,828)
Advances made to related parties		**(114,049,471)**	(51,996,824)
Net cash used in investing activities		**(143,355,811)**	(78,551,562)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Loans payable	11	**(91,112,717)**	(27,770,000)
Advances from related parties	11	**(40,903,943)**	(20,328)
Interest	11	**(19,025,697)**	(24,234,954)
Service concession liability	17	**(18,418,245)**	(6,118,072)
Lease liabilities	18	**(273,750)**	(4,092,731)
Proceeds from:			
Availment of loan	11	**250,000,000**	–
Advances from related parties	11	**114,584,157**	136,313,473
Additional non-controlling interests		**19,599,998**	–
Net cash provided by financing activities		**214,449,803**	74,077,388

(Forward)

		Years Ended December 31	
	Note	**2022**	2021
NET INCREASE IN CASH		**₱49,211,106**	₱15,443,289
CASH AT BEGINNING OF YEAR		**18,706,085**	3,262,796
CASH AT END OF YEAR		**₱67,917,191**	₱18,706,085
NONCASH FINANCIAL INFORMATION			
Property and equipment acquired through loan	9	**₱1,952,000**	₱–
Subscriptions payable	10	**–**	46,930,000

See accompanying Notes to Consolidated Financial Statements.

1. General Information

Tubig Pilipinas Group Inc. (TPGI or the Parent Company)

Tubig Pilipinas Group Inc. (TPGI or the Parent Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 2014 primarily to engage in operating, managing, maintaining and rehabilitating waterworks, sewerage and sanitation systems and services. The Parent Company is a bulk water supplier and direct water distributor.

The Parent Company directly, through subsidiaries and affiliates, is currently the contracted water supplier of multiple cities and municipalities around the Philippines including Bacolod, Negros Occidental, Sual, Labrador, Malasiqui Pangasinan, Coron, Palawan, Nabua, Camarines Sur, San Jose City, Nueva Ecija, Calbayog City, Samar, Borbon, Cebu, Iloilo City, Iloilo Province, and Echague Isabella, as well as subdivisions in Trece Martires City, Cavite and Cadiz City, Negros Occidental.

The Group's ultimate parent company is DYT Equities Corporation (DEC or the Ultimate Parent Company). All Companies are incorporated in the Philippines. In addition, Mr. Ryan Wesley T. Yapkianwee is identified as one of the beneficial owners of the Group with dominant influence over the management being its President.

The Parent Company's principal office address is located at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City.

Subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (collectively referred herein as "the Group"):

				Effective Percentage of Ownership	
Subsidiaries	Nature of Business	Place of Incorporation	Principal Place of Business	**2022**	2021
Tubig Trece Martires Corp. (TTMC)	Direct water distributor	Philippines	Sunshine Ville 2, Cabuco, Trece Martires City, Cavite	**100%**	100%
San Jose (N.E.) Water Company Inc. (SJWCI)	Direct water distributor	Philippines	2675 G/F San Jose City (N.E.) Water District, Maharlika Road, San Jose City, Nueva Ecija	**100%**	100%
Tubig Coron Inc. (TCI)	Direct water distributor	Philippines	Coron Municipal Hall Compound Don Pedro St. Barangay II (Pob.) Coron, Palawan	**95%**	95%
Bacolod Bulk Water Inc. (BBWI)	Bulk water supplier	Philippines	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**93%**	93%
Tubig Nabua Inc. (TNI)	Direct water distributor	Philippines	Nabua Water District Lourdes Hospital Road San Francisco (Pob.) Nabua, Camarines Sur	**70%**	70%
Tubig Pilipinas Global Group Inc. (TPGGI)	Water supply, sewerage, waste management and remediation activities	Philippines	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**51%**	–
Tubig Cadiz Inc. (TCAI)	Direct water distributor	Philippines	Lot 21 Block 30 Antonio Heights Villa Luisa Housing Western Nuatical Highway 2nd District Luna, Cadiz City, Negros Occidental	**50%**	50%

TCI and TNI were incorporated and registered in the SEC in 2019 and have commenced operations on October 1, 2020 and May 1, 2020, respectively. TTMC was incorporated and registered in the SEC in 2020 and have commenced operations on October 8, 2020.

SJWCI and TCAI were incorporated and registered in the SEC in 2021 and have commenced operations on July 21, 2021 and March 17, 2021, respectively.

TPGGI was incorporated in the SEC on February 4, 2022 and have not commenced operations as at the report date.

Status of Operations

The Group has a capital deficiency amounting to ₱5.28 million as at December 31, 2022 that may cast significant doubt about the Group's ability to continue as a going concern. To address this condition, the stockholders of the Parent Company have agreed to provide continuing financial support to the Group. The Group also plans to increase revenue through expansion and improving customer portfolio.

In 2018, the Parent Company converted its advances from Quadwater Corporation (QWC) and Pure Water Corporation (PWC) aggregating ₱129.15 million into deposits for future stock subscription. On June 30, 2023, the Parent Company filed its application for the increase in authorized capital stock with the SEC. As a result, the deposits for future stock subscription were reclassified as part of equity in 2023. As at the report date, the application is still subject to approval.

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at and for the years ended December 31, 2022 and 2021 were approved and authorized for issue by the Board of Directors (BOD) on December 1, 2023.

2. Summary of Significant Accounting Policies

Basis of Preparation and Statement of Compliance

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

Measurement Bases

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

The consolidated financial statements have been prepared on a historical cost basis, except for right-of-use (ROU) assets and lease liabilities that are carried at present value of minimum lease payments. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

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 transaction date. The Group uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 19 to the consolidated financial statements.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS:

- Amendments to PFRS 3, *Business Combinations - Reference to Conceptual Framework* – The amendments replaced the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement ensures that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarify that an acquirer shall not recognize contingent assets acquired in a business combination.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss.

- Amendments to *PAS 37, Onerous Contracts - Cost of Fulfilling a Contract* – The amendments specify which costs shall be included when assessing whether a contract is onerous or loss-making. The 'costs of fulfilling' a contract comprise the 'costs that relate directly to the contract'. These costs can either be incremental (e.g., the costs of direct labor and materials) or can be an allocation of costs directly related to fulfilling a contract (e.g., depreciation of fixed assets). At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as applicable. Accordingly, the comparatives are not restated.

- Annual Improvements to PFRS 2018 to 2020 Cycle –

  - Amendment to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity shall include when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendment applies to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendment.

  - Amendment to PFRS 16, *Leases - Lease Incentives* – The amendment removed from Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

The adoption of the amended PFRS did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at December 31, 2022 and have not been applied in preparing the consolidated financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if and accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in

accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments should be applied on a modified retrospective basis. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Group shall also apply Amendments to PAS 1 - *Noncurrent Liabilities with Covenants* for that period.

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Group shall also apply Amendments to PAS 1 - Classification of Liabilities as Current or Noncurrent for that period

- Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, Revenue from Contracts with Customers, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated. The amendments must be applied retrospectively. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2025 –

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 a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

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

Basis of Consolidation

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

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

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

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

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

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

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

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

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

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

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

Business Combinations. 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 non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are recognized as expense.

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 is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with changes in fair value recognized either in profit or loss or other comprehensive income. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss. If the initial accounting for business combination can be determined only provisionally by the end of the period by which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group accounts the combination using provisional values.

Adjustments to these provisional values as a result of completing the initial accounting shall be made within 12 months from the acquisition date. The carrying amount of an identifiable asset, liability or contingent liability that is recognized as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date and goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted.

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

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

Classification of Assets and Liabilities between Current and Noncurrent

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

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

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

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

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

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

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

Financial Assets and Financial Liabilities

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

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

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

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

As at December 31, 2022 and 2021, the Group does not have financial instruments at FVPL and FVOCI.

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2022 and 2021, the Group's cash, trade and other receivables, due from related parties, deposits, and refundable deposits (presented as part of "Other noncurrent assets account") are classified under this category.

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

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

As at December 31, 2022 and 2021, the Group's trade and other payables (excluding statutory payables), due to related parties, loans payable, lease liabilities, deposits for future stock subscription and service concession liability are classified under this category.

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

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

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

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial instruments measured at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

Derecognition of Financial Assets and Liabilities

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

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the profit or loss.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

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

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

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

Creditable withholding taxes (CWT)
CWT is deducted from income tax payable in the same year the revenue was recognized. CWT in excess of income tax payable are carried forward to the succeeding year. CWT are stated at face amount, less any impairment in value.

Other Assets
Other assets consist of input value-added tax (VAT), advances to employees, prepayments, deposit, refundable deposits (financial assets), and advances to contractors and suppliers.

Input VAT. Revenue, expenses and assets are recognized net of the amount of VAT. The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" account in the consolidated statements of financial position.

Advances to employees. Advances to employees are carried in the consolidated statements of financial position at face amount and are recognized as expense in profit or loss or to the corresponding asset account when incurred.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in the profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the financial reporting date are classified as current assets. Otherwise, prepayments are classified as noncurrent asset.

Advances to contractors and suppliers. Advances to contractors and suppliers represent advance payments on services to be incurred in connection with the Group's operations. These are capitalized in the consolidated statements of financial position, upon actual receipt of services or supplies. These are charged to the construction in progress account when the goods or services for which the advances were made are received. These are considered as nonfinancial instruments as these will be applied against future billings from contractors and suppliers.

Investment in Associates

The Group's investment in associates are accounted for using the equity method. An associate is an entity in which the Group has significant influence, but not control, over the entity's financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

Under the equity method, the investment in associates is carried in the consolidated statements of financial position at cost plus post-acquisition changes of the Group's share in net assets of the associate, less any impairment in value. The consolidated statements of comprehensive income reflect the Group's share in the financial performance of the associate. Unrealized gains arising from transactions with the associate are eliminated to the extent of the Group's interest in the associate, against the investment in an associate. Unrealized losses are eliminated similarly but only to the extent that there is no evidence of impairment of the asset transferred.

The reporting date of the associate and that of the Group are identical and the associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances. When necessary, adjustments are made to conform the associate's accounting policies in line with those of the Group.

The share in net loss of the associate is shown "Equity share in net loss of associates" in the consolidated statements of comprehensive income.

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

The Group determines at the end of each reporting year whether there is any evidence that the investment is impaired. If this is the case, the amount of impairment is calculated as the difference between the carrying value of the investment and recoverable amount.

Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

The Group recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.

Property and Equipment

Property and equipment (except land and construction in progress) are stated at cost less accumulated depreciation and any impairment in value. Land and construction in progress are stated at cost, net of accumulated impairment losses, if any.

The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged in profit or loss in the year the costs are incurred. In situations where it can clearly demonstrated that the expenditures have resulted in increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost to the property and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of Years
Water supply facility and equipment	5 to 25
Site facilities and offices	5 to 20
Transportation equipment	5 to 8
Computer equipment	2 to 5
Furniture, fixtures and equipment	5

The assets' useful lives and depreciation method are reviewed annually, and adjusted prospectively, as appropriate, if there is an indication of a significant change since the last reporting date.

Depreciation commence when the property and equipment is in its location or condition capable of being operated in the manner intended by management. Depreciation ceases at the earlier of the date that the property and equipment is classified as held-for-sale and the date the property and equipment is derecognized.

Fully depreciated or amortized property and equipment are retained in the accounts until these are no longer in use and no further charge for depreciation is made in respect of those property and equipment.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from 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 statements of comprehensive income in the year the property and equipment is derecognized.

Construction in progress represents properties under construction and is stated at cost, including cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction are capitalized during the construction period. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for operational use.

Reclassifications from construction in progress to relevant asset accounts are made upon completion of the construction.

Borrowing Costs

Borrowing costs are recognized as expense in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when all such activities are substantially complete.

Service Concession Arrangement

Service concession asset represents the cost incurred to obtain the concession rights and construction costs of water facilities (including borrowing costs during the construction period). Except for the portion of the annual fixed fee, which is recognized immediately as a service concession asset, the right is earned and recognized by the Group as the project progresses. Service concession asset is recognized initially at the fair value (discounted cash flow basis) of the construction services. Following initial recognition, the service concession assets are carried at cost less accumulated amortization and any impairment losses. Subsequent expenditures related to the water facility arising from concession contracts or that increase future revenues are recognized as part of the service concession asset and are stated at cost.

Service Concession Asset. Service concession asset represents the right to primarily operate a license to distribute water to its subscribers and construction costs of water facilities. Service concession asset are recognized initially on a discounted cash flow basis of the revenue share per annum given to Nabua Water District (NAWAD) and San Jose City (N.E.) Water District (SJCWD). Following initial recognition, the service concession assets are carried at cost less accumulated amortization and any accumulated impairment in value. Subsequent expenditures incurred to maintain the expected future economic benefits of the service concession asset are normally recognized in profit or loss.

The service concession assets are amortized on a straight-line basis over the year stated in the Joint Venture Agreement which is 30 years from the start of commercial operations and is being assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method are reviewed at least each reporting date or when an indication of impairment arises during the reporting year.

Changes in the term of the contract or the expected future economic benefits embodied in the asset is accounted for by changing the amortization period and method, as appropriate, and treated as changes in accounting estimates. The amortization expense is recognized in profit or loss consistent with the functions of intangible assets.

The service concession asset will be derecognized upon turnover to NAWAD with no consideration. There will be no gain or loss upon derecognition of the concession rights which is expected to be fully amortized.

Service Concession Liability. Service concession liability is recognized at the date of inception as the present value of the fixed portion of concession fees if the arrangement qualifies under service concession arrangements in accordance with IFRIC 12, *Service Concession Arrangements*. This account is debited upon payment of concession fees to the grantor. Such payments are apportioned between interest payment and payment of the principal. Accretion of interest on service concession obligation is presented under “Interest expense” account in the consolidated statement of comprehensive income.

Service concession obligation that is expected to be settled for no more than 12 months after the reporting period is classified under current liabilities. Otherwise, this is classified under noncurrent liabilities.

Impairment of Nonfinancial Assets

The carrying amounts of the Group's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash generating unit (CGU) is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Group. Impairment losses are recognized in profit or loss in the period incurred.

The recoverable amount of a nonfinancial asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while the fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized.

Deposits for Future Stock Subscription

Deposits for future stock subscription represents funds received from existing or potential stockholders to be applied as payment for future issuance of capital stock. Deposits for future stock subscription are recognized as equity if, and only if, all of the following elements set forth by the SEC are present as at reporting date:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD's approval on the proposed increase in authorized capital stock for which a deposit was received by the Group);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as a liability.

Capital Stock and Additional Paid-in Capital (APIC)

Capital stock is measured at par value for all shares issued and outstanding. Proceeds or fair value of consideration in excess of par value is recognized as APIC.

Deficit
Deficit represents the cumulative balance of net income or loss.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group perform its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources. Moreover, collectability is assessed before revenue is recognized.

The following specific recognition criteria must also be met before revenue is recognized:

Revenue. Revenue is recognized when the related water services are rendered. Water is billed every month according to the bill cycles of the customers. Monthly revenue earned are billed to the customer and recorded in the same month. Penalty and reconnection fee and subscription income are recognized when earned.

Construction Revenue. Construction revenue is recognized by reference to the stage of completion of the construction activity at the reporting date. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Management Fees and Exploration and Feasibility Study Fees. Revenue is recognized as services are performed.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset, net of final taxes.

Other Income. Other income is recognized as revenue when earned.

Cost and Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Services. Cost of services are recognized as expense when the related services are rendered.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method, net of final tax.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customers has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as Lessee

At the commencement date, the Group recognizes ROU assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value, in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Assets. At commencement date, the Group measures the ROU assets at cost. The cost comprises:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs incurred by the Group; and
- An estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

The ROU assets are recognized under the same basis with property and equipment at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are depreciated over the shorter of the lease term or the useful life of the underlying asset.

Lease Liabilities. At commencement date, the Group measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonable certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonable certain not to terminate early.

Lease liabilities are subsequently measured at amortized cost. Interest on the lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liabilities are remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liabilities are also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is recognized on all temporary differences at the reporting date between the carrying amount of the assets and liabilities in the consolidated financial statements and their corresponding tax bases. Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable income in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable income in the future, carry forward benefits of unused tax credits from the unused net operating loss carryover (NOLCO).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Related Party Transactions

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties. Related party relationships exist when one party has the ability, directly or indirectly, to control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Group; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual; and (d) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directly to the substance of the relationship and not merely on the legal form.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and 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.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefit is probable.

Events After the Reporting Date

Post year-end events that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

In the application of the Group's accounting policies, management is required to exercise judgment and make accounting estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The accounting estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgments, accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the significant judgments, accounting estimates and assumptions affecting the Group:

Judgments

Defining Default and Credit-Impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit- impaired, when it meets one or more of the following criteria:

a. Quantitative Criteria - the borrower is more than 30 or 45 days past due on its contractual payments, which is consistent with the Group's definition of default.

b. Qualitative Criteria - The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

   - The borrower is experiencing financial difficulty or is insolvent;
   - The borrower is in breach of financial covenants; and
   - It is probable that the borrower will enter bankruptcy or other financial reorganization.

Determining Significant Influence. The Group assessed that it has the ability to exercise significant influence, but not control, over its associates as at December 31, 2022 and 2021 by virtue of holding directly more than 20% but less than 50% of the voting power of the associates.

Classifying Joint Arrangements. The Group entered into joint agreements with third party entities involving operations of water projects. The Group determined that it has joint control over the arrangements and have rights to the assets, and obligations for the liabilities, relating to the agreements. Accordingly, the agreements were accounted for as joint operations (see Note 17).

Determining Lease Commitments – Group as a Lessee. The Group recognized ROU assets and lease liabilities for all of its existing lease agreements, except for the lease of parcel of land situated in Brgy. Murcia, Negros Occidental, lease of generator equipment and lease of office space for a period of not more than one (1) year. The Group did not recognize ROU assets and lease liabilities since the lease consideration is variable and application of short-term lease recognition exemption.

Rental expense from short-term leases in 2022 and 2021 are disclosed in Note 18 to the consolidated financial statements.

Estimates and Assumptions

Estimating the Allowance for ECL on Trade Receivables. The Group uses a provision matrix based on historical default rates for trade receivables. The provision matrix specify provision rates depending on the number of days that a trade receivable is past due. The Group then calibrates the provision matrix to adjust historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual experience.

The Group adjust historical default rates if forecasted economic conditions such as gross domestic product are expected to deteriorate which can lead to increased number of defaults in the industry. The Group regularly review the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for ECL of trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

Allowance for ECL and carrying amount of trade receivables are disclosed in Note 6 to the consolidated financial statements.

Assessing the Impairment of ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group's other financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12-month ECL.

The Group has assessed that the ECL for financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2022 and 2021.

The carrying amounts of other financial assets at amortized cost as at December 31, 2022 and 2021 are disclosed in Notes 5, 6, 7, and 15 to the consolidated financial statements.

Estimating the ROU Assets and Lease Liabilities. The Group determines lease payments, lease term and discount rate at the commencement date of a lease. The lease term comprises non-cancellable period of a lease contract. Period covered by an option to extend a lease if the Group is reasonably certain to exercise the option, or periods covered by an option to terminate a lease if the Group is reasonably certain not to exercise that option, are included in the lease term. The Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise, or not to exercise, the option such as, but not limited to, significant leasehold improvements undertaken and the importance of the underlying asset to the Group's operations.

The Group uses its incremental borrowing rate as basis for the discount rate which is the rate 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 ROU asset in a similar economic environment.

As at December 31, 2022 and 2021, the carrying amount of ROU assets and lease liabilities are disclosed in Note 18 to the consolidated financial statements.

Estimating the Useful Lives of Property and Equipment. The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed and 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, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, 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 factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Assessing the Impairment of Nonfinancial Assets. Assessing nonfinancial assets for impairment includes considering certain indicators of impairment such as significant changes in asset usage, significant decline in market value, obsolescence or physical damage of an asset. If such indicators are present, and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

No impairment loss was recognized in 2022 and 2021. The carrying amounts of the Group's nonfinancial assets are disclosed in Notes 7, 8, and 9 to the consolidated financial statements.

Assessing the Impairment of Goodwill. The Group tests annually whether any impairment in goodwill should be recognized, in accordance with the related accounting policy. The recoverable amount of CGU have been determined based on value in use calculations which require the use of estimates.

Based on the impairment assessment, the recoverable amount of the CGU as at December 31, 2022 and 2021, calculated based on value in use are greater than the corresponding carrying values (including goodwill) of the CGU.

The carrying amount of goodwill is disclosed in Note 4 to the consolidated financial statements.

Recognizing Construction Revenue and Costs. The Group measures contract revenue at the fair value of the consideration received or receivable. Given that the Group has subcontracted the construction to outside contractors, the construction revenue recognized is equal to the construction costs. Construction revenue and costs are disclosed in Note 17 to the consolidated financial statements.

Recognizing Deferred Tax Assets. The Group reviews the carrying amounts of deferred tax asset at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Group's recognized deferred tax assets and unrecognized deferred tax assets as at December 31, 2022 and 2021 are disclosed in Note 16 to the consolidated financial statements.

4. Business Combination, Goodwill and Material Non-controlling Interest

Business Combination and Goodwill

In 2021, the Parent Company incorporated SJWCI and TCAI for a total consideration of ₱201.97 million. The Parent Company conducted a preliminary assessment of its equity interest in SJCWCI and has recognized provisional amounts as at December 31, 2021. As permitted by PFRS 3, *Business Combinations*, the Parent Company assessed that based on new information and circumstances that existed at the date of acquisition it identified adjustments to the provisional amounts of goodwill amounting to ₱2.46 million.

The goodwill arising from the business combination based on the finalized purchase price allocation are as follows:

	2021
Fair value of consideration at acquisition date - net of subscription receivable	₱126,664,670
Fair value of non-controlling interests	1,562,500
	128,227,170
Less fair value of net assets	76,667,006
	₱51,560,164

The fair value of the identified assets and liabilities as at the date of acquisition is equivalent to its carrying amount.

The acquisitions of SJWCI, TCAI, TCI, and TNI were expected to result in synergies, economies of scale and efficiency of operations.

Goodwill acquired from business combinations consists of:

	2022	2021
SJWCI	**₱51,521,409**	₱51,521,409
TCI	**9,610,915**	9,610,915
TNI	**5,239,200**	5,239,200
TCAI	**38,755**	38,755
	₱66,410,279	₱66,410,279

For purposes of impairment testing, the Group determined the recoverable amount of goodwill based on value in use. Value in use is based on discounted cash flow model using the subsidiaries' financial forecasts for the next five years.

Key assumptions used to which the recoverable amounts are most sensitive are revenue growth rates, estimated operational costs, weighted average long-term growth rates and discount rates. Revenue growth rates are based on expected operating results with reference to projected cash flows from stress testing. Operational costs are determined based on average fixed and variable costs adjusted for inflationary increases but not reflecting any future restructurings or cost saving measures.

The Group has assessed that there is no goodwill impairment based on a discounted cash flow model using projected budget for the next five years. The Parent Company assessed that goodwill from business combinations are not deductible for tax purposes.

Material Non-controlling Interests

The following table summarizes the subsidiaries with material effective percentage of ownership held by non-controlling interests.

	2022	2021
TCAI	**50%**	50%
TPGGI	**49%**	–
TNI	**30%**	30%
BBWI	**7%**	7%
TCI	**5%**	5%

The accumulated balance of material non-controlling interest amounted to ₱16.65 million and ₱2.98 million as of December 31, 2022 and 2021, respectively.

The summarized financial information of the material partly-owned subsidiaries is presented below. These information are based on the amounts before intercompany eliminations.

	2022			
	Total Assets	**Total Liabilities**	**Total Equity**	**Net Income (Loss)**
BBWI	**₱580,037,245**	**₱435,236,940**	**₱144,800,305**	**(₱9,900,115)**
TCI	**5,114,903**	**2,433,900**	**2,681,003**	**545,992**
TNI	**183,345,205**	**222,922,547**	**(39,577,342)**	**(17,498,715)**
SJWCI	**474,562,247**	**411,867,282**	**62,694,965**	**(7,914,831)**
TCAI	**2,589,337**	**237,001**	**2,352,336**	**(573,690)**
TTMC	**50,041,625**	**44,192,438**	**5,849,187**	**420,709**
TPGGI	**41,011,394**	**1,011,400**	**39,999,994**	**–**

	2021			
	Total Assets	Total Liabilities	Total Equity	Net Income (Loss)
BBWI	₱551,367,710	₱398,667,198	₱152,700,512	(₱7,576,433)
TCI	4,858,167	2,981,612	1,876,555	(146,185)
TNI	180,670,127	202,748,754	(22,078,627)	(22,599,174)
SJWCI	313,170,725	242,560,929	70,609,796	(2,932,209)
TCAI	3,192,811	298,991	2,893,820	(231,180)
TTMC	39,783,308	34,354,830	5,428,478	2,342,233

5. Cash

This account consists of:

	2022	2021
Cash on hand	**₱2,256,005**	₱1,059,206
Cash in banks	**65,661,186**	17,646,879
	₱67,917,191	₱18,706,085

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned from cash in banks amounted to ₱0.20 million and ₱0.01 million in 2022 and 2021, respectively.

6. Trade and Other Receivables

This account consists of:

	Note	2022	2021
Trade receivables		**₱63,431,504**	₱60,688,968
Exploration and feasibility study fees receivable		**22,400,000**	22,400,000
Management fees receivable	15	**320,575**	–
		86,152,079	83,088,968
Less allowance for ECL		**7,751,769**	6,747,367
		₱78,400,310	₱76,341,601

Trade receivables and exploration and feasibility study fees receivables are noninterest-bearing receivables from customers which are normally collectible within 30 days.

In 2021, the Group entered into various exploration and feasibility study agreements with third parties. Exploration and feasibility study fees amounting to ₱20.0 million, net of output VAT, is presented under “Other income (expense) - net" account in the consolidated statements of comprehensive income.

The movements in allowance for ECL are as follows:

	Note	2022	2021
Balance at beginning of the year		**₱6,747,367**	₱8,041,061
Provision for ECL	14	**1,004,402**	6,773,575
Reversal		**–**	(8,067,269)
Balance at end of the year		**₱7,751,769**	₱6,747,367

7. Other Assets

This account consists of:

	Note	2022	2021
Current:			
Input VAT		**₱3,188,796**	₱954,666
Advances to employees		**897,683**	806,659
Others		**423,694**	463,605
		4,510,173	2,224,930
Noncurrent:			
Advances to contractors and suppliers		**36,670,060**	2,500,060
Deposit	17	**10,780,539**	10,780,539
Refundable deposits		**3,577,018**	3,553,643
		51,027,617	16,834,242
		₱55,537,790	₱19,059,172

Advances to employees pertain to cash advances which are subject to liquidation.

Others pertain to materials and office supplies and are generally utilized within 12 months or within the normal operating cycle.

Advances to contractors and suppliers represent the down payments for the water project studies, drillings and for the on-going construction of additional injection point in connection to the bulk water supply agreement of the Group. These are noninterest-bearing and are being applied to the final billings.

Deposit pertains to amount advanced by the Group for the corporation which will be established by virtue of the franchise agreement.

Refundable deposits include utility deposit and lease security deposits which are subject to refund at the end of the contract period.

8. Investment in Associates

The carrying amounts of investments in associates are as follows:

	2022		2021	
	% ownership	**Amount**	% ownership	Amount
Calbayog Water Company, Inc. (CWCI)	**40.0%**	**₱93,320,624**	40.0%	₱97,486,091
Princess Urduja Waterworks System, Inc. (PUWSI)	**40.0%**	**7,952,767**	40.0%	7,576,891
MTTP Water Corporation (MWC)	**47.5%**	**–**	47.5%	–
		₱101,273,391		₱105,062,982

CWCI's principal place of business is at JD Avelino St., West Awang, Calbayog City, Western Samar while PUWSI's principal place of business is at RTP Building, Poblacion West, Sual, Pangasinan.

The Group's investment in MWC's shares was fully provided with allowance amounting to ₱5.48 million. MWC has no operations in 2022 and 2021.

The movements in investments in associates are as follows:

	2022	2021
Acquisition Cost		
Balance at beginning and end of year	**₱134,807,939**	₱134,807,939
Accumulated Equity in Net Loss		
Balance at beginning of year	**(24,265,022)**	(16,825,797)
Equity share in net loss for the year	**(3,789,591)**	(7,439,225)
Balance at end of year	**(28,054,613)**	(24,265,022)
Allowance for Impairment Loss		
Balance at beginning and end of year	**(5,479,935)**	(5,479,935)
	₱101,273,391	₱105,062,982

The financial information of associates is summarized below.

	CWCI		**PUWSI**	
	2022	2021	**2022**	2021
Total assets:				
Current	**₱49,656,213**	₱71,300,002	**₱2,658,759**	₱3,964,052
Noncurrent	**658,118,475**	587,499,188	**35,726,579**	35,792,576
	707,774,688	658,799,190	**38,385,338**	39,756,628
Total liabilities:				
Current	**82,050,720**	71,895,978	**21,336,222**	20,647,201
Noncurrent	**552,705,155**	503,470,732	**12,460,634**	15,460,634
	634,755,875	575,366,710	**33,796,856**	36,107,835
Total equity	**73,018,813**	83,432,480	**4,588,482**	3,648,793
Revenue	**137,143,521**	114,971,243	**15,976,039**	14,508,343
Net income (loss)	**(10,413,667)**	(18,995,919)	**939,689**	397,858

In 2020, the Group subscribed to 40% ownership interest in CWCI for a total consideration amounting to ₱121.22 million. The Group has unpaid subscription amounting to ₱46.93 million as at December 31, 2022 and 2021 (see Note 10). The related goodwill included in the carrying amount of the Group's investment in CWCI amounted to ₱45.34 million as at December 31, 2022 and 2021.

A reconciliation of CWCI's equity to the carrying amount of the Group's investment in CWCI follows:

	Note	**2022**	2021
CWCI's equity		**₱73,018,813**	₱83,432,480
Subscription payable	10	**46,930,000**	46,930,000
		119,948,813	130,362,480
Ownership interest		**40%**	40%
Equity in investment in CWCI		**47,979,525**	52,144,992
Goodwill		**45,341,099**	45,341,099
Carrying amount		**₱93,320,624**	₱97,486,091

The difference between the carrying amount of investment in PUWSI and the share in net assets of PUWSI represents goodwill.

9. Property and Equipment

The balances and movements of this account are as follows:

	2022							
	Construction in Progress	**Water Supply Facility and Equipment**	**Site Facilities and Offices**	**Transportation Equipment**	**Land**	**Computer Equipment**	**Furniture, Fixtures and Equipment**	**Total**
Cost								
Balances at beginning of year	**₱348,581,799**	**₱167,042,814**	**₱55,594,753**	**₱2,287,707**	**₱1,440,000**	**₱879,908**	**₱2,961,948**	**₱578,788,929**
Additions	**27,518,506**	**6,200,095**	**1,518,230**	**2,465,000**	**–**	**1,103,132**	**1,111,434**	**39,916,397**
Balances at end of year	**376,100,305**	**173,242,909**	**57,112,983**	**4,752,707**	**1,440,000**	**1,983,040**	**4,073,382**	**618,705,326**
Accumulated Depreciation								
Balances at beginning of year	**–**	**19,246,387**	**14,671,022**	**1,776,251**	**–**	**505,007**	**1,894,319**	**38,092,986**
Depreciation	**–**	**7,191,434**	**3,803,160**	**441,177**	**–**	**240,400**	**1,069,931**	**12,746,102**
Balances at end of year	**–**	**26,437,821**	**18,474,182**	**2,217,428**	**–**	**745,407**	**2,964,250**	**50,839,088**
Carrying Amount	**₱376,100,305**	**₱146,805,088**	**₱38,638,801**	**₱2,535,279**	**₱1,440,000**	**₱1,237,633**	**₱1,109,132**	**₱567,866,238**

	2021							
	Construction in Progress	Water Supply Facility and Equipment	Site Facilities and Offices	Transportation Equipment	Land	Computer Equipment	Furniture, Fixtures and Equipment	Total
Cost								
Balances at beginning of year	₱369,023,367	₱132,970,311	₱54,608,704	₱2,078,600	₱1,440,000	₱708,557	₱2,712,687	₱563,542,226
Additions	20,746,886	8,394,774	986,049	209,107	–	171,351	249,261	30,757,428
Adjustments	(14,708,493)	–	–	–	–	–	–	(14,708,493)
Reclassification	(26,479,961)	25,677,729	–	–	–	–	–	(802,232)
Balances at end of year	348,581,799	167,042,814	55,594,753	2,287,707	1,440,000	879,908	2,961,948	578,788,929
Accumulated Depreciation								
Balances at beginning of year	–	16,794,161	8,623,898	1,459,523	–	381,811	1,420,033	28,679,426
Depreciation	–	2,479,840	6,047,124	316,728	–	123,196	474,286	9,441,174
Reclassification	–	(27,614)	–	–	–	–	–	(27,614)
Balances at end of year	–	19,246,387	14,671,022	1,776,251	–	505,007	1,894,319	38,092,986
Carrying Amount	₱348,581,799	₱147,796,427	₱40,923,731	₱511,456	₱1,440,000	₱374,901	₱1,067,629	₱540,695,943

Fully depreciated property and equipment being used by the Group amounted to ₱2.66 million and ₱0.40 million as at December 31, 2022 and 2021, respectively.

In 2022, the Group acquired a transportation equipment amounting to ₱1.95 million through bank financing (see Note 11).

Construction in progress pertains to Group's water distribution facilities and pipelines for the waterworks system related to its projects with estimated cost to complete amounting to ₱1,663.38 million. This also includes the development costs, installation and operation of water extraction equipment and maintenance of water supply systems through provision and development of water resources.

In 2021, construction in progress and water supply facility and equipment classified as rehabilitation works with carrying amount of ₱0.80 million, respectively, were reclassified to service concession asset (see Note 17).

Capitalized borrowing costs amounted to ₱11.77 million and ₱11.54 million in 2022 and 2021, respectively (see Note 11).

Depreciation and amortization consist of:

	Note	**2022**	2021
Property and equipment		**₱12,746,102**	₱9,441,174
Service concession asset	17	**15,808,290**	7,907,190
ROU assets	18	**1,147,550**	3,563,684
		₱29,701,942	₱20,912,048

Depreciation and amortization are charged to operation as follows:

	Note	**2022**	2020
Cost of services	13	**₱18,466,590**	₱16,859,390
Operating expenses	14	**11,235,352**	4,052,658
		₱29,701,942	₱20,912,048

10. Trade and Other Payables

This account consists of:

	Note	**2022**	2021
Trade payable		**₱22,818,161**	₱13,324,426
Subscription payable	8	**46,930,000**	46,930,000
Accrued expenses		**25,860,203**	17,450,231
Statutory payables		**13,041,905**	5,499,925
Interest payable	11	**8,053,477**	3,364,080
Provision for probable losses		**5,825,133**	14,474,594
Retention payable		**–**	5,573,758
		₱122,528,879	₱106,617,014

Trade payables are non-interest bearing and generally payable in the next reporting period.

Subscription payable pertain to the unpaid capital stock subscription for the Group's investment in CWCI.

Accrued expenses mainly include assumed labor integration packages, professional fees, outside services and other expenses payable to third parties that are expected to be settled within 12 months from the end of the reporting period.

Statutory payables pertain to taxes withheld by the Group to government agencies other payables to government agencies. These are remitted to the respective regulatory agencies in the following month. This also includes deferred output VAT not yet due until the invoice is paid by the customer.

Provision for probable losses pertains to provisions for contingencies. In accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, no further details were provided because this may prejudice the Group's position on this matter.

Retention payable pertains to amounts retained from contractors' payable at the completion of the construction. In 2022, the retention payable amounting to ₱5,573,758 were reversed and recognized as part of "Other income (expense)" account in the statement of comprehensive income.

11. **Loans Payable**

The movements of this account are as follows:

	2022	2021
Balance at beginning of year	**₱276,430,000**	₱304,200,000
Availment	**251,952,000**	–
Payments	**(90,747,597)**	(27,770,000)
Balance at end of year	**437,634,403**	276,430,000
Less debt issue costs	**1,731,692**	1,606,774
	435,902,711	274,823,226
Less current portion	**63,106,633**	33,494,628
Noncurrent portion	**₱372,796,078**	₱241,328,598

The Group obtained various loans from commercial banks for the on-going construction projects. The principal amounts are payable in monthly and quarterly installments and bear annual interest rates ranging from 5.50% to 7.50%, and with terms ranging from three years to 15 years.

The Group's loan contains covenants to maintain a debt-to-equity ratio, current ratio and total debt service ratio. The Company shall only be in default if, in the reasonable option of the bank, noncompliance is not remediable. The Group has continued to make payments based on the terms of the loan.

The carrying amounts and significant terms of the loans are as follows:

	Carrying Amounts					
	2022	2021	Credit Facility	Payment Terms	Interest	Security
BBWI	**₱241,328,598**	₱274,823,226	₱313,000,000	Various loans payable in quarterly installments	5.50% to 7.50% per annum	Pledge of shares and deed of trust over the construction project
SJWC	**150,000,000**	–	150,000,000	5-year loan payable in quarterly installments	6.50% per annum	Against hold out on peso deposits; deed of assignment on monthly water billings and debt service reserve account; and negative pledge on the project assets
TTMC	**23,158,333**	–	30,000,000	3-year loan payable in equal monthly installments	5.75% per annum	Deed of assignment over receivables
TNI	**19,623,253**	–	20,000,000	5-year loan payable in 12 equal monthly installments	7.50% per annum	Assignment of receivables, corporate suretyship of TPGI, QWC and PWC, and suretyship of certain individual shareholders
TPGI	**1,792,527**	–	1,952,000	5-year loan payable in 60 monthly installments	10.95% per annum	Chattel mortgage on the transportation equipment with a carrying amount of ₱2,340,677
	₱435,902,711	₱274,823,226				

Debt Issue Costs

Debt issue costs pertain to documentary stamp taxes and other transaction costs incurred in connection with the loan. Movements of unamortized debt issue costs are as follows:

	2022	2021
Balance at beginning of year	**₱1,606,774**	₱1,817,954
Additions	**365,120**	–
Amortization	**(240,202)**	(211,180)
Balance at end of year	**₱1,731,692**	₱1,606,774

Interest Expense and Capitalized Borrowing Costs

Interest expense charged to operations amounted to ₱31.21 million and ₱16.77 million in 2022 and 2021, respectively. The Group capitalized borrowing cost amounting to ₱11.77 million and ₱11.54 million in 2022 and 2021, respectively (see Note 9).

Interest expense charged to operations consists of:

	Note	**2022**	2021
Service concession liability	17	**₱17,563,523**	₱8,300,281
Loans payable		**12,183,294**	7,021,866
Lease liabilities	18	**1,459,604**	1,447,974
		₱31,206,421	₱16,770,121

The expected loan repayments over the remaining term of the loan are as follows:

	2022	2021
Not later than one (1) year	**₱63,302,173**	₱33,680,000
Later than one (1) year but not later than five (5) years	**72,405,428**	104,937,500
Later than five (5) years	**301,926,802**	137,812,500
	₱437,634,403	₱276,430,000

The changes in liabilities arising from financing activities as at December 31, 2022 and 2021 are as follows:

		2022					
			Financing Cash Flows		**Noncash Changes**		
	Note	**Balance at Beginning of Year**	**Proceeds**	**Payments**	**Interest and capitalized borrowing costs**	**Acquisition of property and equipment through loan**	**Balance at End of Year**
Due to related parties	15	**₱393,331,851**	**₱114,584,157**	**(₱40,903,943)**	**₱–**	**₱–**	**₱467,012,065**
Loans payable		**274,823,226**	**250,000,000**	**(91,112,717)**	**240,202**	**1,952,000**	**435,902,711**
Service concession liability	17	**407,472,502**	**–**	**(18,418,245)**	**17,563,523**	**–**	**406,617,780**
Deposits for future stock subscription	15	**129,145,472**	**–**	**–**	**–**	**–**	**129,145,472**
Lease liabilities	18	**18,336,279**	**–**	**(273,750)**	**1,459,604**	**–**	**19,522,133**
Interest payable	10	**3,364,080**	**–**	**(19,025,697)**	**23,715,094**	**–**	**8,053,477**
		₱1,226,473,410	**₱364,584,157**	**(₱169,734,352)**	**₱42,978,423**	**₱1,952,000**	**₱1,466,253,638**

		2021						
			Financing Cash Flows		Noncash Changes			
	Note	Balance at Beginning of Year	Proceeds	Payments	Interest and capitalized borrowing costs	Liabilities acquired through business combination	Recognition of lease liabilities	Balance at End of Year
Due to related parties	15	₱207,041,041	₱136,313,473	(₱20,328)	₱–	₱49,997,665	₱–	₱393,331,851
Loans payable		302,382,046	–	(27,770,000)	211,180	–	–	274,823,226
Service concession liability	17	123,204,724	–	(6,118,072)	8,300,281	–	282,085,569	407,472,502
Deposits for future stock subscription	15	129,145,472	–	–	–	–	–	129,145,472
Lease liabilities	18	20,981,036	–	(4,092,731)	1,447,974	–	–	18,336,279
Interest payable	10	9,244,830	–	(24,234,954)	18,354,204	–	–	3,364,080
		₱791,999,149	₱136,313,473	(₱62,236,085)	₱28,313,639	₱49,997,665	₱282,085,569	₱1,226,473,410

12. **Revenue**

This account consists of:

	2022	2021
Water bills	**₱133,050,860**	₱89,885,938
Penalty and reconnection fee	**5,751,451**	1,777,779
Subscription income	**1,017,155**	1,062,207
	₱139,819,466	₱92,725,924

13. **Cost of Services**

This account consists of:

	Note	**2022**	2021
Utilities		**₱25,972,098**	₱9,819,810
Outside services		**19,228,848**	15,356,186
Depreciation and amortization	9	**18,466,590**	16,859,390
Salaries and wages		**13,877,506**	6,921,067
Supplies		**5,391,469**	4,591,193
Fuel, lubricants and oil		**1,714,892**	845,196
Taxes and licenses		**80,922**	73,719
Rental	18	**–**	325,229
Others		**2,519,453**	1,933,706
		₱87,251,778	₱56,725,496

Others include repairs and maintenance and consultancy fees among others.

14. Operating Expenses

This account consists of:

	Note	2022	2021
Salaries and wages		**₱37,834,477**	₱26,391,253
Depreciation and amortization	9	**11,235,352**	4,052,658
Representation		**10,480,494**	9,147,859
Rental	18	**4,221,995**	2,093,860
Professional fees		**4,191,247**	5,489,815
Utilities		**2,701,682**	1,656,042
Transportation		**2,412,893**	1,065,462
Taxes and licenses		**2,308,886**	3,455,866
Office expense		**1,758,520**	1,017,115
Fuel, lubricants and oil		**1,637,756**	698,217
Insurance		**1,474,324**	894,134
Repairs and maintenance		**1,349,383**	2,384,040
Provision for ECL	6	**1,004,402**	6,773,575
Advertising		**491,413**	312,572
Provision for probable losses		**459,485**	5,412,384
Others		**7,529,514**	5,656,843
		₱91,091,823	₱76,501,695

15. Related Party Transactions

The Group has transactions with its related parties as follows:

	Amount of Transactions		Balance at End of Year	
Related Party	**2022**	2021	**2022**	2021
Due from Related Parties				
Entities under common control:				
Quadcore Construction and Development Corporation (QCDC)	**₱105,927,304**	₱1,450,453	**₱185,421,312**	₱79,494,008
Pure Energy Holdings Corporation	**–**	–	**17,500,000**	17,500,000
Quadhomes, Inc.	**–**	–	**5,000,000**	5,000,000
Philippine Power and Development Company	**–**	–	**1,406,244**	1,406,250
Others	**1,845,185**	–	**1,845,185**	–
Associate - PUWSI	**–**	1,888,413	**3,516,413**	3,516,413
Stockholders	**6,515,936**	204,491	**8,237,786**	1,721,856
Grantor - CRWSA	**–**	238,942	**–**	238,942
			₱222,926,940	₱108,877,469
Due to Related Parties				
Stockholders	**₱111,877,152**	₱182,125,543	**₱461,442,320**	₱387,795,460
Entities under common control	**2,707,005**	4,185,595	**5,569,745**	5,536,391
			₱467,012,065	₱393,331,851

	Amount of Transactions		Balance at End of Year	
Related Party	**2022**	2021	**2022**	2021
Deposits for Future Stock Subscription				
Stockholders	**₱–**	₱–	**₱129,145,472**	₱129,145,472
Management Fees				
Associate -				
CWCI	**₱3,751,572**	₱2,533,988	**₱320,575**	₱–

Due from Related Parties

Due from related parties are advances of the Group for working capital purposes. These are noninterest-bearing, unsecured and are due and demandable. No impairment loss was recognized in 2022 and 2021.

Due to Related Parties

Due to related parties are advances of related parties to the Group for working capital purposes. These are noninterest-bearing, unsecured and are payable in cash and upon demand.

Deposits for Future Stock Subscription

In 2018, the Parent Company converted its advances from QWC and PWC aggregating ₱129.15 million into deposits for future stock subscription.

In 2022, the Parent Company's BOD and stockholders approved the increase in authorized capital stock from ₱50,000,000 divided into 50,000,000 shares at ₱1 par value per share to ₱500,000,000 divided into 500,000,000 shares at ₱1 par value per share.

On June 30, 2023, the Parent Company filed its application for the increase in authorized capital stock with the SEC. As a result, the deposits for future stock subscription were reclassified as part of equity in 2023. As at the report date, the application is still subject to approval.

Management Fees

The Group is entitled to management fees for the services provided for program development and other administrative functions in accordance with the shareholders and stakeholders management agreement.

Compensation of Key Management Personnel

Compensation of key management personnel charged to the consolidated statements of comprehensive income amounted to ₱4.30 million and ₱4.0 million in 2022 and 2021, respectively.

16. **Income Taxes**

The components of the Group's income tax expense (benefit) are as follows:

	2022	2021
Reported in Profit or Loss		
Current tax:		
Regular corporate income tax (RCIT)	**₱680,345**	₱1,739,088
Minimum corporate income tax (MCIT)	**172,590**	134,439
	852,935	1,873,527
Deferred tax	**(2,085,207)**	(884,515)
	(₱1,232,272)	₱989,012

Details of the Group's NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Balance at End of Year	Year of Expiry
2022	₱–	₱47,939,199	₱–	₱47,939,199	2025
2021	35,652,339	–	(409,650)	35,242,689	2026
2020	3,899,611	–	–	3,899,611	2025
	₱39,551,950	₱47,939,199	(₱409,650)	₱87,081,499	

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued the Revenue Regulation (RR) No. 25-2020 to implement Section 4 (b) of Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act". This RR provides that net operating loss of the business or enterprise for taxable years 2020 and 2021 to be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

MCIT incurred in 2022 and 2021 amounting to ₱0.17 million and ₱0.13 million, respectively can be applied against income tax due until 2025 and 2024, respectively.

Details of the Group's net deferred tax asset as at December 31, 2022 and 2021 are as follows:

	2022	2021
Deferred tax assets:		
NOLCO	**₱8,207,292**	₱3,770,995
Lease liabilities - net of ROU assets	**1,260,462**	677,112
Allowance for ECL	**1,204,804**	1,204,804
Debt issue costs	**355,350**	401,694
Excess MCIT over RCIT	**187,532**	134,439
	11,215,440	6,189,044
Deferred tax liability -		
Capitalized borrowing costs	**8,767,628**	5,826,439
	₱2,447,812	₱362,605

The Group's unrecognized deferred tax assets are as follows:

	2022	2021
NOLCO	**₱13,555,032**	₱6,096,510
Allowance for impairment loss on investment in associates	**1,369,984**	1,369,984
Allowance for ECL	**513,253**	262,153
Excess MCIT over RCIT	**119,497**	–
	₱15,557,766	₱7,728,647

The recognized and unrecognized deferred tax assets are based on management's assessment of the Group's future taxable income against which the deferred tax assets can be utilized.

The reconciliation of income tax expense (benefit) computed at statutory tax rate with income tax expense (benefit) shown in the consolidated statements of comprehensive income follows:

	2022	2021
Income tax benefit computed at statutory tax rate	**(₱14,621,103)**	(₱10,690,452)
Change in unrecognized deferred tax asset	**7,829,119**	5,744,586
Change in income tax rates	**–**	(64,897)
Add (deduct) tax effects of:		
Nondeductible expenses	**4,598,142**	4,123,702
Nontaxable equity share in net loss of associates	**947,398**	1,859,806
Difference in tax rates	**15,941**	18,868
Interest income subjected to final tax	**(1,769)**	(2,601)
	(₱1,232,272)	₱989,012

On March 26, 2021, CREATE was approved and signed into law by the country's President. Under the CREATE, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the MCIT was changed from 2% to 1% of gross income for a period of three (3) years. The changes in the income tax rates retrospectively became effective beginning July 1, 2020.

17. Significant Agreements

The Group has the following significant agreements:

Certificate of Public Convenience (CPC)

The developers of Sunshine Ville passed onto the Parent Company the exclusive authority to provide adequate and potable water supply to all residential and commercial establishments in the Sunshine Ville housing area covering approximately 7,000 households.

The Parent Company applied for and was granted water permit with the National Water Resources Board (NWRB). Consequently, a CPC followed. The Parent Company operates the water system by virtue of this CPC.

In 2018, the Parent Company was granted a CPC for the installation, operation and maintenance of the Sunshine Ville 2 water works system in Trece Martires City, Cavite which is valid until November 26, 2023. In 2019, the NWRB issued the water permit.

In 2020, the Parent Company assigned and transferred its water permit and CPC to TTMC and the NWRB approved the transfer of the water permit in 2021. Moreover, the Parent Company was directed to file a petition to transfer its CPC in favor of TTMC. As at report date, TTMC is in the process of having the CPC transferred under its name. The Parent Company also intends to file a petition for renewal of the CPC and transfer of the CPC to TTMC.

In 2021, TTMC took over the operations of the Sunshine Ville Project. The Parent Company executed a deed of assignment and transferred all receivables, site facilities machineries and equipment, refundable deposits and payables related to its Sunshine Ville Project to TTMC.

Memorandum for the development of the water supply of Tiglawigan, Sicaba, Luna and Cadiz Viejo in Cadiz City, Negros Occidental

In September, 2017, the Parent Company entered into a joint venture agreement with DLB Prime Products Inc. (DLB) for the development of the following water supply systems in Cadiz, Negros Occidental:

1. St. Patrick Homes 1; Barangay Tiglawigan, Cadiz City, Negros Occidental
2. Len-Vil Homes, Barangay Sicaba, Cadiz City, Negros Occidental
3. Antonio Heights; Barangay Luna, Cadiz City, Negros Occidental
4. Lacson Villas, Barangay Cadiz Viejo, Cadiz City, Negros Occidental

The Group's income from this joint venture is as follows:

	2021
Revenue	₱575,474
Less expenses	334,644
Net income	₱240,830

In 2021, the Parent Company and DLB incorporated the joint venture entity, TCAI. Accordingly, TCAI took over the operations of the Cadiz Projects.

JVA with Coron Rural Waterworks and Sanitation Association (CRWSA)

In 2020, the Parent Company entered into an agreement to construct, design and finance the proposed water and septage system improvement of CRWSA. CRWSA has agreed to grant the Parent Company the right to construct, install, operate, expand and manage the water system and septage system of CRWSA in the municipality of Coron, Palawan. TCI is currently operating the Coron Project.

Bulk Water Supply Contract and Memorandum of Agreement with Bacolod City Water District (BACIWA)

In 2016, Bacolod Bulk Water Inc. entered into Bulk Water Supply Contracts with Bacolod City Water District to provide bulk water supply in Bacolod City for a period of twenty five (25) years. The salient provisions of the contracts are as follows:

- Bacolod Bulk Water Inc. shall provide an initial 30,000 cubic meters escalating to 150,000 cubic meters from the two injection points in Brgy. Granada and Brgy. Mansilingan in Bacolod City.
- All construction and civil works of the bulk water facilities inclusive of all pertinent licenses, permits and acquisition of road rights of way which shall be completed within a maximum period of eighteen (18) months from the issuance of the Notice to Proceed (NTP). The NTP was received on September 15, 2016.
- Bacolod City Water District shall accept the delivery of water from Bacolod Bulk Water Inc. at a specified minimum volume at the required flow rate.

In addition, on June 28, 2016, Bacolod Bulk Water Inc. entered into a memorandum of agreement for the use of Bacolod City Water District's Ngalan River water permit for a period of twenty five (25) years upon completion of construction.

In 2022 and 2021, Bacolod Bulk Water Inc. recognized revenue amounting to ₱28.08 million and ₱35.52 million, respectively.

Joint Venture Agreement (JVA) with Manila Water

The Parent Company and Manila Water had various JVAs to develop water projects in Calbayog (operated by CWCI) (see Note 8), San Jose (operated by SJCWCI), and Iloilo, among others. The Parent Company also entered into various shareholders, subscription, technical and stakeholder management agreements related to these projects.

Franchise Agreements

In July 2017, the Office of the Sangguniang Bayan of Malasiqui granted the Parent Company a franchise to the design, construct, develop, operate, maintain and manage of the Malasiqui Bulk Water Supply and Distribution System in the municipality of Malasiqui, Pangasinan.

In 2020, the Parent Company and Manila Water, or their designated joint venture company (the Grantee) was granted by Office of the Sangguniang Panlungsod of Iloilo City franchise for a period of 25 years to construct, establish, commission, operate, and maintain a water supply system to service the population of Iloilo City. The Company paid deposit amounting to ₱10.78 million for the establishment of a joint venture corporation (see Note 7).

Memorandum for the Development of Water Supply of Borbon, Cebu

In 2021, the Parent Company and SAVS Water Utilities Corporation, with the conformity of SAVS-Borbon Cebu Water Corporation, entered into memorandum of agreement for the development, upgrade, and operation of SAVS Borbon's water supply system, including distribution facilities, maintenance, and to improve and expand the water supply services within the Municipality of Borbon.

Memorandum for the Development of Water Supply of Trece Martires City, Cavite

In 2022, RFN Construction & Development Corporation, a developer of housing projects in Trece Martires, granted the exclusive authority to the Parent Company and TTMC to carry out the upgrade and modernization of RFN National Housing Authority (NHA) water supply, treatment, and distribution facilities, including its operation and maintenance. TTMC and TPGI are granted authority to construct a waterworks system ("The Deepwell 3" located in Sunshineville 2, Phase 2) necessary to provide the residents of the Housing Project with adequate potable water with quality.

JVA with City of Mandaue

In March 2022, the local government of the City of Mandaue engaged the Parent Company and ALV Water Solutions Corporation to design, construct, operate, maintain, and finance the Level III Water Supply and Treatment Facility. This facility utilizes the Desalination Treatment Process with Septage Management Program in the City of Mandaue.

JVA with Catbalogan Water District (CWD)

In 2022, the Parent Company entered into an agreement with CWD for the design, construction, rehabilitation, maintenance, operation, financing, expansion, and management of the water supply and septage system of CWD in the City of Catbalogan, Province of Samar.

Pre-development and Initial Construction Agreement with Quadcore

In 2022, the Parent Company entered into a pre-development and initial construction agreement with Quadcore Construction and Development Corp. to conduct a feasibility study, exploration, other pre-development and initial construction in the project areas to determine the viability of water sources. The project areas are Catbalogan Water District (CWD), Municipality of Borbon in Cebu, and Metropolitan Cebu Water District (MCWD).

Service Concession Agreements

JVA with San Jose City Water District (SJCWD). In 2021, SJCWD engaged the Parent Company, Manila Water Philippine Ventures, Inc. and Manila Water Company, Inc. to jointly engage in the development, improvement, upgrade and expansion of water supply and sanitation facilities, and to provide necessary services and incidental thereto in the whole city of San Jose, Nueva Ecija. SJCWD has agreed to grant SJCWCI the exclusive right and authority to provide water supply and sanitation facilities in the service area of San Jose City. SJCWCI is currently operating the San Jose Project.

The salient provisions of the agreement are as follows:

- The agreement shall be valid for a period of 25 years and subject to extension for another 25 years from the original expiration date as mutually agreed by the parties;
- Legal title to all fixed assets contributed to and utilized for the project during the term of the appointment shall remain with the Group until expiration date, at which time, all rights, title, interest in such assets shall automatically vest in SJCWD at no cost.
- Revenue share of SJCWD shall be equivalent to a fixed fee per annum subject to increase.

JVA with Nabua Water District (NAWAD). In 2019, NAWAD engaged the consortium led by Tubig Pilipinas Group Inc. for the development, improvement, upgrade and expansion of water supply and septage system of Nabua, Camarines Sur. NAWAD has agreed to grant the consortium the exclusive right and authority to provide water supply and sanitation facilities in the service area of Nabua Water District. TNI is currently operating the Nabua Project.

The salient provisions of the agreement are as follows:

- The agreement is valid for 30 years, renewable for another 20 years;
- The Companies may mortgage or create security interest over such assets solely for the purpose of financing (or refinancing) the acquisition or construction thereof; provided however, no such mortgage or security interest shall extend beyond the expiration date and no such mortgage or security interest shall be subject for foreclosure except following an event of termination; and,
- Revenue share of Nabua Water District shall be equivalent a fixed fee per annum subject to increase.

The carrying amounts and movements in service concession assets are as follows:

	Note	**2022**	2021
Cost			
Balance at beginning of year		**₱417,626,214**	₱127,397,588
Rehabilitation works		**3,113,944**	7,340,828
Initial recognition		**–**	282,085,566
Reclassifications	9	**–**	802,232
Balance at end of year		**420,740,158**	417,626,214
Accumulated Amortization			
Balance at beginning of year		**10,738,248**	2,831,058
Amortization	9	**15,808,290**	7,907,190
Balance at end of year		**26,546,538**	10,738,248
		₱394,193,620	₱406,887,966

In 2021, rehabilitation works amounting to ₱0.80 million, net of accumulated depreciation, was reclassified to "Service Concession Asset" account in the consolidated statement of financial position (see Note 9).

Service concession liability account consists of fixed concession fees recognized at present value using the discount rate at the inception date. The carrying amount and movements in this account are as follows:

	Note	**2022**	2021
Balance at beginning of year		**₱407,472,502**	₱123,204,724
Initial recognition		**–**	282,085,569
Interest accretion	11	**17,563,523**	8,300,281
Payments		**(18,418,245)**	(6,118,072)
Balance at end of year		**406,617,780**	407,472,502
Less current portion		**12,666,359**	11,006,596
Noncurrent portion		**₱393,951,421**	₱396,465,906

18. Commitments

The Group has the following existing lease commitments which are exclusive in nature:

In 2019, the Group entered into a lease agreement for a portion of parcel of land situated in Brgy. Granada, Bacolod City for a period of seven (7) years. The lease consideration is payable upon execution of the contract.

In 2018, the Group entered into a lease agreement for a parcel of land situated in Municipality of Murcia, Negros Occidental for a period of 25 years renewable for another 25 years upon mutual agreement by the parties. The lease consideration shall be paid at an amount equal to ₱0.10 per cubic meter of water treated and delivered to BACIWA or a fixed monthly rental rate based on the amount stated in the contract on the period during the Group has not yet supplied any water to BACIWA.

Also, the Group entered into a finance lease agreement with a financial institution. The finance lease agreement is related to the Group's acquisition of generator equipment. Term of the lease is two (2) years with an interest rate of 5.42%.

In 2016, the Group entered into a lease agreement for a parcel of land and improvements situated in Brgy. Granada, Bacolod City for a period of 25 years renewable upon mutual agreement of both parties. The lease consideration is payable on a fixed monthly rate subject to escalation.

The carrying amounts and movements in ROU assets as at December 31, 2022 and 2021 are as follows:

	Note	**2022**	2021
Cost			
Balance at beginning and end of year		**₱23,445,784**	₱23,445,784
Accumulated Amortization			
Balance at beginning of year		**7,817,951**	4,254,267
Amortization	9	**1,147,550**	3,563,684
Balance at end of year		**8,965,501**	7,817,951
Carrying amount		**₱14,480,283**	₱15,627,833

The carrying amounts and movements in lease liabilities are as follows:

	Note	**2022**	2021
Balance at beginning of year		**₱18,336,279**	₱20,981,036
Interest expense	11	**1,459,604**	1,447,974
Rental payments		**(273,750)**	(4,092,731)
Balance at end of year		**19,522,133**	18,336,279
Current portion of lease liabilities		**1,121,055**	313,352
Noncurrent portion of lease liabilities		**₱18,401,078**	₱18,022,927

Future minimum lease payments are as follows:

	2022	2021
Within one (1) year	**₱2,253,168**	₱1,394,805
After one (1) year but not more than five (5) years	**6,966,223**	6,510,489
More than five (5) years	**33,879,678**	35,467,526
	₱43,099,069	₱43,372,820

Rentals charged to operations in 2022 and 2021 arising from the short-term leases and variable lease payments not included in measurement of lease liabilities as follows:

	Note	**2022**	2021
Cost of services	13	**₱–**	₱325,229
Operating expenses	14	**4,221,995**	2,093,860
		₱4,221,995	₱2,419,089

19. **Financial Risk Management Objectives and Policies and Fair Value Measurement**

The main risks arising from the Group's financial instruments are credit risk, interest rate risk and liquidity risk.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Group has significant concentration of credit risk. The risk of default by the counterparties on its contractual obligations with the Group, however, is minimal because the counterparties have positive credit ratings. Cash in banks are deposited in reputable banks having good credit rating and low probability of insolvency. For due from related parties, refundable deposits and bid security, the Group only enters to reputable counterparties with low credit risk.

The tables below show the credit quality per class of financial assets as at December 31, 2022 and 2021:

	December 31, 2022						
			Past Due But Not Impaired				
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total	Allowance for ECL
Lifetime ECL -							
Trade receivables	₱–	₱1,458,856	₱–	₱–	₱61,972,648	₱63,431,504	₱7,751,769
12-Month ECL:							
Cash in banks	65,661,186	–	–	–	–	65,661,186	–
Exploration and feasibility study fees receivable	–	22,400,000	–	–	–	22,400,000	–
Management fees receivable	–	320,575	–	–	–	320,575	–
Due from related parties	22,049,994	200,876,946	–	–	–	222,926,940	–
Deposit	–	10,780,539	–	–	–	10,780,539	–
Refundable deposits	907,182	2,669,836	–	–	–	3,577,018	–
	₱88,618,362	₱238,506,752	₱–	₱–	₱61,972,648	₱389,097,762	₱7,751,769

	December 31, 2021						
			Past Due But Not Impaired				
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total	Allowance for ECL
Lifetime ECL -							
Trade receivables	₱–	₱9,262,458	₱–	₱–	₱51,426,510	₱60,688,968	₱6,747,367
12-Month ECL:							
Cash in banks	17,646,879	–	–	–	–	17,646,879	–
Exploration and feasibility study fees receivable	–	22,400,000	–	–	–	22,400,000	–
Due from related parties	108,877,469	–	–	–	–	108,877,469	–
Deposit	–	10,780,539	–	–	–	10,780,539	–
Refundable deposits	907,182	2,646,461	–	–	–	3,553,643	–
	₱127,431,530	₱45,089,458	₱–	₱–	₱51,426,510	₱223,947,498	₱6,747,367

The Group's financial assets are categorized based on the Group's collection experience with the counterparties as follows:

- "Neither past due nor impaired" includes the Group's financial instruments that are:
  a. High Grade - settlements are obtained from counterparty following the terms of the contracts without much collection effort.
  b. Standard Grade - some reminder follow-ups are performed to obtain settlement from the counterparty.
- "Past due but not impaired" are items with history of frequent default nevertheless the amount due are still collectible.
- "Impaired" are those that are long outstanding or those that have been provided with an allowance for ECL.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's market risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing liabilities. Any gap between the maturities of fixed and variable rate instruments is effectively managed by the Group. The Group's long-term debt and lease liabilities are subject to fixed interest rate and are exposed to fair value interest rate risk. The future interest rate changes are not expected to significantly affect the Group's income (loss) before income tax.

Liquidity Risk Management

Liquidity risk is the risk that the Group may encounter difficulties in raising funds to meet commitments for financial instruments. Liquidity risk may result from counterparty's failure on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The table below summarizes the maturity profile of the financial liabilities of the Group based on remaining contractual undiscounted cash flows as at December 31, 2022 and 2021:

	2022					
	Due and Demandable	**Less than 1 Year**	**1-2 Years**	**2-3 Years**	**Over 3 Years**	**Total**
Trade and other payables*	**₱–**	**₱109,486,974**	**₱–**	**₱–**	**₱–**	**₱109,486,974**
Due to related parties	**467,012,065**	**–**	**–**	**–**	**–**	**467,012,065**
Loans payable**	**–**	**78,799,115**	**55,444,355**	**43,096,228**	**394,431,775**	**571,771,473**
Lease liabilities**	**–**	**2,253,168**	**1,211,361**	**1,296,157**	**38,338,383**	**43,099,069**
Service concession liability***	**–**	**26,716,662**	**23,908,517**	**24,341,544**	**580,705,280**	**655,672,003**
	₱467,012,065	**₱217,255,919**	**₱80,564,233**	**₱68,733,929**	**₱1,013,475,438**	**₱1,847,041,584**

**Excluding statutory payables amounting to ₱13.04 million as at December 31, 2022.*
***Including future interest payments.*
****Based on undiscounted contractual payments*

	2021					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Trade and other payables*	**₱–**	₱101,117,089	**₱–**	**₱–**	**₱–**	₱101,117,089
Due to related parties	393,331,851	–	–	–	–	393,331,851
Loans payable**	–	50,147,982	50,126,555	37,778,428	234,809,649	372,862,614
Lease liabilities**	–	1,394,805	1,132,114	1,211,361	39,634,540	43,372,820
Service concession liability***	–	27,670,272	27,383,329	23,908,517	605,046,824	684,008,942
	₱393,331,851	₱180,330,148	₱78,641,998	₱62,898,306	₱879,491,013	₱1,594,693,316

**Excluding statutory payables amounting to ₱5.50 million as at December 31, 2021.*
***Including future interest payments.*
****Based on undiscounted contractual payments*

The Group's objectives in managing its liquidity position are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

Fair Value of Financial Assets and Liabilities

The financial assets and liabilities of the Group as at December 31, 2022 and 2021 are as follows:

	2022		2021	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash in banks	**₱65,661,186**	**₱65,661,186**	₱17,646,879	₱17,646,879
Trade receivables	**55,679,735**	**55,679,735**	53,941,601	53,941,601
Exploration and feasibility study fees receivable	**22,400,000**	**22,400,000**	22,400,000	22,400,000
Management fees receivable	**320,575**	**320,575**	–	–
Due from related parties	**222,926,940**	**222,926,940**	108,877,469	108,877,469
Deposit	**10,780,539**	**10,780,539**	10,780,539	10,780,539
Refundable deposits	**3,577,018**	**3,577,018**	3,553,643	3,553,643
	₱381,345,993	**₱381,345,993**	₱217,200,131	₱217,200,131

	2022		2021	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Liabilities				
Trade and other payables*	**₱109,486,974**	**₱109,486,974**	₱101,117,089	₱101,117,089
Due to related parties	**467,012,065**	**467,012,065**	393,331,851	393,331,851
Loans payable	**435,902,711**	**569,485,437**	274,823,226	372,118,124
Deposits for future stock subscription	**129,145,472**	**129,145,472**	129,145,472	129,145,472
Service concession liability	**406,617,780**	**304,940,218**	407,472,502	349,095,267
	₱1,548,165,002	**₱1,580,070,166**	₱1,305,890,140	₱1,344,807,803

**Excluding statutory payables amounting to ₱13.04 million and ₱5.50 million as at December 31, 2022 and 2021, respectively.*

Cash in banks, Trade and Other Receivables, Due from Related Parties, Deposits for Future Stock Subscription, Trade and Other Payables (excluding statutory payables) and Due to Related Parties. Due to the short-term nature of transactions, the fair values approximate the amount of consideration at reporting period.

Deposit and Refundable Deposits. Deposit and refundable deposit approximate their fair values since the effect of not discounting the cash flows from these instruments were determined by management to be insignificant.

Loans Payable and Service Concession Liability. Estimated fair values have been calculated on the instruments' expected cash flows using the prevailing BVAL rates that are specific to the tenor of the instruments' cash flows at reporting dates (Level 2).

20. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations.

The Group considers its capital stock and additional paid-up capital amounting to ₱101.50 million as at December 31, 2022 and 2021 as its capital employed. The Group maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term. The Group is subject to an externally imposed capital requirement from loan agreements.

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Tubig Pilipinas Group Inc.
3F JTKC Centre
2155 Don Chino Roces Avenue
Makati City

Opinion

We have audited the consolidated financial statements of Tubig Pilipinas Group Inc. (the Parent Company) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of 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 the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' 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 the 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.

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 PFRS, 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.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

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.

Auditors' 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 auditors' 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 PSA 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, these 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 PSA, 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 auditors' 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 auditors' 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 group audits. 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner
CPA Certificate No. 134498
Tax Identification No. 404-428-828-000
BOA Accreditation No. 4782/P-026; Valid until June 6, 2026
BIR Accreditation No. 08-005144-024-2024
Valid until March 26, 2027
PTR No. 10072432
Issued January 2, 2024, Makati City

August 30, 2024
Makati City, Metro Manila

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	**December 31, 2023**	December 31, 2022 (As Restated - Note 4)	January 1, 2022
ASSETS				
Current Assets				
Cash	6	**₱89,500,434**	₱67,917,191	₱18,706,085
Trade and other receivables	7	**70,055,638**	65,804,835	76,341,601
Due from related parties	16	**360,015,890**	255,959,169	108,877,469
Creditable withholding taxes		**6,505,953**	3,998,810	4,070,174
Other current assets	8	**5,786,623**	5,456,541	2,224,930
Total Current Assets		**531,864,538**	399,136,546	210,220,259
Noncurrent Assets				
Trade and other receivables - net of current portion	7	**–**	12,595,475	–
Investment in associates	9	**99,246,996**	101,273,391	105,062,982
Property and equipment	10	**542,022,304**	540,965,049	540,695,944
Service concession asset	19	**678,425,005**	421,174,048	406,887,966
Goodwill	5	**126,136,736**	66,410,279	66,410,279
Right-of-use (ROU) assets	20	**15,932,462**	17,946,588	15,627,833
Deferred tax asset	18	**–**	–	362,605
Other noncurrent assets	8	**37,115,742**	15,911,250	16,834,241
Total Noncurrent Assets		**1,498,879,245**	1,176,276,080	1,151,881,850
		₱2,030,743,783	₱1,575,412,626	₱1,362,102,109
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	11	**₱89,157,186**	₱121,459,423	₱106,617,014
Due to related parties	16	**494,204,065**	465,874,294	393,331,851
Current portion of:				
Loans payable	12	**53,246,668**	63,106,633	33,494,628
Lease liabilities	20	**861,968**	1,947,232	313,352
Service concession liability	19	**12,304,182**	12,412,799	11,006,596
Total Current Liabilities		**649,774,069**	664,800,381	544,763,441

(Forward)

	Note	**December 31, 2023**	December 31, 2022 (As Restated - Note 4)	January 1, 2022
Noncurrent Liabilities				
Noncurrent portion of:				
Loans payable	12	**₱707,118,322**	₱372,796,078	₱241,328,598
Lease liabilities	20	**20,145,153**	21,100,624	18,022,927
Service concession liability	19	**565,690,181**	392,958,647	396,465,906
Deposits for future stock subscription	16	**–**	129,145,472	129,145,472
Deferred tax liability	18	**19,720,239**	2,757,225	–
Total Noncurrent Liabilities		**1,312,673,895**	918,758,046	784,962,903
Total Liabilities		**1,962,447,964**	1,583,558,427	1,329,726,344
Equity				
Capital stock		**50,000,000**	50,000,000	50,000,000
Additional paid-in capital		**51,500,000**	51,500,000	51,500,000
Deposits for future stock subscription	16	**129,145,472**	–	–
Deficit		**(179,456,502)**	(126,296,698)	(72,104,516)
Other equity reserve	5	**(13,270,403)**	–	–
Equity attributable to equity holders of the Parent Company		**37,918,567**	(24,796,698)	29,395,484
Non-controlling interest	5	**30,377,252**	16,650,897	2,980,281
Total Equity		**68,295,819**	(8,145,801)	32,375,765
		₱2,030,743,783	₱1,575,412,626	₱1,362,102,109

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	**2023**	2022 (As Restated - Note 4)
REVENUES	13	**₱169,084,223**	₱149,061,151
COST OF SERVICES	14	**118,284,259**	91,123,224
GROSS INCOME		**50,799,964**	57,937,927
OPERATING EXPENSES	15	**94,316,378**	83,909,371
LOSS FROM OPERATIONS		**(43,516,414)**	(25,971,444)
"DAY 1" DIFFERENCE ON LOANS PAYABLE	12	**81,387,634**	–
INTEREST EXPENSE	12	**(58,913,011)**	(31,343,226)
SHARE IN NET LOSS OF ASSOCIATES	9	**(2,026,395)**	(3,789,591)
INTEREST INCOME	6	**713,592**	212,085
OTHER INCOME (EXPENSE) - Net	17	**(14,650,440)**	4,743,377
LOSS BEFORE INCOME TAX		**(37,005,034)**	(56,148,799)
PROVISION FOR INCOME TAX	18		
Current		**917,057**	852,935
Deferred		**16,963,014**	3,119,830
		17,880,071	3,972,765
NET LOSS		**(54,885,105)**	(60,121,564)
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE LOSS		**(₱54,885,105)**	(₱60,121,564)
NET LOSS/TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Equity holders of the Parent Company		**₱53,159,804**	₱54,192,182
Non-controlling interest		**1,725,301**	5,929,382
		₱54,885,105	₱60,121,564

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31	
	Note	**2023**	2022 (As Restated - Note 4)
CAPITAL STOCK			
Authorized - 50,000,000 shares at ₱1 par value			
Issued and outstanding - 50,000,000 shares		**₱50,000,000**	₱50,000,000
ADDITIONAL PAID-IN CAPITAL		**51,500,000**	51,500,000
DEPOSIT FOR FUTURE STOCK SUBSCRIPTION	16	**129,145,472**	–
OTHER EQUITY RESERVE	5	**(13,270,403)**	–
DEFICIT			
Balance at beginning of year, as previously reported		**(123,427,273)**	(72,104,516)
Prior period adjustment	4	**(2,869,425)**	–
Balance at beginning of year, as restated		**(126,296,698)**	(72,104,516)
Net loss attributable to the equity holders of the Parent Company		**(53,159,804)**	(54,192,182)
Balance at end of year		**(179,456,502)**	(126,296,698)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**37,918,567**	(24,796,698)
NON-CONTROLLING INTEREST (NCI)	5		
Balance at beginning of year		**16,650,897**	2,980,281
Acquisition of the remaining NCI		**11,739,153**	–
Additions to NCI, net of share in stock issuance cost		**3,712,503**	19,599,998
Net loss attributable to non-controlling interest		**(1,725,301)**	(5,929,382)
Balance at end of year		**30,377,252**	16,650,897
		₱68,295,819	(₱8,145,801)

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2023**	2022 (As Restated - Note 4)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱37,005,034)**	(₱56,148,799)
Adjustments for:			
"Day 1" difference on loans payable	12	**(81,387,634)**	–
Interest expense	12	**58,913,011**	31,103,024
Depreciation and amortization	10	**35,483,271**	31,280,414
Write-off of property and equipment	17	**2,562,798**	–
Provision for probable losses	17	**2,390,265**	3,650,157
Share in net loss of associates	9	**2,026,395**	3,789,591
Unrealized foreign exchange loss	17	**1,551,357**	–
Interest income	6	**(713,592)**	(212,085)
Provision for expected credit losses (ECL)	7	**411,078**	1,004,402
Reversal of trade and other payables	17	**–**	(5,573,758)
Operating income before working capital changes		**(15,768,085)**	8,892,946
Decrease (increase) in:			
Trade and other receivables		**7,933,594**	(3,063,111)
Other current assets		**(330,082)**	(3,231,611)
Increase in trade and other payables		**12,863,922**	12,316,815
Net cash provided by operations		**4,699,349**	14,915,039
Income tax paid		**(3,424,200)**	(781,571)
Interest received		**713,592**	212,085
Net cash provided by operations		**1,988,741**	14,345,553
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to/acquisition of:			
Due from related parties	16	**(124,808,156)**	(147,320,642)
Service concession assets	19	**(96,893,040)**	(31,154,249)
Subsidiary	5	**(55,434,960)**	–
Other noncurrent assets		**(21,204,492)**	–
Property and equipment	10	**(18,983,422)**	(10,715,227)
Payment of subscription payable	9	**(46,930,000)**	–
Collection of:			
Due from related parties	16	**19,220,185**	238,942
Other noncurrent assets		**–**	922,992
Net cash used in investing activities		**(345,033,885)**	(188,028,184)

(Forward)

	Note	Years Ended December 31 **2023**	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans	12	**₱568,862,360**	₱250,000,000
Due to related parties	16	**69,916,335**	113,712,152
Non-controlling interest	5	**3,750,005**	19,599,998
Payments of:			
Loans payable	12	**(150,101,634)**	(90,747,597)
Due to related parties	16	**(41,586,564)**	(41,169,709)
Debt issue cost	12	**(34,444,486)**	(365,120)
Service concession liability	19	**(24,520,238)**	(19,648,792)
Interest	12	**(22,949,738)**	(7,253,445)
Lease liabilities	20	**(3,664,837)**	(1,233,750)
Stock issuance cost	5	**(625,000)**	–
Net cash provided by financing activities		**364,636,203**	222,893,737
NET INCREASE IN CASH		**₱21,591,059**	₱49,211,106
EFFECT OF EXCHANGE RATE CHANGES ON CASH		**(7,816)**	–
CASH AT BEGINNING OF YEAR		**67,917,191**	18,706,085
CASH AT END OF YEAR		**₱89,500,434**	₱67,917,191
NONCASH FINANCIAL INFORMATION			
Initial recognition of service concession	19	**₱176,894,644**	₱–
Reclassification of deposit for future stock subscription from noncurrent liability to equity	16	**129,145,472**	–
Amortization of:			
"Day 1" difference		**13,749,695**	–
Debt issue cost		**4,961,237**	240,202
Transfer of CIP to service concession asset	10	**4,046,422**	–
Assignment of remaining NCI	5	**1,531,250**	–
Additions to property and equipment through:	10		
Loans payable		**1,279,200**	1,952,000
Retention payable		**289,849**	–
Initial recognition of ROU asset and lease liability	16	**–**	4,332,881

See accompanying Notes to Consolidated Financial Statements.

1. General Information

Tubig Pilipinas Group Inc. (TPGI or the Parent Company)

Tubig Pilipinas Group Inc. (TPGI or the Parent Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 2014. TPGI primarily engages in operating, managing, maintaining, and rehabilitating waterworks, sewerage, and sanitation systems and services. TPGI functions as a bulk water supplier and direct water distributor.

Service Areas

TPGI, directly through subsidiaries and affiliates, is currently the contracted water supplier of multiple cities and municipalities around the Philippines including Bacolod, Negros Occidental; Sual, Pangasinan; Coron, Palawan; Nabua, Camarines Sur; San Jose City, Nueva Ecija; Calbayog City, Samar; and Echague, Isabela, as well as the water systems in Trece Martires City, Cavite; Cadiz City, Negros Occidental; and Catbalogan City, Western Samar.

Subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (collectively referred herein as "the Group"):

Subsidiaries	Nature of Business	Place of Incorporation	Principal Place of Business	Effective Percentage of Ownership	
				2023	2022
Tubig Trece Martires Corp. (TTMC)	Direct water distributor	Philippines	Sunshine Ville 2, Cabuco, Trece Martires City, Cavite	**100%**	100%
Tubig Coron Inc. (TCI)	Direct water distributor	Philippines	Coron Municipal Hall Compound Don Pedro St. Barangay II (Pob.) Coron, Palawan	**100%**	95%
Tubig Nabua Inc. (TNI)	Direct water distributor	Philippines	Nabua Water District Lourdes Hospital Road San Francisco (Pob.) Nabua, Camarines Sur	**100%**	70%
Tubig Catbalogan Corp. (TCC)*	Direct water distributor	Philippines	Catbalogan Water District, Allen Avenue Extension, Poblacion 4 (Barangay 4), City of Catbalogan (Capital), Samar (Western Samar), Region VIII, Eastern Visayas	**100%**	–
San Jose City (N.E.) Water Company Inc. (SJCWCI)	Direct water distributor	Philippines	2675 G/F San Jose City (N.E.) Water District, Maharlika Road, San Jose City, Nueva Ecija	**97%**	97%
Bacolod Bulk Water Inc. (BBWI)	Bulk water supplier	Philippines	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**93%**	93%
Tubig Echague Corp. (TEC)**	Direct water distributor	Philippines	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**70%**	–
Tubig Pilipinas Global Group Inc. (TPGGI)***	Water supply, sewerage, waste management and remediation activities	Philippines	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**51%**	51%
Tubig Cadiz Inc. (TCAI)	Direct water distributor	Philippines	Lot 21 Block 30 Antonio Heights Villa Luisa Housing Western Nuatical Highway 2nd District Luna, Cadiz City, Negros Occidental	**50%**	50%

**Incorporated and started operations on September 19, 2023*
***Incorporated on September 28, 2023; Non-operating*
****Incorporated on January 19, 2022; Non-operating*

Ownership Structure

The Parent Company is 50% + 1 owned by Pure Water Corporation (PWC). PWC is a wholly-owned subsidiary of Pure Energy Holdings Corporation (PEHC). The Group's ultimate parent company is DYT Equities Corporation (DEC or the Ultimate Parent Company). All the aforementioned companies are incorporated in the Philippines.

Principal Office

The Parent Company's principal office address is located at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City.

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at and for the years ended December 31, 2023 and 2022 were approved and authorized for issue by the Board of Directors (BOD) on August 30, 2024.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), as issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including all relevant SEC pronouncements.

The financial reporting framework encompasses PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations from the International Financial Reporting Interpretations Committee (IFRIC).

Limited Use of Financial Statements and Purpose

The accompanying financial statements were prepared only for management purposes. As such, this report is intended solely for the information and use of the BOD and management and is not intended to be and should not be used by anyone other than these specified parties.

Consistency of Accounting Policies

The material accounting policy information has been applied consistently to all periods presented in the consolidated financial statements, unless otherwise stated.

Measurement Bases

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

The consolidated financial statements have been prepared on a historical cost basis, except for lease liabilities that are measured at present value of minimum lease payments and service concession liabilities which are measured at present value of fixed portion of concession fees. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

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 transaction date. 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.

Further information about the assumptions made in measuring fair values is included in Note 21.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS, effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements, and PFRS Practice Statement 2, Making Materiality Judgments - Disclosure Initiative - Accounting Policies* - The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.

- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* - The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* - The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.

The adoption of the amended PFRS did not materially affect the consolidated financial statements of the Group except for amendments to PAS 1, which requires the disclosure of material accounting policies. Additional disclosures were included in the consolidated financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at December 31, 2023 and have not been applied in preparing the consolidated financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Noncurrent* - The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Noncurrent Liabilities with Covenants* for that period.

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* - The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Group shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

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

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries. Control is achieved when the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Potential voting rights that are currently exercisable or convertible are considered in assessing control.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control begins until it ceases. The subsidiaries' financial statements are prepared for the same reporting period as the Parent Company, using consistent accounting policies. Intra-group balances, transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Changes in ownership that do not result in a loss of control, such as acquiring or selling part of a subsidiary, are treated as equity transactions. When the Parent Company has less than a majority of voting rights, it considers all relevant factors to determine control, including agreements with other shareholders, rights from other contracts, and its own voting rights and potential voting rights. The Parent Company reassesses control if there are changes in these factors.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination.

Business Combination
Business combinations are accounted for using the acquisition method. The cost of an acquisition includes the fair value of the consideration transferred and any non-controlling interest in the acquiree. Non-controlling interests are measured at their share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When acquiring a business, the Group assesses the financial assets and liabilities assumed for proper classification and designation based on the terms, economic conditions, and relevant circumstances at the acquisition date. This includes separating embedded derivatives in host contracts.

If the acquisition occurs in stages, the previously held equity interest is remeasured to fair value at the acquisition date, with any gain or loss recognized in profit or loss.

Contingent consideration is recognized at fair value at the acquisition date. If it is a financial instrument within the scope of PFRS 9, it is measured at fair value with changes recognized in profit or loss or other comprehensive income. If not within PFRS 9, it is measured according to the relevant PFRS. Contingent consideration classified as equity is not remeasured and is accounted for within equity upon settlement.

Goodwill
Goodwill is initially measured as the excess of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the consideration is less than the fair value of the net assets acquired, the difference is recognized in profit or loss.

If the initial accounting for a business combination is provisional, the Group uses provisional values and adjusts them within 12 months from the acquisition date. Adjustments are made as if the fair value had been recognized from the acquisition date, affecting goodwill or any gain recognized.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill is allocated to the Group's cash-generating units expected to benefit from the combination. If part of a cash-generating unit is disposed of, the associated goodwill is included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill disposed of is measured based on the relative values of the operation disposed of and the portion retained.

Financial Assets and Financial Liabilities

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

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (for asset) or received (for liability). Transaction costs are included in the initial measurement, except those designated at fair value through profit or loss (FVPL).

"Day 1" Difference. When a transaction occurs in a non-active market and the transaction price differs from the fair value based on observable market data, the Group recognizes this difference as a "Day 1" difference in profit or loss. If no observable data is available at the inception of the transaction, the transaction price is considered the best estimate of fair value.

The “Day 1” difference is then recognized in profit or loss when the inputs become observable or when the financial instrument is derecognized. The Group determines the appropriate method for recognizing “Day 1” difference for each transaction.

Financial Assets at Amortized Cost. Financial assets are measured at amortized cost if they are held to collect contractual cash flows and their terms result in payments of principal and interest on specified dates. After initial recognition, these assets are measured at amortized cost using the effective interest method, less any impairment allowance. Gains and losses are recognized in profit or loss upon derecognition or through the amortization process. Financial assets at amortized cost are classified as current if they are realizable or collectible within 12 months; otherwise, they are classified as noncurrent.

The Group records an allowance for expected credit loss (ECL) based on the difference between the contractual cash flows due and the cash flows expected to be received, discounted at the asset’s original effective interest rate. For trade receivables, the Group uses the simplified approach, calculating ECL based on lifetime ECL through a provision matrix that incorporates historical credit loss experience and forward-looking factors. For other financial instruments measured at amortized cost, ECL is based on the 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the allowance is based on lifetime ECL.

The Group assesses significant increases in credit risk by comparing the risk of default at the reporting date with the risk at initial recognition, using reasonable and supportable information available without undue cost or effort. If an impairment loss decreases due to an event after recognition, the previously recognized loss is reduced by adjusting the allowance account, with any reversal recognized in profit or loss, ensuring the asset’s carrying amount does not exceed its amortized cost at the reversal date.

As of December 31, 2023, and 2022, the Group’s cash, trade and other receivables, due from related parties, refundable deposits, and restricted cash (included in “Other noncurrent assets”) fall under this category.

Financial Liabilities at Amortized Cost. Financial liabilities are classified as financial liabilities at amortized cost when the Group is obligated to deliver cash or another financial asset, or to settle the obligation in a way other than exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. Initially, these liabilities are recognized at fair value minus any directly attributable transaction costs. After initial recognition, they are measured at amortized cost using the effective interest method, which accounts for any discount or premium on issuance and fees integral to the effective interest rate.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As of December 31, 2023, and 2022, the Group’s trade and other payables (excluding provision for probable losses and subscription payables), due to related parties, loans payable, lease liabilities, deposits for future stock subscription, and service concession liability fall under this category.

Offsetting of Financial Assets and Liabilities
Financial assets and liabilities are offset and reported as a net amount in the consolidated statements of financial position only if there is a legal right to offset and an intention to settle them on a net basis or simultaneously. Typically, master netting agreements do not meet these criteria, so related assets and liabilities are presented separately in the consolidated statements.

Creditable Withholding Tax
Creditable Withholding Tax (CWT) represents the amounts withheld by the customer from income payments received by the Group. These amounts are withheld at source and can be applied as payment for the Group's income taxes, provided these are properly supported by certificates of creditable tax withheld at source, in accordance with the rules on Philippine income taxation.

Deposits
Deposits pertain to advance payments made by the Group for the future operations of various joint venture projects. These are carried at the amount of cash paid and are subsequently recognized to the corresponding asset accounts after the start of commercial operation of these projects.

Advances to Contractors and Suppliers
Advances to contractors and suppliers represent advance payments on services to be incurred in connection with the Group's operations. These are either capitalized in the consolidated statements of financial position, upon actual receipt of services or supplies or are charged to the construction in progress account when the goods or services for which the advances were made are received. These are considered as nonfinancial instruments as these will be applied against future billings from contractors and suppliers.

Investment in Associates
The Group uses the equity method to account for investments in other companies where it has significant influence (20% to 50% voting power) but not control. Both the Group and its associates have the same reporting date and use similar accounting policies. If necessary, adjustments are made to align the associate's accounting policies with those of the Group.

The Group's share of the associate's net loss is presented in the "Share in net loss of associates" account in the consolidated statements of comprehensive income.

Property and Equipment
Property and equipment are initially recognized at cost, which includes the purchase price and any costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property and equipment, except for land and construction in progress, are recorded at cost less accumulated depreciation and any impairment. Land and construction in progress are recorded at cost, net of accumulated impairment losses if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of Years
Water supply facility and equipment	5 to 25
Site facilities and offices	5 to 20
Transportation equipment	5 to 8
Computer equipment	2 to 5
Furniture, fixtures and equipment	5

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are expensed as incurred. However, expenditures that significantly increase the future economic benefits of the asset beyond its originally assessed standard of performance are capitalized.

When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates those significant parts separately based on their specific useful lives.

Fully-depreciated assets are retained in the accounts until they are no longer in use.

The assets' estimated useful lives and depreciation method are reviewed annually, and adjusted prospectively, as appropriate, if there is an indication of a significant change since the last reporting date.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is included in the consolidated statements of comprehensive income in the year the property and equipment are derecognized.

Construction in progress represents properties under construction and is stated at cost, including the cost of construction and other direct costs. Borrowing costs directly attributable to the construction are capitalized during the construction period. Construction in progress is not depreciated until the relevant assets are completed and ready for operational use. Reclassifications from construction in progress to relevant asset accounts are made upon completion of the construction.

Borrowing Costs

Borrowing costs are generally recognized as expenses when incurred. However, borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the asset's cost. Capitalization begins when expenditures and borrowing costs are being incurred, and activities necessary to prepare the asset for its intended use are in progress. Capitalization stops when these activities are substantially complete.

Service Concession Arrangement

Service Concession Assets

Service concession assets include the costs to obtain concession rights and construct water facilities, including borrowing costs during construction. The annual fixed fee portion is recognized immediately, while the right is earned and recognized as the project progresses. Initially, the assets are recorded at fair value based on discounted cash flows of the construction services. After initial recognition, these are carried at cost less accumulated amortization and any impairment losses. Subsequent expenditures that increase future revenues are added to the service concession assets at cost.

The assets are amortized on a straight-line basis over 25 to 30 years, depending on the joint venture agreement, starting from the beginning of commercial operations. The amortization period and method are reviewed annually or when there is an indication of impairment. Changes in the contract term or expected future economic benefits are accounted for by adjusting the amortization period and method, which are treated as changes in accounting estimates. Amortization expense is recognized in profit or loss.

The service concession assets will be derecognized upon turnover to Nabua Water District (NAWAD), San Jose Water City Water District (SJCWD), Catbalogan Water District (CWD), and Municipality of Echague with no consideration, resulting in no gain or loss, as these are expected to be fully amortized by that time.

Service Concession Liabilities
Service concession liabilities are recognized at the inception date as the present value of the fixed portion of concession fees, in accordance with IFRIC 12. These liabilities are reduced upon payment of concession fees to the grantor, with payments apportioned between interest and principal. Interest accretion on the service concession obligations is presented under "Interest expense" in the consolidated statements of comprehensive income. The portion of liabilities expected to be settled within 12 months is classified as current; otherwise, classified as noncurrent.

Impairment of Nonfinancial Assets
At each reporting date, the Group reviews the carrying amount of its nonfinancial assets to determine if there are any indication of impairment, except for Goodwill which are assessed annually. If such indication exists, the recoverable amount of the asset is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows largely independent from other assets.

The recoverable amount of a nonfinancial asset is the higher of an asset's fair value less costs to sell and its value in use. Fair value less cost to sell is the price that would be received to sell an asset in an orderly transaction between market participants, less the costs of disposal. Value in use is the present value of future cash flows expected to be derived from an asset, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

For nonfinancial assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine recoverable amount. The reversal is limited to the asset's carrying amount, net of depreciation, that would have been determined had no impairment loss been recognized.

Deposits for Future Stock Subscription
Deposits for future stock subscription represents funds received from existing or potential stockholders to be applied as payment for future issuance of capital stock.

Deposits for future stock subscription are recognized as equity if, and only if, all of the following elements set forth by the SEC are present as at reporting date:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD's approval on the proposed increase in authorized capital stock for which a deposit was received by the Group);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

If any of the above conditions are not met, the deposit should be recognized as a liability.

Capital Stock and Additional Paid-in Capital (APIC)
Capital stock is measured at par value for all shares issued and outstanding. APIC represents the amount received from shareholders in excess of the par value of the shares issued.

Other Equity Reserve
Other equity reserve represents net excess of the consideration given over the carrying amount of the non-controlling interest acquired.

Deficit
Deficit represents the cumulative results of operations.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time.

The amount of revenue from contract with customers is based on the consideration specified in the contract which may include variable amounts. Variable consideration is estimated at contract inception and updated at each reporting date. The estimation is constrained to ensure that it is highly probable that a significant reversal of revenue will not occur when the uncertainty is resolved.

The Group has assessed that it acts as a principal in all of its revenue sources.

The following specific recognition criteria must also be met before revenue is recognized:

Water Bills, Penalty, Reconnection Fee and Subscription Income. Revenue is recognized when the related water services are rendered. Water is billed every month according to the bill cycles of the customers. Monthly revenue earned are billed to the customer and recorded in the same month. Penalty, reconnection fee and subscription income are recognized when earned.

Management Fees. Revenue is recognized as services are performed.

Revenue From Rehabilitation Works and Cost of Rehabilitation Works. Revenue from rehabilitation works is equivalent to the related cost for the rehabilitation works covered by the service concession arrangements which is recognized as part of contract assets included under SCA and pertain to revenue from construction or upgrade services. Revenue from rehabilitation works is recognized over time, using input method. Under this method, progress is measured by reference to the actual costs incurred to date.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset, net of final taxes.

Other Income. Other income is recognized as revenue when earned.

Cost and Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Services. Cost of services are recognized as expense when the related services are rendered.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method, net of final tax.

Other Expense. Other expense is recognized as incurred.

Employee Benefits

Short-term Benefits. The Group recognizes a liability, net of amounts already paid, and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Leases

A contract is considered a lease if it grants the right to control the use of an identified asset for a period of time in exchange for consideration. To determine this, the Group assesses whether the customer has both the right to obtain substantially all the economic benefits from the use of the asset and the right to direct its use throughout the period. If the Group controls the use of the asset for only part of the contract term, the contract contains a lease for that portion. Each potential separate lease component is also assessed.

Group as Lessee

As a lessee, the Group recognizes ROU assets and lease liabilities at the commencement date for all leases, except for short-term leases (12 months or less) and low-value asset leases, which are expensed on a straight-line basis.

ROU Assets. ROU assets are initially measured at cost, which includes the initial lease liability, any lease payments made before the commencement date minus any lease incentives received, initial direct costs, and an estimate of costs to dismantle and remove the asset if applicable.

These assets are subsequently measured at cost less accumulated amortization and impairment losses, adjusted for any remeasurement of lease liabilities, and depreciated over the shorter of the lease term or the asset's useful life.

Lease Liabilities. Lease liabilities are initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease or the Group's incremental borrowing rate if the implicit rate is not readily determinable.

Lease payments include fixed payments, variable payments based on an index or rate, amounts expected under residual value guarantees, and the exercise price of purchase options or penalties for early termination if the Group is reasonably certain to exercise those options.

Lease liabilities are subsequently measured at amortized cost, with interest and variable lease payments recognized in profit or loss unless capitalized as part of another asset.

Lease liabilities are remeasured if there are changes in the lease term, purchase options, residual value guarantees, or future lease payments due to changes in an index or rate.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is recognized for all temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases. Deferred tax liabilities are recognized for taxable temporary differences, while deferred tax assets are recognized for deductible temporary differences, including unused tax credits from net operating loss carryovers (NOLCO) and excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that sufficient taxable profit will be available to utilize the deferred tax asset. Unrecognized deferred tax assets are reassessed at each reporting date and recognized if it becomes probable that future taxable profit will allow their recovery.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to the same taxable entity and tax authority.

Related Party Transactions

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties.

Related party relationships exist when one party has the ability, directly or indirectly, to control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Group; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual; and (d) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directly to the substance of the relationship and not merely on the legal form.

Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rate of exchange on transaction date. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date. Foreign exchange gains or losses are recognized in profit or loss when incurred.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and 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.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefit is probable.

Events After the Reporting Date

Events after the financial reporting date that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events after the financial reporting date that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These judgments, accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgments, accounting estimates and assumptions affecting the Group:

Judgments

Determining Variable Considerations and Assessing Constraints. The Group estimates the amount of consideration it will receive for providing services to customers. This estimate is made at the start of the contract and is adjusted until it is highly probable that there will not be a significant reversal of revenue when the uncertainty is resolved.

To estimate variable consideration, the Group uses the expected value method, which calculates the sum of probability-weighted amounts in a range of possible outcomes. This estimate is updated at the end of each reporting period to reflect current conditions. Any changes in the transaction price due to resolved uncertainties or other changes are recognized as revenue or a reduction of revenue in the period when the change occurs.

In 2023 and 2022, the Group estimated reductions in consideration due to under-delivery of required output and quality specified in customer contracts.

Defining Default and Credit-Impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit- impaired, when it meets one or more of the following criteria:

a. Quantitative Criteria - the borrower is more than 45 days past due on its contractual payments, which is consistent with the Group's definition of default.

b. Qualitative Criteria - The borrower meets unlikeliness to pay criteria, indicating significant financial difficulty. These instances include

    - The borrower is experiencing financial difficulty or is insolvent;
    - The borrower is in breach of financial covenants; and
    - It is probable that the borrower will enter bankruptcy or other financial reorganization.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. This definition of default has been applied consistently in the determination of ECL.

Classifying Lease Commitments – Group as a Lessee. The Group recognized ROU assets and lease liabilities for all of its existing lease agreements, except for the lease of parcel of land situated in Brgy. Murcia, Negros Occidental, lease of generator equipment and lease of office space for a period of not more than one (1) year. The Group did not recognize ROU assets and lease liabilities for these since the lease consideration is variable and due to application of short-term lease recognition exemption.

The carrying amount of ROU assets and lease liabilities and the amount of rent expense from short-term leases in 2023 and 2022 are disclosed in Note 20.

Determining the Appropriate Rate to Discount the Lease Payments in Measuring ROU Asset and Lease Liability. The Group's ROU assets and lease liabilities are initially measured at the present value of lease payments. In determining the appropriate discount rate, the Group considered readily available interest rate implicit in the lease agreements, the interest rate on its borrowings, and the term of each lease commitment. The Group determined that the implicit rate in the lease agreements is readily available and represents the appropriate financing cost for leasing the underlying assets. The rate implicit in the lease is the rate that would cause the present value of the lease payments and unguaranteed residual to equal the sum of the fair value of the underlying assets and initial direct costs incurred.

The Group used incremental borrowing rate ranging from 4.25% to 8.03% in to determine the present value of the lease payments at commencement date.

Accounting Estimates and Assumptions

Estimating the Allowance for ECL on Trade Receivables. The Group uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group then calibrates the provision matrix to adjust historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for ECL of trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual experience.

The amount of provision for ECL in 2023 and 2022 and carrying amount of trade receivables as at December 31, 2023 and 2022 are disclosed in Note 7.

Assessing the Impairment of ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group's other financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12-month ECL.

The Group has assessed that the ECL for financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2023 and 2022.

The carrying amounts of other financial assets at amortized cost as at December 31, 2023 and 2022 are disclosed in Notes 6, 7, 8, and 16.

Estimating the Useful Lives of Property and Equipment, ROU and Service Concession Assets. The Group reviews annually the estimated useful lives of property and equipment, ROU and service concession assets based on expected asset's utilization, market demands and future technological development. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation of property and equipment, ROU and service concession assets.

There were no changes on the estimated useful lives of property and equipment, ROU and service concession assets in 2023 and 2022.

The carrying amount of the Group's property and equipment (excluding land and construction in progress), ROU and service concession assets as at December 31, 2023 and 2022 are disclosed in Notes 10, 19 and 20, respectively.

Assessing the Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An assessment is made at each reporting 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.

The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance relative to expected historical or projected future operating results;

- significant changes in the manner of use of the acquired assets or the strategy for overall business; and

- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Write-off of property and equipment recognized in 2023 is disclosed in Note 10. No impairment loss was recognized in 2022. The carrying amounts of nonfinancial assets of the Group as at December 31, 2023 and 2022 are disclosed in Notes 8, 9, 10, 19 and 20.

Assessing the Impairment of Goodwill. The Group tests annually whether any impairment in goodwill should be recognized, in accordance with the related accounting policy. The recoverable amount of CGU have been determined based on value in use calculations which require the use of estimates.

Based on the impairment assessment, the recoverable amount of the CGU as at December 31, 2023 and 2022, calculated based on value in use are greater than the corresponding carrying values (including goodwill) of the CGU.

The carrying amount of goodwill is disclosed in Note 5.

Recognizing Construction Revenue and Costs. The Group measures contract revenue at the fair value of the consideration received or receivable. Given that the Group has subcontracted the construction to outside contractors, the construction revenue recognized is equal to the construction costs. Construction revenue and costs are disclosed in Note 19.

Recognizing Deferred Tax Assets. The Group reviews the carrying amounts of deferred tax asset at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Group's recognized deferred tax assets and unrecognized deferred tax assets as at December 31, 2023 and 2022 are disclosed in Note 18.

4. Prior Period Adjustments

The 2022 financial statements were restated and reclassified to reflect the following:

- Correction of error in accounting for service concession asset, service concession liability and the related amortization;
- Recognition of depreciation on property and equipment;
- Recognition of ROU asset and lease liability;
- Recognition of deferred tax liabilities; and
- Reclassification of certain accounts to conform with the 2023 financial statements presentation.

The impact of the restatement and correction of presentation in the consolidated financial statements is as follows:

	As at December 31, 2022		
	As previously reported	Effect of restatements	As restated
Due from related parties	₱222,926,940	₱33,032,229	₱255,959,169
Property and equipment	567,866,241	(26,901,192)	540,965,049
ROU asset	14,480,283	3,466,305	17,946,588
Service concession asset	394,193,620	26,980,428	421,174,048
Other noncurrent assets	50,081,250	(34,170,000)	15,911,250
Trade and other payables	122,528,882	(1,069,459)	121,459,423
Due to related parties	467,012,065	(1,137,771)	465,874,294
Net deferred tax liability (deferred tax asset)	(2,447,812)	5,205,037	2,757,225
Lease liability	19,522,133	3,525,723	23,047,856
Service concession liability	406,617,781	(1,246,335)	405,371,446
Deficit	(123,427,273)	(2,869,425)	(126,296,698)
Net loss	57,252,139	2,869,425	60,121,564

The restatement has been accounted for retrospectively, and the comparative figures have been adjusted accordingly.

5. Business Combination, Goodwill and Material Non-controlling Interest

Business Combination and Goodwill

In 2021, the Parent Company incorporated SJCWCI and TCAI for a total consideration of ₱201.97 million. The Parent Company conducted a preliminary assessment of its equity interest in both entities and has recognized provisional amounts as at December 31, 2021. In 2022, as permitted by PFRS 3, *Business Combinations*, the Parent Company assessed that based on new information and circumstances that existed at the date of acquisition it identified adjustments to the provisional amounts of goodwill amounting to ₱2.46 million.

The goodwill arising from the business combination based on the finalized purchase price allocation are as follows:

	2021
Fair value of consideration at acquisition date - net of subscription receivable	₱126,664,670
Fair value of non-controlling interests	1,562,500
	128,227,170
Less fair value of net assets	76,667,006
	₱51,560,164

In 2023, the Parent Company subscribed to 49,999,995 common shares and incorporated TCC equivalent to 100% ownership interest for a total consideration of ₱109.14 million, inclusive of labor integration package amounting to ₱55.43 million in accordance with the agreement with Catbalogan Water District (CWD) and stock issuance cost amounting ₱0.50 million. The accrued portion of the labor integration package amounting to ₱3.70 million as at December 31, 2023 is presented as part of accrued expenses in the "Trade and other payables" account in the consolidated statements of financial position (see Note 11).

In 2023, the Parent Company also subscribed to 8,749,998 common shares and incorporated TEC equivalent to 70% ownership interest for a total consideration of ₱8.75 million, inclusive of stock issuance cost amounting to ₱0.13 million.

Investments in TCC and TEC resulted to the recognition of goodwill amounted to ₱59.73 million.

The goodwill arising from the business combination based on the finalized purchase price allocation are as follows:

	2023
Fair value of consideration at acquisition date - net of subscription receivable	₱65,013,954
Fair value of non-controlling interests, net of share in stock issuance cost	3,712,503
	68,726,457
Less fair value of net assets	9,000,000
	₱59,726,457

The acquisitions of SJCWCI, TCAI, TCI, TNI, TEC, and TCC were expected to result in synergies, economies of scale and efficiency of operations.

Goodwill acquired from business combinations consists of:

	2023	2022
TCC	**₱59,638,960**	₱–
SJCWCI	**51,521,409**	51,521,409
TNI	**9,610,915**	9,610,915
TCI	**5,239,200**	5,239,200
TEC	**87,497**	–
TCAI	**38,755**	38,755
	₱126,136,736	₱66,410,279

For purposes of impairment testing, the Group determined the recoverable amount of goodwill based on value in use. Value in use is based on discounted cash flow model using the subsidiaries' financial forecasts for the next five years.

Key assumptions used to which the recoverable amounts are most sensitive are revenue growth rates, estimated operational costs, weighted average long-term growth rates and discount rates. Revenue growth rates are based on expected operating results with reference to projected cash flows from stress testing. Operational costs are determined based on average fixed and variable costs adjusted for inflationary increases but not reflecting any future restructurings or cost saving measures.

The Group has assessed that there is no goodwill impairment based on a discounted cash flow model using projected budget for the next five years. The Parent Company assessed that goodwill from business combinations are not deductible for tax purposes.

Material Non-controlling Interests

The following table summarizes the subsidiaries with material effective percentage of ownership held by non-controlling interests.

	2023	2022
TCAI	**50%**	50%
TPGGI	**49%**	49%
TEC	**30%**	–
TNI	**–**	30%
TCI	**–**	5%

Non-controlling interests in the consolidated statements of financial position are presented below:

	2023	2022
TPGGI	**₱19,599,998**	₱19,599,998
BBWI	**6,043,815**	7,613,888
Others	**4,733,439**	(10,562,989)
	₱30,377,252	₱16,650,897

The net income (loss) attributable to non-controlling interests in the consolidated statements of comprehensive income is presented below:

	2023	2022
BBWI	**(₱1,570,073)**	(₱537,214)
Others	**(155,228)**	(5,392,168)
	(₱1,725,301)	(₱5,929,382)

The Parent Company increased its ownership interests in TNI and TCI to 100% by acquiring the remaining common shares held by non-controlling shareholders for ₱1.53 million. The excess of the consideration over the carrying amount of the non-controlling interest amounting to ₱13.27 million was recognized as part of "Other equity reserve" account in the consolidated statement of financial position.

The summarized financial information of the material partly-owned subsidiaries is presented below. These information are based on the amounts before intercompany eliminations.

	2023			
	Total Assets	**Total Liabilities**	**Total Equity**	**Net Income (Loss)**
BBWI	**₱576,113,316**	**₱454,402,317**	**₱121,710,999**	**(₱23,089,306)**
TCAI	**3,361,723**	**506,250**	**2,855,473**	**503,137**
TEC	**153,535,707**	**150,391,693**	**3,144,014**	**(1,355,986)**
TPGGI	**41,011,394**	**1,011,400**	**39,999,994**	**–**

	2022			
	Total Assets	Total Liabilities	Total Equity	Net Income (Loss)
BBWI	₱580,037,245	₱435,236,940	₱144,800,305	(₱9,900,115)
TCI	5,114,903	2,433,900	2,681,003	545,992
TNI	183,345,205	222,922,547	(39,577,342)	(17,498,715)
TCAI	2,589,337	237,001	2,352,336	(573,690)
TPGGI	41,011,394	1,011,400	39,999,994	–

6. Cash

This account consists of:

	2023	2022
Cash on hand	**₱3,372,882**	₱2,256,005
Cash in banks	**86,127,552**	65,661,186
	₱89,500,434	₱67,917,191

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned from cash in banks amounted to ₱0.71 million and ₱0.21 million in 2023 and 2022, respectively.

7. Trade and Other Receivables

This account consists of:

	Note	**2023**	2022
Trade receivables		**₱55,483,262**	₱63,431,504
Exploration and feasibility study fees receivable		**22,400,000**	22,400,000
Management fees receivable	16	**335,223**	320,575
		78,218,485	86,152,079
Less allowance for ECL		**8,162,847**	7,751,769
		70,055,638	78,400,310
Less: current portion		**70,055,638**	65,804,835
Noncurrent portion		**₱–**	₱12,595,475

Trade receivables and exploration and feasibility study fees receivables are noninterest-bearing receivables from customers which are normally collectible within 30 to 45 days.

In 2022, BBWI and BACIWA agreed to a payment schedule for receivables amounting to ₱46.9 million to be paid in five (5) installments until December 15, 2024.

The movements in allowance for ECL are as follows:

	Note	**2023**	2022
Balance at beginning of the year		**₱7,751,769**	₱6,747,367
Provision for ECL	15	**411,078**	1,004,402
Balance at end of the year		**₱8,162,847**	₱7,751,769

8. Other Assets

This account consists of:

	Note	**2023**	2022
Current:			
Input VAT		**₱2,178,766**	₱3,188,796
Advances to employees		**1,761,903**	897,680
Prepayments		**150,914**	–
Others		**1,695,040**	1,370,065
		₱5,786,623	₱5,456,541
Noncurrent:			
Deposits	19	**₱21,780,539**	₱10,780,539
Advances to contractors and suppliers		**9,223,361**	2,500,000
Refundable deposits	20	**3,236,842**	2,630,711
Restricted cash	12	**2,875,000**	–
		₱37,115,742	₱15,911,250

Advances to employees pertain to cash advances which are subject to liquidation.

Deposits pertain to amounts provided by the Group to various entities for the establishment of joint venture corporations.

Advances to contractors and suppliers represent the down payments for the water project studies, drillings and for the on-going construction of additional injection point in connection to the bulk water supply agreement of the Group. These are noninterest-bearing and are being applied to the final billings.

Refundable deposits include utility deposit and lease security deposits which are subject to refund at the end of the contract period.

Restricted cash represents the hold-out amount with a local bank as security for the prompt payment of a loan.

Others pertain to materials and office supplies and are generally utilized within 12 months or within the normal operating cycle.

9. **Investment in Associates**

The carrying amounts of investments in associates are as follows:

	2023		2022	
	% ownership	**Amount**	% ownership	Amount
Calbayog Water Company, Inc. (CWCI)	**40.0%**	**₱90,659,196**	40.0%	₱93,320,624
Princess Urduja Waterworks System, Inc. (PUWSI)	**40.0%**	**8,587,800**	40.0%	7,952,767
MTTP Water Corporation (MWC)	**47.5%**	**–**	47.5%	–
		₱99,246,996		₱101,273,391

CWCI's principal place of business is at Maharlika Highway Purok 4 Brgy. Capoocan, Calbayog City, Western Samar, PUWSI's principal place of business is at RTP Building, Poblacion West, Sual, Pangasinan and MWC's principal place of business is at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City.

The Group's investment in MWC's shares was fully provided with allowance amounting to ₱5.48 million. MWC has no operations in 2023 and 2022.

The movements in investments in associates are as follows:

	2023	2022
Acquisition Cost		
Balance at beginning and end of year	**₱134,807,939**	₱134,807,939
Accumulated Equity in Net Loss		
Balance at beginning of year	**(28,054,613)**	(24,265,022)
Equity share in net loss for the year	**(2,026,395)**	(3,789,591)
Balance at end of year	**(30,081,008)**	(28,054,613)
Allowance for Impairment Loss		
Balance at beginning and end of year	**(5,479,935)**	(5,479,935)
	₱99,246,996	₱101,273,391

The financial information of associates is summarized below.

	CWCI		**PUWSI**	
	2023	2022	**2023**	2022
Total assets:				
Current	**₱54,037,120**	₱49,656,213	**₱2,580,960**	₱2,658,759
Noncurrent	**715,754,321**	658,118,475	**33,320,100**	35,726,579
	769,791,441	707,774,688	**35,901,060**	38,385,338
Total liabilities:				
Current	**104,332,559**	82,050,720	**23,135,680**	21,336,222
Noncurrent	**515,576,756**	552,705,155	**6,589,316**	12,460,634
	619,909,315	634,755,875	**29,724,996**	33,796,856
Total equity	**149,882,126**	73,018,813	**6,176,064**	4,588,482
Revenue	**148,787,993**	137,143,521	**17,682,991**	15,976,039
Net income (loss)	**(6,653,569)**	(10,413,667)	**1,587,582**	939,689

A reconciliation of associates' equity to the carrying amount of the Group's investment in associates follows:

	Note	CWCI		PUWSI	
		2023	2022	**2023**	2022
Equity		**₱149,882,126**	₱73,018,813	**₱6,176,064**	₱4,588,482
Additional paid-in capital from majority shareholder		**(36,586,884)**	–	**–**	–
Subscription payable	11	**–**	46,930,000	**–**	–
		113,295,242	119,948,813	**₱6,176,064**	₱4,588,482
Ownership interest		**40%**	40%	**40%**	40%
Equity in investment in associate		**45,318,097**	47,979,525	**2,470,426**	1,835,393
Goodwill		**45,341,099**	45,341,099	**6,117,374**	6,117,374
Carrying amount		**₱90,659,196**	₱93,320,624	**₱8,587,800**	₱7,952,767

In 2023, the Parent Company paid the subscription payable to CWCI and interest thereon amounting to ₱46.93 million and ₱1.45 million, respectively. Interest on subscription payable is recognized as part of "Other income (expense)" account in the consolidated statements of comprehensive income (see Note 17).

10. Property and Equipment

The balances and movements of this account are as follows:

	2023							
	Construction in Progress	**Water Supply Facility and Equipment**	**Site Facilities and Offices**	**Transportation Equipment**	**Land**	**Computer Equipment**	**Furniture, Fixtures and Equipment**	**Total**
Cost								
Balances at beginning of year	**₱354,070,853**	**₱168,023,188**	**₱46,836,492**	**₱4,752,707**	**₱1,440,000**	**₱1,983,042**	**₱4,073,382**	**₱581,179,664**
Additions	**13,703,066**	**523,476**	**1,528,425**	**1,599,000**	**1,750,000**	**339,695**	**1,108,809**	**20,552,471**
Transfer to service concession asset	**(4,046,422)**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,046,422)**
Write-off	**(2,441,901)**	**–**	**(143,585)**	**–**	**–**	**–**	**–**	**(2,585,486)**
Balances at end of year	**361,285,596**	**168,546,664**	**48,221,332**	**6,351,707**	**3,190,000**	**2,322,737**	**5,182,191**	**595,100,227**
Accumulated Depreciation								
Balances at beginning of year	**–**	**26,089,840**	**8,197,690**	**2,217,428**	**–**	**745,407**	**2,964,250**	**40,214,615**
Depreciation	**–**	**7,013,998**	**4,169,188**	**843,240**	**–**	**355,605**	**503,965**	**12,885,996**
Write-off	**–**	**–**	**(22,688)**	**–**	**–**	**–**	**–**	**(22,688)**
Balances at end of year	**–**	**33,103,838**	**12,344,190**	**3,060,668**	**–**	**1,101,012**	**3,468,215**	**53,077,923**
Carrying Amount	**₱361,285,596**	**₱135,442,826**	**₱35,877,142**	**₱3,291,039**	**₱3,190,000**	**₱1,221,725**	**₱1,713,976**	**₱542,022,304**

	2022							
	Construction in Progress	Water Supply Facility and Equipment	Site Facilities and Offices	Transportation Equipment	Land	Computer Equipment	Furniture, Fixtures and Equipment	Total
Cost								
Balances at beginning of year	₱348,581,799	₱167,042,814	₱45,318,262	₱2,287,707	₱1,440,000	₱879,908	₱2,961,948	₱568,512,438
Additions	5,489,054	980,374	1,518,230	2,465,000	–	1,103,134	1,111,434	12,667,226
Balances at end of year	354,070,853	168,023,188	46,836,492	4,752,707	1,440,000	1,983,042	4,073,382	581,179,664
Accumulated Depreciation								
Balances at beginning of year	–	19,246,387	4,394,530	1,776,251	–	505,007	1,894,319	27,816,494
Depreciation	–	6,843,453	3,803,160	441,177	–	240,400	1,069,931	12,398,121
Balances at end of year	–	26,089,840	8,197,690	2,217,428	–	745,407	2,964,250	40,214,615
Carrying Amount	₱354,070,853	₱141,933,348	₱38,638,802	₱2,535,279	₱1,440,000	₱1,237,635	₱1,109,132	₱540,965,049

Construction in progress pertains to Group's water distribution facilities and pipelines for the waterworks system related to its projects. This also includes the development costs, installation and operation of water extraction equipment and maintenance of water supply systems through provision and development of water resources.

The estimated cost to complete the construction is ₱630.56 million to be completed in 2027.

In 2023, the Group transferred construction in progress to service concession asset amounting to ₱4.05 million (see Note 19). In addition, the Group wrote-off property and equipment aggregating to ₱2.56 million due to significant modifications to the original construction plan of one of its projects. The loss on write-off of property and equipment is recognized as part of "Other income (expense)" account in the consolidated statements of comprehensive income (see Note 17).

The Group acquired transportation equipment amounting to ₱1.28 million and ₱1.95 million in 2023 and 2022, respectively, through bank financing (see Note 12).

Fully depreciated property and equipment being used by the Group amounted to ₱5.60 million and ₱2.66 million as at December 31, 2023 and 2022, respectively.

Capitalized borrowing costs, at a capitalization rate of 6.57% and 6.65%, amounted to ₱12.45 million and ₱11.77 million in 2023 and 2022, respectively (see Note 12).

Depreciation and amortization consist of:

	Note	**2023**	2022
Service concession asset	19	**₱20,583,149**	₱16,868,167
Property and equipment		**12,885,996**	12,398,121
ROU assets	20	**2,014,126**	2,014,126
		₱35,483,271	₱31,280,414

Depreciation and amortization are charged to operation as follows:

	Note	**2023**	2022
Cost of services	14	**₱33,020,432**	₱19,526,465
Operating expenses	15	**2,462,839**	11,753,949
		₱35,483,271	₱31,280,414

11. Trade and Other Payables

This account consists of:

	Note	**2023**	2022
Trade payables		**₱23,847,168**	₱24,479,494
Statutory payables		**21,831,168**	18,769,038
Accrued expenses		**18,913,052**	13,656,692
Provision for probable losses		**17,688,121**	9,570,722
Interest payable	12	**3,433,205**	8,053,477
Subscription payable	9	**–**	46,930,000
Others		**3,444,472**	–
		₱89,157,186	₱121,459,423

Trade payables are non-interest bearing and generally payable within one (1) year.

Statutory payables pertain to taxes withheld by the Group to government agencies other payables to government agencies. These are remitted to the respective regulatory agencies in the following month. This also includes deferred output VAT not yet due until the invoice is paid by the customer.

Accrued expenses mainly include assumed labor integration packages, professional fees, outside services and other expenses payable to third parties that are expected to be settled within 12 months from the end of the reporting period.

Provision for probable losses pertain to provisions for contingencies. In accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, no further details were provided because this may prejudice the Group's position on this matter.

Subscription payable pertains to the unpaid capital stock subscription for the Group's investment in CWCI. In 2023, the Parent Company paid the subscription payable to CWCI amounting to ₱46.93 million (see Note 9).

12. Loans Payable

The movements of this account are as follows:

	2023	2022
Balance at beginning of year	**₱437,634,403**	₱276,430,000
Availment	**570,141,560**	251,952,000
Payments	**(150,101,634)**	(90,747,597)
Balance at end of year	**857,674,329**	437,634,403
Add (less):		
"Day 1" difference	**(67,637,939)**	–
Unamortized debt issue cost	**(31,214,941)**	(1,731,692)
Unrealized foreign exchange loss	**1,543,541**	–
	760,364,990	435,902,711
Less current portion	**53,246,668**	63,106,633
Noncurrent portion	**₱707,118,322**	₱372,796,078

Breakdown of this account is as follows:

	2023	2022
Through local creditor banks	**₱535,867,961**	₱435,902,711
Through development fund facility	**224,497,029**	–
	₱760,364,990	₱435,902,711

Local Creditor Banks

The Group obtained various loans from commercial banks for the on-going construction projects. The principal amounts are payable in monthly and quarterly installments and bear annual interest rates ranging from 5.50% to 10.95%, and with terms ranging from three (3) years to 15 years.

In 2023 and 2022, the Group obtained additional loans amounting to ₱1.28 million and ₱1.95 million for the acquisition of transportation equipment (see Note 10). The loan principals are payable in 60 monthly installments and bear an annual interest of 9.18% and 10.95%, respectively.

The loan in 2022 is secured by a chattel mortgage on the transportation equipment with a carrying amount of ₱1.75 million and ₱2.24 million as at December 31, 2023 and 2022, respectively.

The carrying amounts and significant terms of the loans through local creditor banks are as follows:

	Carrying Amounts					
	2023	2022	Credit Facility	Payment Terms	Interest	Security
BBWI	**₱205,304,943**	₱241,328,598	₱313,000,000	Various loans payable in quarterly installments	5.50% to 7.50% per annum	Pledge of shares and deed of trust over the construction project; deed of assignment with hold-out amounting to ₱2.88 million (see Note 8)
SJCWCI	**150,000,000**	150,000,000	150,000,000	10-year loan payable in quarterly installments	6.50% per annum	Against hold out on peso deposits; deed of assignment on monthly water billings and debt service reserve account; and negative pledge on the project assets
TEC	**148,503,315**	–	150,000,000	10-year loan payable in quarterly installments	8.93% per annum	Assignment of borrower's rights of the project asset amounting to ₱51.96 million, corporate suretyship of TPGI, personal surety of the shareholders, and registered real estate mortgage (REM) over properties in Gucab, Echague, Isabela registered under TPGI.
TNI	**16,197,123**	19,623,253	20,000,000	5-year loan payable in 12 equal monthly installments	7.50% per annum	Assignment of receivables, corporate suretyship of TPGI, QWC and PWC, and suretyship of certain individual shareholders
TTMC	**13,233,333**	23,158,333	30,000,000	3-year loan payable in equal monthly installments	5.75% per annum	Deed of assignment over receivables
TPGI	**2,629,247**	1,792,527	3,231,000	Various loans payable in monthly installments	9.18 to 10.95% per annum	Chattel mortgage on the transportation equipment with a carrying amount of ₱1.75 million
	₱535,867,961	₱435,902,711				

Development Fund Facility
On June 27, 2023, the Group entered into a development cooperation agreement with Climate Fund Managers B.V., Stichting CI2 Development Fund, Cooperatief CI2 Construction Equity Fund U.A. and CEF2 A09 B.V. (collectively referred to as the CFM Group) to fund the development and construction of expansion and/or new water supply projects within the Group's portfolio. The CFM Group shall provide development funding of up to United States (US) $6.90 million.

The development funding is non-interest bearing and is payable in five equal annual installments. If the Company fails to pay any amount payable, interest shall accrue thereon from the due date to the date of actual payment at a rate of 10% per annum.

In 2023, the Group drew down US$5,793,482 or ₱318.86 million from the facility.

"Day 1" Difference
In 2023, the Group recognized a "Day 1" gain on initial recognition of loans through the development fund facility amounting to ₱81.39 million arising from the difference between the fair value of loan and the amount received by the Group.

The movement of "Day 1" difference in 2023 is as follows:

Addition	₱81,387,634
Accretion	(13,749,695)
Balance at end of year	₱67,637,939

Debt Issue Costs
Debt issue costs pertain to documentary stamp taxes and other transaction costs incurred in connection with the loan. Movements of unamortized debt issue costs are as follows:

	2023	2022
Balance at beginning of year	**₱1,731,692**	₱1,606,774
Additions	**34,444,486**	365,120
Amortization	**(4,961,237)**	(240,202)
Balance at end of year	**₱31,214,941**	₱1,731,692

Interest Expense and Capitalized Borrowing Costs
Interest expense charged to operations amounted to ₱58.91 million and ₱31.34 million in 2023 and 2022, respectively. The Group capitalized borrowing cost amounting to ₱12.45 million and ₱11.77 million in 2023 and 2022, respectively (see Note 10).

Interest expense charged to operations consists of:

	Note	**2023**	2022
Loans payable		**₱37,040,398**	₱12,183,044
Service concession liability	19	**20,248,511**	17,547,736
Lease liabilities	20	**1,624,102**	1,612,446
		₱58,913,011	₱31,343,226

Expected Principal Repayments

The expected principal repayments over the remaining term of the loan are as follows:

	2023	2022
Not later than one (1) year	**₱53,523,180**	₱63,302,173
Later than one (1) year but not later than five (5) years	**491,778,649**	72,405,428
Later than five (5) years	**312,372,500**	301,926,802
	₱857,674,329	₱437,634,403

Covenants

BBWI and SJCWCI's loans contain financial covenants to maintain certain debt-to-equity, current and debt service ratios. Pursuant to the loan agreement, BBWI and SJCWCI shall only be in default if in the reasonable option of the creditor bank, non-compliance is not remediable after a written notice. As at report date, BBWI and SJCWCI have not received any notice of non-compliance from the creditor bank and have continued to make payments based on the original terms of the loan. Accordingly, BBWI and SJCWCI did not reclassify the noncurrent portion of the loans as current.

TTMC's loan also contains financial covenants to maintain debt service ratio and debt to earnings before interest, taxes, depreciation and amortization (EBITDA) ratios, which were not met as at December 31, 2023 and 2022. As at report date, TTMC is in the process of remedying the breach. The carrying amount of the loan amounting to ₱13.23 million and ₱23.16 million as at December 31, 2023 and 2022, respectively, was presented as part of current liabilities in the consolidated statements of financial position. Nonetheless, TTMC has continued to make payments based on the original term of the loan and has no payments in arrears.

Disclosure of Changes in Liabilities Arising from Financing Activities

The changes in liabilities arising from financing activities as at December 31, 2023 and 2022 are as follows:

		2023						
				Noncash Changes				
	Note	Balance at Beginning of Year	Net Financing Cash Flows	Initial Recognition and Reclassification	Accretion of Interest & Amortization of Debt Issue Cost	"Day 1" Difference	Others	Balance at End of Year
Loans payable		**₱435,902,711**	**₱384,316,240**	**₱–**	**₱18,710,932**	**(₱81,387,634)**	**₱2,822,741**	**₱760,364,990**
Service concession liability	19	**405,371,446**	**(24,520,238)**	**176,894,644**	**20,248,511**	**–**	**–**	**577,994,363**
Due to related parties	16	**465,874,294**	**28,329,771**	**–**	**–**	**–**	**–**	**494,204,065**
Deposits for future stock subscription	16	**129,145,472**	**–**	**(129,145,472)**	**–**	**–**	**–**	**–**
Lease liabilities	20	**23,047,856**	**(3,664,837)**	**–**	**1,624,102**	**–**	**–**	**21,007,121**
Interest payable	11	**8,053,477**	**(22,949,738)**	**–**	**18,329,466**	**–**	**–**	**3,433,205**
		₱1,467,395,256	**₱361,511,198**	**₱47,749,172**	**₱58,913,011**	**(₱81,387,634)**	**₱2,822,741**	**₱1,857,003,744**

		2022					
				Noncash Changes			
	Note	Balance at Beginning of Year	Net Financing Cash Flows	Initial recognition	Interest and capitalized borrowing costs	Acquisition of property and equipment through loan	Balance at End of Year
Due to related parties	16	₱393,331,851	₱72,542,443	₱–	₱–	₱–	₱465,874,294
Loans payable		274,823,226	158,887,283	–	240,202	1,952,000	435,902,711
Service concession liability	19	407,472,502	(19,648,792)	–	17,547,736	–	405,371,446
Deposits for future stock subscription	16	129,145,472	–	–	–	–	129,145,472
Lease liabilities	20	18,336,279	(1,233,750)	4,332,881	1,612,446	–	23,047,856
Interest payable	11	3,364,080	(7,253,445)	–	11,942,842	–	8,053,477
		₱1,226,473,410	₱203,293,739	₱4,332,881	₱31,343,226	₱1,952,000	₱1,467,395,256

Capitalized borrowing cost is presented as additions to property and equipment. Other noncash movement in 2023 pertains to unrealized foreign exchange loss amounting ₱1.54 million and acquisition of property and equipment amounting to ₱1.28 million.

13. Revenue

This account consists of:

	Note	2023	2022
Water bills		**₱157,431,499**	₱138,540,973
Penalty and reconnection fee		**5,741,698**	5,751,451
Management fee	16	**3,750,045**	3,751,572
Subscription income		**2,160,981**	1,017,155
		₱169,084,223	₱149,061,151

Disaggregation of revenue through geographical market in the Philippines, as follows:

	2023	2022
Central Luzon	**₱63,320,590**	₱51,994,067
Bicol Region	**39,511,488**	34,133,117
CALABARZON	**25,267,815**	22,410,660
Western Visayas	**18,669,630**	32,122,297
Eastern Visayas	**12,378,306**	–
MIMAROPA	**6,186,349**	4,649,438
National Capital Region (NCR)	**3,750,045**	3,751,572
	₱169,084,223	₱149,061,151

All revenues are recognized over time.

14. Cost of Services

This account consists of:

	Note	2023	2022
Salaries and wages		**₱36,386,902**	₱13,877,506
Depreciation and amortization	10	**33,020,432**	19,526,465
Outside services		**19,713,274**	19,228,848
Utilities		**16,143,844**	25,972,098
Supplies		**9,261,717**	7,106,361
Others		**3,758,090**	5,411,946
		₱118,284,259	₱91,123,224

Outside services pertains to bulk water purchased from third party suppliers.

Others include repairs and maintenance and consultancy fees among others.

15. Operating Expenses

This account consists of:

	Note	2023	2022
Salaries and wages		**₱34,132,971**	₱37,834,477
Representation		**10,308,844**	7,439,607
Professional fees		**7,379,596**	4,191,247
Transportation		**7,168,771**	2,412,893
Taxes and licenses		**4,851,511**	2,308,886
Rental	20	**4,317,109**	3,261,995
Repairs and maintenance		**3,565,625**	1,349,383
Office supplies		**3,364,330**	3,396,272
Utilities		**3,349,371**	2,701,682
Insurance		**2,562,012**	1,474,325
Depreciation and amortization	10	**2,462,839**	11,753,949
Advertising		**2,242,370**	491,413
Provision for ECL	7	**411,078**	1,004,402
Others		**8,199,951**	4,288,840
		₱94,316,378	₱83,909,371

16. Related Party Transactions

The Group has transactions with its related parties as follows:

	Amount of Transactions		Balance at End of Year	
Related Party	**2023**	2022	**2023**	2022
Due from Related Parties				
Entities under common control:				
Quadcore Construction and Development Corporation (QCDC)	**₱76,259,814**	₱141,932,304	**₱297,686,126**	₱221,426,312
TGV Builders Inc.	**40,165,573**	–	**40,165,573**	**–**
Quadhomes, Inc.	**–**	–	**5,000,000**	5,000,000
PEHC	**–**	–	**–**	17,500,000
Philippine Power and Development Company (PPDC)	**–**	–	**–**	1,406,250
Others	**–**	1,845,185	**–**	1,845,185
Stockholders	**8,382,769**	3,543,153	**13,647,778**	5,265,009
Associate -				
PUWSI	**–**	–	**3,516,413**	3,516,413
	₱124,808,156	₱147,320,642	**₱360,015,890**	₱255,959,169
Due to Related Parties				
Entities under common control:				
Quadwater Corporation (QWC)	**₱–**	₱111,877,152	**₱317,066,828**	₱358,653,392
PWC	**–**	–	**60,750,000**	60,750,000
Quadstruct Inc.	**–**	–	**2,000,000**	2,000,000
Quadhomes, Inc.	**–**	1,835,000	**1,835,000**	1,835,000
Stockholders	**69,916,335**	–	**112,552,237**	42,635,902
	₱69,916,335	₱113,712,152	**₱494,204,065**	₱465,874,294

	Amount of Transactions		Balance at End of Year	
Related Party	**2023**	2022	**2023**	2022
Deposits for Future Stock Subscription				
Entity under common control -				
QWC	**₱–**	₱–	**₱69,674,256**	₱69,674,256
Parent Company	**–**	–	**59,471,216**	59,471,216
	₱–	₱–	**₱129,145,472**	₱129,145,472
Management Fees Receivable				
Associate -				
CWCI	**₱3,750,045**	₱3,751,572	**₱335,223**	₱320,575

Due from Related Parties

Due from related parties are advances of the Group for working capital purposes. These are noninterest-bearing, unsecured and are due and demandable in cash. No impairment loss was recognized in 2023 and 2022.

Due to Related Parties

Due to related parties are advances of related parties to the Group for working capital purposes. These are noninterest-bearing, unsecured and are payable in cash and upon demand.

Deposits for Future Stock Subscription

In 2018, the Parent Company converted its advances from QWC and PWC aggregating ₱129.15 million into deposits for future stock subscription.

In 2022, the Parent Company's BOD and stockholders approved the increase in authorized capital stock from ₱50,000,000 divided into 50,000,000 shares at ₱1 par value per share to ₱500,000,000 divided into 500,000,000 shares at ₱1 par value per share.

On June 30, 2023, the Parent Company filed its application for the increase in authorized capital stock with the SEC. As a result, the deposits for future stock subscription were reclassified as part of equity in 2023. As at the report date, the application is still subject to approval.

Management Fees

The Group is entitled to management fees for the services provided for program development and other administrative functions in accordance with the shareholders and stakeholders management agreement.

The Company recognized revenue from management fees amounting to ₱3.75 million in 2023 and 2022 (see Note 13).

Compensation of Key Management Personnel

Compensation of key management personnel charged to the consolidated statements of comprehensive income amounted to ₱9.58 million and ₱7.47 million in 2023 and 2022, respectively. These are presented as part of "Salaries and wages" under "Cost of services" in the consolidated statements of comprehensive income.

17. Other Income (Expense)

This account consists of:

	Note	2023	2022
Construction revenue		**₱54,142,811**	₱32,245,641
Construction cost		**(54,142,811)**	(32,245,641)
Write-off of property and equipment	10	**(2,562,798)**	–
Provision for probable losses		**(2,390,265)**	(3,650,157)
Unrealized foreign exchange loss		**(1,551,357)**	–
Interest on subscription payable	9	**(1,452,196)**	–
Realized foreign exchange loss		**(858,104)**	–
Gain on reversal of trade and other payables		**–**	5,573,758
Others		**(5,835,720)**	2,819,776
		(₱14,650,440)	₱4,743,377

Others mainly pertain to advances to employees written-off.

18. Income Taxes

The components of the Group's income tax expense are as follows:

	2023	2022
Reported in Profit or Loss		
Current tax:		
RCIT	**₱574,232**	₱680,345
MCIT	**342,825**	172,590
	917,057	852,935
Deferred tax	**16,963,014**	3,119,830
	₱17,880,071	₱3,972,765

Details of the Group's net deferred tax liability as at December 31, 2023 and 2022 are as follows:

	2023	2022
Deferred tax assets:		
Service concession liability	**₱57,016,302**	₱58,719,857
NOLCO	**18,133,929**	8,207,292
Lease liabilities	**4,576,894**	4,880,533
Allowance for ECL	**1,204,804**	1,204,804
Debt issue costs	**310,014**	355,350
Excess MCIT over RCIT	**187,532**	187,532
	81,429,475	73,555,368
Deferred tax liabilities:		
Service concession asset	**61,577,195**	63,924,894
"Day 1" difference on loans payable	**16,909,485**	–
Capitalized borrowing costs	**11,881,242**	8,767,628
Unamortized debt issue cost	**7,448,609**	–
ROU asset	**3,333,183**	3,620,071
	101,149,714	76,312,593
	(₱19,720,239)	(₱2,757,225)

The Group's unrecognized deferred tax assets are as follows:

	2023	2022
Deferred tax assets:		
Service concession liability	**₱87,482,289**	₱42,623,004
NOLCO	**38,419,461**	18,968,456
Allowance for ECL	**626,083**	50,301
Excess MCIT over RCIT	**462,322**	119,497
Unrealized foreign exchange loss	**387,839**	473,012
Lease liabilities	**24,955**	14,855
	127,402,949	62,249,125
Deferred tax liability -		
Service concession asset	**80,130,896**	37,964,563
	₱47,272,053	₱24,284,562

The unrecognized deferred tax assets are due to management's assessment that sufficient taxable income will not be available against which the benefit of deferred tax assets can be utilized.

Details of the Group's NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Balance at End of Year	Year of Expiry
2023	₱–	₱117,367,508	(₱465,279)	₱116,902,229	2026
2022	67,237,778	–	–	67,237,778	2025
2021	38,010,735	–	–	38,010,735	2026
2020	3,899,611	–	–	3,899,611	2025
	₱109,148,124	₱117,367,508	(₱465,279)	₱226,050,353	

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued the Revenue Regulation (RR) No. 25-2020 to implement Section 4 (b) of Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act". This RR provides that net operating loss of the business or enterprise for taxable years 2020 and 2021 to be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The details of the Company's excess MCIT over RCIT which can be claimed as tax credit against future income tax due are as follows:

Inception Year	Amount	Incurred	Expired	Balance	Expiry Year
2023	₱–	₱342,825	₱–	₱342,825	2026
2022	172,590	–	–	172,590	2025
2021	134,439	–	–	134,439	2024
	₱307,029	₱342,825	₱–	₱649,854	

The reconciliation of income tax benefit computed at statutory tax rate with income tax expense (benefit) shown in the consolidated statements of comprehensive income follows:

	2023	2022
Income tax benefit computed at statutory tax rate of 25%	**(₱9,251,259)**	(₱14,037,200)
Change in unrecognized deferred tax asset	**22,987,491**	13,867,024
Add (deduct) tax effects of:		
Nondeductible expenses	**4,268,056**	3,486,578
Share in net loss of associates	**506,599**	947,398
Difference in tax rates	**(179,325)**	(135,533)
Interest income subjected to final tax	**(178,921)**	(53,089)
Stock issuance cost	**(156,250)**	**–**
Applied NOLCO	**(116,320)**	(102,413)
	₱17,880,071	₱3,972,765

On March 26, 2021, the country's President signed the CREATE law, reducing the RCIT for domestic corporations from 30% to 25% or 20%, depending on the amount of total assets or total amount of taxable income. The MCIT was also lowered from 2% to 1% of gross income for three (3) years. These changes took effect retroactively beginning July 1, 2020.

19. Significant Agreements

The Group has the following significant agreements:

Memorandum for the Development of Water Supply of Trece Martires City, Cavite
In 2014, the Parent Company entered into an agreement with the developers of Sunshine Ville to design, construct, operate and maintain the water system in Barangay Cabuco, Trece Martires, Cavite. This agreement gives the Parent Company exclusive authority to provide adequate and potable water supply to all residential and commercial establishments in the Sunshine Ville housing area covering approximately 7,000 households.

In 2020, TTMC was incorporated to take over the operations of this project.

In 2022, RFN Construction & Development Corporation, a developer of housing projects in Trece Martires, granted the exclusive authority to the Company and TTMC to carry out the upgrade and modernization of RFN National Housing Authority (NHA) water supply, treatment, and distribution facilities, including its operation and maintenance. TTMC and TPGI are granted authority to construct a waterworks system ("The Deepwell 3" located in Sunshine Ville 2, Phase 2) necessary to provide the residents of the Housing Project with adequate potable water with quality.

Certificate of Public Convenience
The Parent Company applied for a water permit and Certificate of Public Convenience (CPC) in 2018 and was granted by the National Water Resources Board (NWRB) in 2019, valid until November 26, 2023.

In 2020, the Parent Company assigned all its rights, title, and interest to the water permit and CPC in favor of the TTMC.

In 2021, the NWRB approved the transfer of the water permit and directed the TTMC to file a petition for the transfer of the CPC.

On November 24, 2023, TTMC submitted its CPC application under its name pursuant to the deed of assignment executed between the Parent Company and TTMC, and in compliance with the NWRB's directive. TTMC is currently operating the water system under the provisions of the pending application filed before the expiration date. As at report date, the NWRB is in the process of reviewing the TTMC's application of the new CPC.

Memorandum for the development of the water supply of Tiglawigan, Sicaba, Luna and Cadiz Viejo in Cadiz City, Negros Occidental

In September, 2017, the Parent Company entered into a joint venture agreement with DLB Prime Products Inc. (DLB) for the development of the following water supply systems in Cadiz, Negros Occidental:

1. St. Patrick Homes 1; Barangay Tiglawigan, Cadiz City, Negros Occidental
2. Len-Vil Homes, Barangay Sicaba, Cadiz City, Negros Occidental
3. Antonio Heights; Barangay Luna, Cadiz City, Negros Occidental
4. Lacson Villas, Barangay Cadiz Viejo, Cadiz City, Negros Occidental

In 2021, TCAI took over the operations of the Cadiz Projects.

Joint Venture Agreement (JVA) between the Company, Mactan Rock Industries Inc. (MRII) and TGV Builders Inc. (TGV)

The Parent Company entered into a JVA with MRII and TGV to undertake the Bacolod Bulk Water Supply Project. The Company acts as the lead venturer of this JVA. Meanwhile, MRII is the exclusive supplier of the water treatment equipment and supplies, and TGV is the contractor for the pipe laying and construction.

BBWI is currently operating this project.

JVA with Coron Rural Waterworks and Sanitation Association, Inc. (CRWSA)

In 2020, the Parent Company entered into an agreement to construct, design and finance the proposed water and septage system improvement of CRWSA. CRWSA has agreed to grant the Parent Company the right to construct, install, operate, expand and manage the water system and septage system of CRWSA in the municipality of Coron, Palawan.

TCI is currently operating this project.

Franchise Agreements

In July 2017, the Office of the Sangguniang Bayan of Malasiqui granted the Parent Company a franchise to the design, construct, develop, operate, maintain and manage of the Malasiqui Bulk Water Supply and Distribution System in the municipality of Malasiqui, Pangasinan.

JVA with Manila Water

The Parent Company and Manila Water had various JVAs to develop water projects in Cebu, Calbayog, Iloilo, and Malasiqui, among others. The Parent Company also entered into various shareholders, subscription, technical and stakeholder management agreements related to these projects.

In 2020, the Parent Company and Manila Water, or their designated joint venture company (the Grantee) was granted by Office of the Sangguniang Panlungsod of Iloilo City franchise for a period of 25 years to construct, establish, commission, operate, and maintain a water supply system to service the population of Iloilo City. The Parent Company paid deposit amounting to ₱10.78 million for the future establishment of a joint venture corporation (see Note 8).

JVA with Watermatic International Ltd. (WMI)
In 2023, the Parent Company entered into an agreement with WMI to provide financing for the entire project cost needed by WMI in the competitive bidding for the Bulk Water Supply Project in Brgy. Jaclupan, Talisay City, Cebu. Both parties agree to form a joint venture company. The Parent Company paid deposit amounting to ₱11.0 million to WMI for its application for license to do business in the Philippines (see Note 8).

Memorandum for the Development of Water Supply of Borbon, Cebu
In 2021, the Parent Company and SAVS Water Utilities Corporation, with the conformity of SAVS-Borbon Cebu Water Corporation, entered into memorandum of agreement for the development, upgrade, and operation of SAVS Borbon's water supply system, including distribution facilities, maintenance, and to improve and expand the water supply services within the Municipality of Borbon.

JVA with City of Mandaue
In March 2022, the local government of the City of Mandaue engaged the Parent Company and ALV Water Solutions Corporation to design, construct, operate, maintain, and finance the Level III Water Supply and Treatment Facility. This facility utilizes the Desalination Treatment Process with Septage Management Program in the City of Mandaue.

Pre-development and Initial Construction Agreement with Quadcore
In 2022, the Parent Company entered into a pre-development and initial construction agreement with Quadcore Construction and Development Corp. to conduct a feasibility study, exploration, other pre-development and initial construction in the project areas to determine the viability of water sources. The project areas are Catbalogan Water District (CWD), Municipality of Borbon in Cebu, and Metropolitan Cebu Water District (MCWD).

Service Concession Agreements

JVA with San Jose City Water District (SJCWD). In 2021, SJCWD engaged the Parent Company, Manila Water Philippine Ventures, Inc. and Manila Water Company, Inc. to jointly engage in the development, improvement, upgrade and expansion of water supply and sanitation facilities, and to provide necessary services and incidental thereto in the whole city of San Jose, Nueva Ecija. SJCWD has agreed to grant SJCWCI the exclusive right and authority to provide water supply and sanitation facilities in the service area of San Jose City. SJCWCI is currently operating the San Jose Project.

The salient provisions of the agreement are as follows:

- The agreement shall be valid for a period of 25 years and subject to extension for another 25 years from the original expiration date as mutually agreed by the parties;
- Legal title to all fixed assets contributed to and utilized for the project during the term of the appointment shall remain with the Group until expiration date, at which time, all rights, title, interest in such assets shall automatically vest in SJCWD at no cost.
- Revenue share of SJCWD shall be equivalent to a fixed fee per annum subject to increase.

JVA with Nabua Water District (NAWAD). In 2019, NAWAD engaged the consortium led by Tubig Pilipinas Group Inc. for the development, improvement, upgrade and expansion of water supply and septage system of Nabua, Camarines Sur. NAWAD has agreed to grant the consortium the exclusive right and authority to provide water supply and sanitation facilities in the service area of Nabua Water District. TNI is currently operating the Nabua Project.

The salient provisions of the agreement are as follows:

- The agreement is valid for 30 years, renewable for another 20 years;
- The Companies may mortgage or create security interest over such assets solely for the purpose of financing (or refinancing) the acquisition or construction thereof; provided however, no such mortgage or security interest shall extend beyond the expiration date and no such mortgage or security interest shall be subject for foreclosure except following an event of termination; and,
- Revenue share of Nabua Water District shall be equivalent a fixed fee per annum subject to increase.

JVA with Catbalogan Water District (CWD). In 2022, CWD entered into a Joint Venture Agreement with the consortium of the Parent Company and Tubig Pilipinas Global Group Inc. (TPGGI) for the development, improvement, upgrade and expansion of water supply and septage system of Catbalogan City, Samar. In accordance with the Agreement, TCC was granted the exclusive right and authority to provide water supply and sanitation facilities in the service area of CWD.

The salient provisions of the agreement are as follows:

- The agreement is valid for 25 years, renewable for another 25 years;
- The Companies may mortgage or create security interest over such assets solely for the purpose of financing (or refinancing) the acquisition or construction thereof; provided however, no such mortgage or security interest shall extend beyond the expiration date and no such mortgage or security interest shall be subject for foreclosure except following an event of termination;
- Revenue share of CWD which shall be equivalent to a fixed fee per annum shall be subject to escalation at ₱0.50 million every five years;
- The Group shall assume the obligation to settle the amortization payments of CWD's loans and shall shoulder the depreciation costs of CWD's assets; and
- Legal title to all facilities (including any fixed assets resulting from the exercise of rights and powers) other than new assets contributed by the Group shall remain with CWD.

MOA with Municipality of Echague. In 2019, the Municipality of Echague (LGU) and TPGI entered into a memorandum of agreement whereby TEC undertakes the construction, including financing, of a water, sewage and septic utility system (facility), and the operation, management and maintenance thereof which will be built on an appropriate site located Barangay Gucab, Echague, Isabela. TEC is currently operating the Echague Project.

The salient provisions of the agreement are as follows:

- The agreement shall be valid for a period of 25 years and subject to extension for another 25 years from the original expiration date as mutually agreed by the parties;
- The LGU gives TEC exclusive rights to carry out the project during this period, as per the agreement.
- TEC can charge users fees approved by NWRB to cover its investment and operating costs.
- TEC will pay a tax of five percent (5%) of its gross sales on the preceding calendar year, increasing by 0.5% every five years.

The carrying amounts and movements in service concession assets are as follows:

	Note	**2023**	2022
Cost			
Balance at beginning of year		**₱448,780,463**	₱417,626,214
Initial recognition		**176,894,644**	–
Additions		**50,096,390**	28,386,707
Rehabilitation works		**46,796,650**	2,767,542
Reclassification from CIP	10	**4,046,422**	–
Balance at end of year		**726,614,569**	448,780,463
Accumulated Amortization			
Balance at beginning of year		**27,606,415**	10,738,248
Amortization	10	**20,583,149**	16,868,167
Balance at end of year		**48,189,564**	27,606,415
Carrying Amount		**₱678,425,005**	₱421,174,048

Service concession liability account consists of fixed concession fees recognized at present value using the discount rate at the inception date. The carrying amount and movements in this account are as follows:

	Note	**2023**	2022
Balance at beginning of year		**₱405,371,446**	₱407,472,502
Initial recognition		**176,894,644**	–
Interest accretion	12	**20,248,511**	17,547,736
Payments		**(24,520,238)**	(19,648,792)
Balance at end of year		**577,994,363**	405,371,446
Less current portion		**12,304,182**	12,412,799
Noncurrent portion		**₱565,690,181**	₱392,958,647

20. Lease Agreements

The Group recognized ROU assets and lease liabilities for the following existing lease commitments:

In 2022, the Group entered into a lease contract for its office space with a lease term of five (5) years, renewable at the end of the term. The incremental borrowing rate used to discount the future minimum lease payments is 4.25%.

In 2019, the Group entered into a lease agreement for a portion of parcel of land situated in Brgy. Granada, Bacolod City for a period of seven (7) years. The lease consideration is payable upon execution of the contract.

In 2018, the Group entered into a lease agreement for a parcel of land situated in Municipality of Murcia, Negros Occidental for a period of 25 years renewable for another 25 years upon mutual agreement by the parties. The lease consideration shall be paid at an amount equal to ₱0.10 per cubic meter of water treated and delivered to BACIWA or a fixed monthly rental rate based on the amount stated in the contract on the period during the Group has not yet supplied any water to BACIWA.

Also, the Group entered into a finance lease agreement with a financial institution. The finance lease agreement is related to the Group's acquisition of generator equipment. Term of the lease is two (2) years with an interest rate of 5.42%.

In 2016, the Group entered into a lease agreement for a parcel of land and improvements situated in Brgy. Granada, Bacolod City for a period of 25 years renewable upon mutual agreement of both parties. The lease consideration is payable on a fixed monthly rate subject to escalation.

The carrying amounts and movements in ROU assets as at December 31, 2023 and 2022 are as follows:

	Note	**2023**	2022
Cost			
Balance at beginning of year		**₱23,130,267**	₱18,797,386
Additions		**–**	4,332,881
Balance at end of year		**23,130,267**	23,130,267
Accumulated Amortization			
Balance at beginning of year		**5,183,679**	3,169,553
Amortization	10	**2,014,126**	2,014,126
Balance at end of year		**7,197,805**	5,183,679
Carrying amount		**₱15,932,462**	₱17,946,588

The carrying amounts and movements in lease liabilities are as follows:

	Note	**2023**	2022
Balance at beginning of year		**₱23,047,856**	₱18,336,279
Initial recognition		**–**	4,332,881
Interest expense	12	**1,624,102**	1,612,446
Rental payments		**(3,664,837)**	(1,233,750)
Balance at end of year		**21,007,121**	23,047,856
Current portion of lease liabilities		**861,968**	1,947,232
Noncurrent portion of lease liabilities		**₱20,145,153**	₱21,100,624

Future minimum lease payments are as follows:

	2023	2022
Within one (1) year	**₱2,255,111**	₱3,213,168
After one (1) year but not more than five (5) years	**9,373,860**	9,846,223
More than five (5) years	**32,180,680**	33,879,678
	₱43,809,651	₱46,939,069

Rentals charged to operating expense amounting to ₱4.32 million and ₱3.26 million in 2023 and 2022, respectively, pertains to short-term leases and variable lease payments not included in measurement of lease liabilities (see Note 15). These short-term leases include lease contracts for staff houses and office spaces with a lease term ranging from one (1) to two (2) years, renewable at the end of the term.

Refundable deposits on lease agreements amounted to ₱3.24 million and ₱2.63 million as at December 31, 2023 and 2022, respectively (see Note 8).

21. **Financial Risk Management Objectives and Policies and Fair Value Measurement**

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, foreign currency risk and liquidity risk.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The risk of default by the counterparties on its contractual obligations with the Group, however, is minimal because the counterparties have positive credit ratings. Cash in banks are deposited in reputable banks having good credit rating and low probability of insolvency. For due from related parties, refundable deposits and bid security, the Group only enters to reputable counterparties with low credit risk.

The tables below show the credit quality per class of financial assets as at December 31, 2023 and 2022:

	December 31, 2023						
			Past Due But Not Impaired				
	High Grade	**Standard Grade**	**1 - 30 Days**	**31 - 90 Days**	**More than 90 Days**	**Total**	**Allowance for ECL**
Lifetime ECL -							
Trade and other receivables	**₱–**	**₱47,727,507**	**₱1,968,037**	**₱1,075,829**	**₱27,447,112**	**₱78,218,485**	**₱8,162,847**
12-Month ECL:							
Cash in banks	**86,127,552**	**–**	**–**	**–**	**–**	**86,127,552**	**–**
Due from related parties	**–**	**360,015,890**	**–**	**–**	**–**	**360,015,890**	**–**
Restricted cash	**2,875,000**	**–**	**–**	**–**	**–**	**2,875,000**	**–**
Refundable deposits	**3,236,842**	**–**	**–**	**–**	**–**	**3,236,842**	**–**
	₱92,239,394	**₱407,743,397**	**₱1,968,037**	**₱1,075,829**	**₱27,447,112**	**₱530,473,769**	**₱8,162,847**

	December 31, 2022						
			Past Due But Not Impaired				
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total	Allowance for ECL
Lifetime ECL -							
Trade receivables	₱–	₱37,743,388	₱1,229,004	₱139,011	₱47,040,676	₱86,152,079	₱7,751,769
12-Month ECL:							
Cash in banks	65,661,186	–	–	–	–	65,661,186	–
Due from related parties	–	255,959,169	–	–	–	255,959,169	–
Refundable deposits	2,630,711	–	–	–	–	2,630,711	–
	₱68,291,897	₱293,702,557	₱1,229,004	₱139,011	₱47,040,676	₱410,403,145	₱7,751,769

The Group's financial assets are categorized based on the Group's collection experience with the counterparties as follows:

- High Grade - settlements are obtained from counterparty following the terms of the contracts without much collection effort.

- Standard Grade - other financial assets not belonging to high grade financial assets and are not past due are included in this category.

- Past Due But Not Impaired - items with history of frequent default.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's market risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing liabilities. Any gap between the maturities of fixed and variable rate instruments is effectively managed by the Group. The Group's long-term debt and lease liabilities are subject to fixed interest rate and are exposed to fair value interest rate risk. The future interest rate changes are not expected to significantly affect the Group's income (loss) before income tax.

Foreign Currency Risk

The Group is exposed to foreign currency risk on business transactions that are denominated in currencies other than the functional currency of the Group. Exposure to foreign currency risk is monitored on an on-going basis by the Group to ensure that the net exposure is kept at an acceptable level.

Exposure to Currency Risk. In 2023, the Group obtained a noninterest-bearing loan in United States (US) dollar amounting to $5,793,482 (see Note 12).

For purposes of restating the balances of the Group's foreign currency denominated loan payable, ₱55.37: $1 is used in 2023.

Sensitivity Analysis. The following table demonstrates the sensitivity to a reasonable possible change in foreign exchange rates, with all other variables held constant, of the Group's income before income tax as at December 31, 2023.

	Increase (decrease)	Increase (decrease) to net income
USD	10%	(₱32,078,510)
	(10%)	32,078,510

A 10% percentage change is based on historical volatility and management's expectation of future changes in foreign exchange rates

Liquidity Risk Management

Liquidity risk is the risk that the Group may encounter difficulties in raising funds to meet commitments for financial instruments. Liquidity risk may result from counterparty's failure on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The table below summarizes the maturity profile of the financial liabilities of the Group based on remaining contractual undiscounted cash flows as at December 31, 2023 and 2022:

	2023					
	Due and Demandable	**Less than 1 Year**	**1-2 Years**	**2-3 Years**	**Over 3 Years**	**Total**
Trade and other payables*	**₱–**	**₱49,637,898**	**₱–**	**₱–**	**₱–**	**₱49,637,898**
Due to related parties	**494,204,065**	**–**	**–**	**–**	**–**	**494,204,065**
Loans payable**	**–**	**86,709,829**	**142,506,539**	**142,231,964**	**696,693,610**	**1,068,141,942**
Lease liabilities**	**–**	**2,255,111**	**2,256,157**	**2,346,888**	**36,951,495**	**43,809,651**
Service concession liability***	**–**	**36,783,562**	**36,661,299**	**36,235,266**	**827,588,164**	**937,268,291**
	₱494,204,065	**₱175,386,400**	**₱181,423,995**	**₱180,814,118**	**₱1,561,233,269**	**₱2,593,061,847**

**Excluding statutory payables and provision for probable losses aggregating to ₱39.52 million as at December 31, 2023.*
***Including future interest payments.*
****Based on undiscounted contractual payments*

	2022					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Trade and other payables*	₱–	₱93,119,663	₱–	₱–	₱–	₱93,119,663
Due to related parties	465,874,294	–	–	–	–	465,874,294
Deposit for future stock subscription	129,145,472	–	–	–	–	129,145,472
Loans payable**	–	78,799,115	55,444,355	43,096,228	394,431,775	571,771,473
Lease liabilities**	–	3,213,168	2,171,361	2,256,157	39,298,383	46,939,069
Service concession liability***	–	24,743,849	21,944,651	23,001,368	563,497,575	633,187,443
	₱595,019,766	₱199,875,795	₱79,560,367	₱68,353,753	₱997,227,733	₱1,940,037,414

**Excluding statutory payables and provision for probable losses aggregating to ₱28.34 million as at December 31, 2022.*
***Including future interest payments.*
****Based on undiscounted contractual payments*

The Group's objectives in managing its liquidity position are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

Fair Value of Financial Assets and Liabilities

Cash in Banks, Trade and Other Receivables, Due from Related Parties, Trade and Other Payables (excluding Provision for Probable Losses, Statutory Payables, Subscription Payable), Due to Related Parties and Deposit for Future Stock Subscription. Due to the short-term nature of transactions, the fair values approximate the amount of consideration at reporting period.

Refundable Deposits. Refundable deposits approximate their fair values since the effect of not discounting the cash flows from these instruments were determined by management to be insignificant.

Loans Payable and Service Concession Liability. Estimated fair values have been calculated on the instruments' expected cash flows using the prevailing BVAL rates that are specific to the tenor of the instruments' cash flows at reporting dates (Level 2). The discount rates used are 5.12% to 6.08% in 2023 and 3.92% to 7.22% in 2022. The fair value of loan payable amounted to ₱874.36 million and ₱521.71 million as at December 31, 2023 and 2022, respectively. The fair value of service concession liability amounted to ₱545.99 million and ₱322.96 million as at December 31, 2023 and 2022, respectively.

Fair Value Hierarchy
There were no transfers in fair value hierarchy during the year.

22. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations.

The Group considers its capital stock and additional paid-up capital amounting to ₱101.50 million as at December 31, 2023 and 2022 as its capital employed. The Group maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term. The Group is subject to an externally imposed capital requirement from loan agreements (see Note 12).

No changes were made in the objective, policies, or processes in 2023 and 2022.

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

ANNEX "F"

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: November 25, 2025 01:20:30 PM

Company Information

SEC Registration No.: CS201421025
Company Name: TUBIG PILIPINAS GROUP INC.
Industry Classification: E41000
Company Type: Stock Corporation

Document Information

Document ID: OST11125202583827971
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	4	2	1	0	2	5

COMPANY NAME

TUBIG PILIPINAS GROUP INC.

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
contact@tubigpilipinas.com	(02) 8-813-8892	+63 917 898 8260

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
9	June 30	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
Mark Eric C. Roxas	mark.roxas@tubigpilipinas.com	(02) 8-813-8892	+63 917 152 7378

CONTACT PERSON'S ADDRESS

26 Castrillo St., Corinthian Gardens, Quezon City

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 shall not excuse the corporation from liability for its deficiencies.

Tubig Pilipinas

STATEMENT OF MANAGEMENT'S RESPONSIBIILITY
FOR FINANCIAL STATEMENTS

The management of TUBIG PILIPINAS GROUP INC (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, 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 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 financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

RYAN WESLEY T. YAPKIANWEE
Chairman of the Board

CONRADO MA. LEANDRO FRANCISCO G. BELISARIO
Chief Executive Officer

Signed this ___ day of _____, 2025

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Tubig Pilipinas Group Inc.
3F JTKC Centre
2155 Don Chino Roces Avenue
Makati City

Opinion

We have audited the financial statements of Tubig Pilipinas Group Inc. (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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 the audit of the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, 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 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 POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 PSA 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the 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 audits 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner
CPA Certificate No. 134498
Tax Identification No. 404-428-828-000
BOA Accreditation No. 4782/P-026; Valid until June 6, 2026
BIR Accreditation No. 08-005144-024-2024
Valid until March 26, 2027
PTR No. 10467130
Issued January 2, 2025, Makati City

August 4, 2025
Makati City, Metro Manila

TUBIG PILIPINAS GROUP INC.

STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2024	2023
ASSETS			
Current Assets			
Cash	4	**₱65,709,119**	₱1,807,019
Trade and other receivables	5	**55,337,915**	51,894,995
Due from related parties	12	**694,997,657**	544,081,463
Creditable withholding taxes		**6,663,840**	6,336,868
Other current assets	6	**1,610,683**	1,635,634
Total Current Assets		**824,319,214**	605,755,979
Noncurrent Assets			
Investments in associates	7	**99,649,142**	99,246,996
Investments in subsidiaries	8	**585,690,688**	584,442,691
Property and equipment	9	**124,364,131**	7,509,750
Right-of-use asset	17	**4,979,628**	–
Other noncurrent assets	6	**40,121,146**	22,093,452
Total Noncurrent Assets		**854,804,735**	713,292,889
		₱1,679,123,949	₱1,319,048,868
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	10	**₱27,379,481**	₱37,271,562
Due to related parties	12	**527,597,883**	670,721,433
Current portion of loans payable	11	**185,580,584**	745,520
Current portion of lease liability	17	**5,423,732**	–
Subscriptions payable	8	**201,219,472**	200,290,222
Total Current Liabilities		**947,201,152**	909,028,737
Noncurrent Liabilities			
Loans payable - net of current portion	11	**201,171,447**	226,380,756
Lease liability - net of current portion	17	**414,250**	–
Deferred tax liabilities	16	**19,180,618**	23,983,923
Total Noncurrent Liabilities		**220,766,315**	250,364,679
Total Liabilities		**1,167,967,467**	1,159,393,416
Equity			
Capital stock	13	**232,767,113**	50,000,000
Additional paid-in capital	13	**372,827,871**	51,500,000
Deposits for future stock subscription	12	**–**	129,145,472
Deficit		**(94,438,502)**	(70,990,020)
Total Equity		**511,156,482**	159,655,452
		₱1,679,123,949	₱1,319,048,868

See accompanying Notes to Financial Statements.

TUBIG PILIPINAS GROUP INC.

STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
		2024	2023
REVENUE FROM MANAGEMENT FEES	12	**₱37,097,139**	₱19,700,660
COST OF SERVICES	12	**(11,912,318)**	(9,517,554)
GROSS INCOME		**25,184,821**	10,183,106
OPERATING EXPENSES	14	**(47,966,854)**	(35,019,528)
LOSS FROM OPERATIONS		**(22,782,033)**	(24,836,422)
INTEREST EXPENSE	11	**(23,829,652)**	(22,477,737)
SHARE IN NET INCOME (LOSS) OF ASSOCIATES	7	**402,146**	(2,026,395)
"DAY 1" DIFFERENCE ON LOANS PAYABLE	11	**–**	81,387,634
INTEREST INCOME	4	**23,932**	18,155
OTHER INCOME (CHARGES) - Net	15	**18,780,180**	(7,617,416)
INCOME (LOSS) BEFORE INCOME TAX		**(27,405,427)**	24,447,819
PROVISION FOR (BENEFIT FROM) INCOME TAX	16		
Current		**846,360**	152,747
Deferred		**(4,803,305)**	23,983,923
		(3,956,945)	24,136,670
NET INCOME (LOSS)		**(23,448,482)**	311,149
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE INCOME (LOSS)		**(₱23,448,482)**	₱311,149

See accompanying Notes to Financial Statements.

TUBIG PILIPINAS GROUP INC.

STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31 2024	2023
CAPITAL STOCK - ₱1 par value	13		
Authorized - 2,000,000,000 and 50,000,000 shares in 2024 and 2023, respectively			
Issued and outstanding			
Balance at beginning of year		**₱50,000,000**	₱50,000,000
Issuances		**182,767,113**	–
Balance at end of year		**232,767,113**	50,000,000
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of year		**51,500,000**	51,500,000
Additions	13	**321,327,871**	–
Balance at year end		**372,827,871**	51,500,000
DEPOSIT FOR FUTURE STOCK SUBSCRIPTION	12		
Balance at beginning of year		**129,145,472**	129,145,472
Application to capital stock		**(129,145,472)**	–
Balance at end of year		**–**	129,145,472
DEFICIT			
Balance at beginning of year		**(70,990,020)**	(71,301,169)
Net income (loss)		**(23,448,482)**	311,149
Balance at end of year		**(94,438,502)**	(70,990,020)
		₱511,156,482	₱159,655,452

See accompanying Notes to Financial Statements.

TUBIG PILIPINAS GROUP INC.

STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**(₱27,405,427)**	₱24,447,819
Adjustments for:			
Interest expense	11	**23,829,652**	22,477,737
Gain on reversal of liabilities	15	**(20,787,201)**	–
Depreciation and amortization	9	**6,461,435**	1,149,108
Unrealized foreign exchange loss	15	**5,301,485**	1,551,357
Share in net income (loss) of associates	7	**(402,146)**	2,026,395
Interest income	4	**(23,932)**	(18,155)
"Day 1" difference on loans payable	11	**–**	(81,387,634)
Write-off of property and equipment	9	**–**	2,441,901
Operating loss before working capital changes		**(13,026,134)**	(27,311,472)
Decrease (increase) in:			
Trade and other receivables		**(590,094)**	(16,753,331)
Other current assets		**24,951**	(1,096,406)
Increase (decrease) in trade and other payables		**(5,237,625)**	5,246,813
Net cash used in operations		**(18,828,902)**	(39,914,396)
Income tax paid		**(1,173,332)**	(780,099)
Interest received		**23,932**	18,155
Net cash used in operating activities		**(19,978,302)**	(40,676,340)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Due from related parties	12	**(219,742,013)**	(230,313,191)
Property and equipment	9	**(109,597,280)**	(2,563,473)
Other noncurrent assets		**(18,027,694)**	(11,051,000)
Investments in subsidiaries	8	**(318,747)**	(62,841,208)
Collection of due from related parties		**65,972,993**	38,507,671
Payment of subscription payable	8	**–**	(46,930,000)
Net cash used in investing activities		**(281,712,741)**	(315,191,201)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of shares	13	**374,949,512**	–
Proceeds from loans payable	11	**185,000,000**	418,862,360
Additions to due to related parties	12	**–**	203,207,899
Payments of:			
Due to related parties	12	**(128,572,314)**	(127,365,240)
Loans payable	11	**(50,755,988)**	(100,449,964)
Interest	11	**(8,840,367)**	(4,047,305)
Lease liability	17	**(4,545,875)**	–
Debt issue costs	11	**(3,367,221)**	(32,944,186)
Net cash provided by financing activities		**363,867,747**	357,263,564
EFFECT OF EXCHANGE RATE CHANGES ON CASH		**1,725,396**	(7,816)
NET INCREASE IN CASH		**63,902,100**	1,388,207
CASH AT BEGINNING OF YEAR		**1,807,019**	418,812
CASH AT END OF YEAR		**₱65,709,119**	₱1,807,019

	Note	Years Ended December 31 2024	2023
NONCASH FINANCIAL INFORMATION			
Application of deposit for future subscription		**₱129,145,472**	₱–
Initial recognition of right-of-use asset and lease liability		**9,575,270**	–
Reclassification of due from related party to trade receivables		**2,852,826**	–
Additions of property and equipment through:	9		
Trade payables		**1,132,745**	–
Related party		**448,764**	
Loans payables		**–**	1,279,200
Additions to investment in subsidiaries through:	8		
Additional subscription payable		**929,250**	57,093,750
Assumption of accrued expenses		**–**	3,704,000
Write-off of long outstanding trade payable		**(638,724)**	–
Reclassification of deposit for future stock subscription from noncurrent liability to equity	12	**–**	129,145,472
Assignment of property and equipment to a subsidiary	9	**–**	4,046,422

See accompanying Notes to Finoncial Statements.

1. General Information

Tubig Pilipinas Group Inc. (TPGI or the Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 2014. The Company primarily engages in operating, managing, maintaining and rehabilitating waterworks, sewerage, and sanitation systems and services. TPGI functions as a bulk water supplier and direct water distributor.

The Company has entered into various agreements to create new subsidiaries and has executed transfers of assets through several deeds of assignment to its existing subsidiaries to carry out the primary operations of the Company.

As at December 31, 2024, the Ultimate Parent Company is Quadwater Corporation (Quadwater or the Ultimate Parent Company).

Service Areas
The Company, directly through subsidiaries and affiliates, is currently the contracted water supplier of multiple cities and municipalities around the Philippines including Bacolod, Negros Occidental; Sual, Pangasinan; Coron, Palawan; Nabua, Camarines Sur; San Jose City, Nueva Ecija; Calbayog City, Samar; and Echague, Isabela, as well as the water systems in Trece Martires City, Cavite; Cadiz City, Negros Occidental; and Catbalogan City, Western Samar.

Subsidiaries and Associates
The following are the subsidiaries and associates of the Company and effective percentages of ownership as at December 31, 2024 and 2023:

		Effective Percentage of Ownership	
	Principal Place of Business	**2024**	2023
Subsidiaries:			
Tubig Trece Martires Corp. (TTMC)	Trece Martires City, Cavite, Region IV-A	**100.0%**	100.0%
Tubig Coron Inc. (TCI)	Coron City, Palawan, Region IV-B	**100.0%**	100.0%
Tubig Nabua Inc. (TNI)	Nabua, Camarines Sur, Region V	**100.0%**	100.0%
Tubig Catbalogan Corp.*(TCC)	Catbalogan City, Western Samar	**100.0%**	100.0%
San Jose City (N.E.) Water Company Inc. (SJCWCI)	San Jose City, Nueva Ecija	**97.0%**	97.0%
Bacolod Bulk Water Inc. (BBWI)	Makati City, Metro Manila	**93.0%**	93.0%
Tubig Echague Corp.*(TEC)	Makati City, Metro Manila	**70.0%**	70.0%
ALV Tubig ng Mandaue Inc. (ALV TMI)**	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**60.0%**	–
Tubig Pilipinas Global Group Inc. (TPGGI)	Chino Roces Ave., Makati City	**51.0%**	51.0%
Tubig Cadiz Inc. (TCAI)	Cadiz City, Negros Occidental, Region VI	**50.0%**	50.0%
Associates:			
Calbayog Water Company Inc. (CWCI)	Calbayog City, Western Samar	**40.0%**	40.0%
Princess Urduja Waterworks System Inc. (PUWSI)	Poblacion West, Sual, Pangasinan	**40.0%**	40.0%
MTTP Water Corporation*** (MWC)	Makati City, Metro Manila	**47.5%**	47.5%

**Incorporated in 2023*
***Incorporated in 2024*
****Non-operating*

All of the subsidiaries and associates are incorporated in the Philippines and are engaged in water distribution and rehabilitation.

Principal Office
The Company's principal office address is located at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City.

Approval of Financial Statements
The financial statements of the Company as at and for the years ended December 31, 2024 and 2023, were approved and authorized for issue by the Board of Directors (BOD) on August 4, 2025.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance
The Company's financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, as issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including all relevant SEC pronouncements.

The financial reporting framework encompasses PFRS Accounting Standards, Philippine Accounting Standards (PAS), and Philippine Interpretations from the International Financial Reporting Interpretations Committee (IFRIC).

These financial statements represent the separate financial statements of the Company. The Company has opted for the exemption from preparing consolidated financial statements. Consolidated financial statements are prepared by Quadwater and can be obtained from the SEC or from Quadwater's registered address at Progreso St. cor Casadores St., Poblacion East, Umingan, Pangasinan.

Consistency of Accounting Policies
The material accounting policy information has been applied consistently to all periods presented in the financial statements, unless otherwise stated.

Measurement Bases
The financial statements are presented in Philippine Peso, which is the Company's functional currency. All values are stated in absolute amounts unless otherwise indicated.

The financial statements have been prepared on a historical cost basis, except for investment in associates and lease liabilities which is measured at equity method and present value of minimum lease payments, respectively. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

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 transaction date. The Company 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.

Further information about the assumptions made in measuring fair values is included in Note 18.

Adoption of Amendments to PFRS Accounting Standards

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

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

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

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective or Adopted

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and are summarized below.

Effective for annual periods beginning on or after January 1, 2025 -

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

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

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

- Annual Improvements to PFRS Accounting Standards Volume 11:

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

  - Amendments to PFRS 9, *Financial Instruments - Transaction Price and Lessee Derecognition of Lease Liabilities* - The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to *'transaction price as defined by PFRS 15, Revenue from Contracts with Customers'* to *'the amount determined by applying PFRS 15'* to remove potential confusion. Earlier application is permitted.

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

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

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

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

Financial Assets and Liabilities

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

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (for asset) or received (for liability). Transaction costs are included in the initial measurement, except those designated at fair value through profit or loss (FVPL).

"Day 1" Difference. When a transaction occurs in a non-active market and the transaction price differs from the fair value based on observable market data, the Company recognizes this difference as a "Day 1" difference in profit or loss. If no observable data is available at the inception of the transaction, the transaction price is considered the best estimate of fair value. The "Day 1" difference is then recognized in profit or loss when the inputs become observable or when the financial instrument is derecognized. The Company determines the appropriate method for recognizing "Day 1" difference for each transaction.

Financial Assets at Amortized Cost

The Company's cash, trade and other receivables, due from related parties and refundable deposits (presented as part of "Other noncurrent assets" account) are classified as financial assets at amortized cost. These financial assets are measured at amortized cost less allowance for expected credit losses (ECL), if any.

For management fees receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Meanwhile, impairment of other financial assets is assessed based on potential liquidity of counterparties based on available financial information. Financial assets are derecognized when the right to receive cash flows from the asset has expired or the Company has transferred its right to receive cash flows from the financial asset.

Financial Liabilities at Amortized Cost

The Company's trade and other payables (excluding provision for probable losses, deferred output VAT, statutory payables and output VAT), due to related parties, subscriptions payable, loans payable and lease liabilities are classified as financial liabilities at amortized cost.

The Company recognized financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Creditable Withholding Tax

Creditable withholding tax (CWT) represents the amounts withheld by the customer from income payments received by the Company. These amounts are withheld at source and can be applied as payment for the Company's income taxes, provided these are properly supported by certificates of creditable tax withheld at source, in accordance with the rules on Philippine income taxation.

Other Assets

Other assets include advances to employees, advances to contractors, deposits, input value-added tax (VAT), and refundable deposits (a financial asset).

Advances to Contractors. represent advance payments on services to be incurred in connection with the Company's operations. These are charged to the construction in progress account when the goods or services for which the advances were made are received. These are considered as nonfinancial instruments as these will be recouped against future billings from contractors and suppliers.

Deposits. Deposits pertain to advance payments made by the Company for the future operations of various joint venture projects. These are carried at the amount of cash paid and are subsequently recognized to the corresponding asset accounts after the start of commercial operation of these projects.

VAT. Revenue, expenses and assets are generally recognized net of the amount of VAT except for receivables and payables that are stated with the amount of VAT included. The amount of VAT recoverable and payable from the tax authority is included as part of "Other current assets" and "Trade and other payables" accounts, respectively, in the statements of financial position.

Investments in Associates

The Company uses the equity method to account for investments in other companies where it has significant influence (20% to 50% voting power) but not control. Both the Company and its associates have the same reporting date and use similar accounting policies. If necessary, adjustments are made to align the associate's accounting policies with those of the Company.

The Company's share of the associate's net income or loss is presented in the "Share in net income (loss) of associates" account in the statements of comprehensive income.

Investments in Subsidiaries

Investments in subsidiaries are carried at cost less any impairment in value. Cost is the purchase price plus any incidental costs relating to the acquisition of the investment.

A subsidiary is an entity controlled by the Company. In assessing control, the Company considers if it is exposed, or has right, to variable returns from its investment with the subsidiary and if it can affect those returns. Income from these investments is recognized only when distributions are received from the subsidiary's profits earned after the date of acquisition.

Property and Equipment

Property and equipment are initially recognized at cost, which includes the purchase price and any costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property and equipment, except for land and construction in progress, are recorded at cost less accumulated depreciation and amortization and any impairment. Land and construction in progress are recorded at cost, net of accumulated impairment losses if any.

Depreciation and amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of Years
Leasehold improvements	10 or lease term whichever is shorter
Transportation equipment	8
Office furniture and equipment	5
Computer equipment	2 to 5

Expenditures after the property and equipment have been put into operation, such as repairs and maintenance, are expensed as incurred. However, expenditures that significantly increase the future economic benefits of the asset beyond its originally assessed standard of performance are capitalized.

When significant parts of property and equipment are required to be replaced at intervals, the Company depreciates those significant parts separately based on their specific useful lives.

Fully-depreciated assets are retained in the accounts until they are no longer in use.

The assets' estimated useful lives and depreciation method are reviewed annually, and adjusted prospectively, as appropriate, if there is an indication of a significant change since the last reporting date.

Construction in progress represents plant under construction or development and is stated at cost which includes cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are substantially available for operational use.

An item of property 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 is included in profit or loss in the year the asset is derecognized.

Borrowing Costs

Borrowing costs are recognized as expense in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when all such activities are substantially complete.

Impairment of Nonfinancial Assets

The carrying amounts of the Company's nonfinancial assets are reviewed regularly to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and fair value less costs to sell.

Capital Stock and Additional Paid-in Capital (APIC)

Capital stock is measured at par value for all shares issued and outstanding. APIC represents the amount received from shareholders in excess of the par value of the shares issued.

Deposits for Future Stock Subscription

Deposits for future stock subscription represents funds received from existing or potential stockholders to be applied as payment for future issuance of capital stock. Deposits for future stock subscription are recognized as equity if, and only if, all of the following elements set forth by the SEC are present as at reporting date:

- The unissued authorized capital stock of the Company is insufficient to cover the amount of shares indicated in the contract;
- There is BOD's approval on the proposed increase in authorized capital stock for which a deposit was received by the Company;
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as a liability.

Deficit
Deficit represents the cumulative results of operations.

Revenue Recognition
Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time.

The Company has assessed that it acts as a principal in all of its revenue sources.

The following specific recognition criteria must also be met before revenue is recognized:

Management Fees. Revenue is recognized as services are performed.

Other Income. Other income is recognized when earned and flow of economic benefit is reasonably assured.

Cost and Expense Recognition
Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Services. Cost of services are recognized as expense when the related service is rendered.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method.

Other Expense. Other expense is recognized as incurred.

Related Party Transactions and Relationships
Related party transactions involve the transfers of resources, services, or obligations between the Company and its related parties, regardless of whether a price is charged. A related party relationship exists when one party can control or significantly influence the other's financial and operating decisions, either directly or indirectly. This includes entities under common control, key management personnel, directors, or stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from the excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), and unused tax losses from net operating loss carry over (NOLCO) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax credits from excess MCIT over RCIT, and unused NOLCO can be utilized. Deferred tax, however, is not recognized when it 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 nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to items directly recognized in other comprehensive income.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Employee Benefits

Short-term Benefits. The Company provides short-term benefits to its employees in the form of basic pay, 13th month pay, bonuses, employer's share in government contributions and other short-term benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as Lessee

At the commencement date, the Company recognizes right-of-use (ROU) asset and a lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Asset. ROU asset is recognized under the same basis with property and equipment at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU asset is carried at cost less any accumulated amortization and accumulated impairment losses and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Lease Liability. At commencement date, the Company measures lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate. A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

Short-term Leases and Leases of Low-value Assets. The Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term lease are recognized as expense on a straight-line basis over the lease term.

Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rate of exchange on transaction date. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date. Foreign exchange gains or losses are recognized in profit or loss when incurred.

Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, arising from a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefit is probable.

Events After the Reporting Date

Events occurring after the reporting date that provide additional evidence of conditions existing at the reporting date (adjusting events) are reflected in the financial statements. Non-adjusting events, which indicate conditions that arose after the reporting date, are disclosed in the notes to financial statements when material.

3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of the Company's financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These judgments, accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgment, accounting estimates and assumptions made by the Company:

Judgment

Determining the Existence of Significant Influence. The Company applies significant judgment in assessing whether it holds significant influence over an investee and considers the following:

- representation on the boards of directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the investor and the investee;
- interchange of managerial personnel; or
- provision of essential technical information.

The Company assessed that it has the ability to exercise significant influence, but not control, over its associate as at December 31, 2024 and 2023 by virtue of the Company's 40.0% ownership interest in CWCI and PUWSI.

Classifying Lease Commitments - Company as a Lessee. The Company recognized ROU assets and lease liabilities for all of its existing lease agreements, except for the lease of parking space and staff houses for a period of one (1) year. The Company did not recognize ROU assets and lease liabilities since the lease consideration is variable and application of short-term lease recognition exemption.

The amount of rental expense from short-term and variable leases in 2024 and 2023 are disclosed in Note 17.

Accounting Estimates and Assumptions

Assessing the ECL on Management Fees Receivables. The Company initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies the provision rates depending on the number of days that a trade receivable is past due. The Company also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Company then calibrates the provision matrix to adjust historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for ECL of trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

No provision for ECL was recognized in 2024 and 2023 and the carrying amount of trade and other receivables recognized in 2024 and 2023 are disclosed in Note 5.

Assessing the ECL of Other Financial Assets at Amortized Cost. The Company determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating "downgrade";
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Company's other financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12-month ECL. The Company has assessed that the ECL for financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2024 and 2023.

The carrying amounts of financial assets at amortized cost as at December 31, 2024 and 2023 are disclosed in Notes 4, 5, 6, and 12.

Estimating Discount Rate Used in Measuring Lease Liabilities. The Company determines lease payments, lease term and discount rate at the commencement date of a lease. The lease term comprises non-cancellable period of a lease contract. Period covered by an option to extend a lease if the Company is reasonably certain to exercise the option, or periods covered by an option to terminate a lease if the Company is reasonably certain not to exercise that option, are included in the lease term. The Company considers all relevant facts and circumstances that create an economic incentive for the Company to exercise, or not to exercise, the option such as, but not limited to, significant leasehold improvements undertaken and the importance of the underlying asset to the Company's operations.

The Company uses its incremental borrowing rate as basis for the discount rate which is the rate that the Company 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 ROU asset in a similar economic environment.

The carrying amounts of ROU assets and lease liabilities as at December 31, 2024 and 2023 are disclosed in Note 17.

Estimating the Useful Lives of Property and Equipment. The Company reviews annually the estimated useful lives of property and equipment based on expected asset's utilization, market demands and future technological development. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation of property and equipment.

There were no changes on the estimated useful lives of property and equipment in 2024 and 2023.

The carrying amount of the Company's property and equipment (excluding land and construction in progress) as at December 31, 2024 and 2023 are disclosed in Note 9.

Assessing the Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An assessment is made at each reporting 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.

The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

No impairment loss was recognized in 2024. Write-off of property and equipment recognized in 2023 is disclosed in Note 9. The carrying amounts of nonfinancial assets of the Company as at December 31, 2024 and 2023 are disclosed in Notes 6, 7, 8, and 9.

Assessing the Realizability of Deferred Tax Assets. The Company reviews the carrying amounts of deferred tax asset at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profit, future tax planning strategies and other factors.

The Company's unrecognized deferred tax assets as at December 31, 2024 and 2023 are disclosed in Note 16.

Evaluating Contingencies. The Company recognizes provision for possible claims when it is determined that an unfavorable outcome is probable and the amount of the claim can be reasonably estimated. The determination of reserves required, if any, is based on analysis of such individual issue, often with the assistance of outside legal counsel.

The Company's provision for probable losses as at December 31, 2024 and 2023 are disclosed in Note 10.

4. Cash

This account consists of:

	2024	2023
Cash on hand	**₱56,485**	₱60,000
Cash in banks	**65,652,634**	1,747,019
	₱65,709,119	₱1,807,019

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned from cash in banks amounted to ₱23,932 and ₱18,155 in 2024 and 2023, respectively.

5. Trade and Other Receivables

This account consists of:

	Note	2024	2023
Management fees receivable	12	**₱52,485,062**	₱29,494,995
Exploration and feasibility study fees receivable		**–**	22,400,000
Other receivables		**2,852,853**	–
		₱55,337,915	₱51,894,995

Management fees receivables and exploration and feasibility study fees receivable are noninterest-bearing receivables from customers which are normally collectible within 30 days.

Other receivables are noninterest-bearing and are generally collectible upon demand.

No provision for ECL were recognized in 2024 and 2023.

6. Other Assets

This account consists of:

	Note	2024	2023
Current			
Advances to employees		**₱1,368,769**	₱1,154,802
Input VAT		**241,914**	480,832
		1,610,683	1,635,634
Noncurrent			
Deposits	17	**21,780,539**	21,780,539
Advances to contractors		**16,168,903**	–
Refundable deposits		**2,171,704**	312,913
		40,121,146	22,093,452
		₱41,731,829	₱23,729,086

Advances to employees are funds provided upfront to cover business-related travel and expenses, which are subject to liquidation within 12 months.

Deposits pertain to funds provided by the Company to various entities for the establishment of joint venture corporations.

Advances to contractors pertain to advance payments made by the Company to the contractors relating to the development and construction of the bulk water system in Brgy. Jaclupan, Talisay City, Cebu. These are noninterest-bearing and are recouped against contractor's billings.

Refundable deposits represent noninterest-bearing utility deposits which are expected to be held for more than 12 months.

7. Investments in Associates

This account consists of investments in the following associates as at December 31, 2024 and 2023:

	2024		2023	
	% ownership	Amount	% ownership	Amount
CWCI	40.0%	₱90,759,879	40.0%	₱90,659,196
PUWSI	40.0%	8,889,263	40.0%	8,587,800
MWC	47.5%	–	47.5%	–
		₱99,649,142		₱99,246,996

The investment in MWC was fully provided with allowance amounting to ₱5.5 million as at December 31, 2024 and 2023.

The movements in investments in associates are as follows:

	2024	2023
Acquisition Cost		
Balance at beginning and end of year	₱134,807,939	₱134,807,939
Accumulated Equity in Net Loss		
Balance at beginning of year	(30,081,008)	(28,054,613)
Share in net income (loss) for the year	402,146	(2,026,395)
Balance at end of year	(29,678,862)	(30,081,008)
Allowance for Impairment Loss		
Balance at beginning and end of year	(5,479,935)	(5,479,935)
	₱99,649,142	₱99,246,996

The financial information of the associates is summarized below.

	CWCI		PUWSI	
	2024	2023	**2024**	2023
Assets				
Current	**₱92,150,052**	₱54,037,120	**₱3,954,904**	₱2,580,960
Noncurrent	**760,601,419**	715,754,321	**33,868,646**	33,320,100
	852,751,471	769,791,441	**37,823,550**	35,901,060
Liabilities				
Current	**137,759,151**	104,332,559	**24,304,513**	23,135,680
Noncurrent	**564,858,487**	515,576,756	**6,589,316**	6,589,316
	702,617,638	619,909,315	**30,893,829**	29,724,996
Equity	**150,133,833**	149,882,126	**6,929,721**	6,176,064
Revenue	**161,812,528**	148,787,993	**18,297,183**	17,682,991
Net income (loss)	**251,707**	(6,653,569)	**753,657**	1,587,582
Total comprehensive income (loss)	**251,707**	(6,653,569)	**753,657**	1,587,582

A reconciliation of CWCI's equity to the carrying amount of the Company's investment in CWCI follows:

	2024	2023
CWCI's equity	**₱150,133,833**	₱149,882,126
Additional paid-in capital from CWCI's majority shareholder	**(36,586,884)**	(36,586,884)
	113,546,949	113,295,242
Ownership interest	**40%**	40%
Equity in investment in CWCI	**45,418,780**	45,318,097
Goodwill	**45,341,099**	45,341,099
Carrying amount	**₱90,759,879**	₱90,659,196

In 2023, the Company paid the subscription payable to CWCI and interest thereon amounting to ₱46.9 million and ₱1.5 million, respectively. Interest on subscription payable is recognized as part of "Other income (charges)" account in the statements of comprehensive income (see Note 15).

The difference between the carrying amount of investment in PUWSI and the share in net assets of PUWSI represents goodwill.

8. Investments in Subsidiaries and Subscriptions Payable

This account consists of investments in the following subsidiaries as at December 31, 2024 and 2023:

	2024		2023	
	Percentage of ownership	Amount	Percentage of ownership	Amount
SJCWCI	97%	₱195,721,413	97%	₱195,721,413
BBWI	93%	152,112,222	93%	152,112,222
TCC	100%	109,138,960	100%	109,138,960
TPGGI	51%	63,749,997	51%	63,749,997
TNI	100%	28,480,909	100%	28,480,909
TTMC	100%	12,499,998	100%	12,499,998
TEC	70%	8,749,998	70%	8,749,998
TCI	100%	7,739,195	100%	7,739,195
TCAI	50%	6,249,999	50%	6,249,999
ALV TMI	60%	1,247,997	–	–
		₱585,690,688		₱584,442,691

The movements in this account are as follows:

	2024	2023
Balance at beginning of year	₱584,442,691	₱460,803,733
Additions	1,247,997	123,638,958
Balance at end of year	₱585,690,688	₱584,442,691

In 2023, the Company subscribed to 49,999,995 common shares of TCC equivalent to 100% ownership interest for a total consideration of ₱109.1 million, inclusive of labor integration package amounting to ₱55.6 million in accordance with the agreement with Catbalogan Water District (CWD). The accrued portion of the labor integration package amounting to nil and ₱3.7 million as at December 31, 2024 and 2023, respectively, is presented as part of accrued expenses in the "Trade and other payables" account in the statements of financial position (see Note 10).

In 2023, the Company also subscribed to 8,749,998 common shares of TEC equivalent to 70% ownership interest.

In 2023, a minority stockholder assigned the remaining 5% ownership interest of TCI to the Company.

In 2024, the Company subscribed to 1,247,997 common shares of ALV TMI equivalent to 60% ownership interest.

Subscriptions Payable

This account pertains to portions of the costs of investments in subsidiaries and associates which were not yet paid by the Company. These amounts are noninterest-bearing and due and demandable in cash.

Details of the balances are as follows:

	2024	2023
Subsidiaries:		
SJCWCI	**₱70,658,000**	₱70,658,000
TCC	**45,000,000**	45,000,000
TPGGI	**43,350,000**	43,350,000
TNI	**14,062,500**	14,062,500
TTMC	**9,375,000**	9,375,000
TEC	**7,875,000**	7,875,000
BBWI	**5,282,222**	5,282,222
TCAI	**4,687,500**	4,687,500
ALV TMI	**929,250**	–
	₱201,219,472	₱200,290,222

Movement of this account as follows:

	2024	2023
Balance at beginning of year	**₱200,290,222**	₱190,126,472
Additions	**929,250**	57,093,750
Payments	**–**	(46,930,000)
Balance at end of year	**₱201,219,472**	₱200,290,222

9. Property and Equipment

The balances and movements in this account are as follows:

	2024						
	Land	Transportation Equipment	Computer Equipment	Office Furniture and Equipment	Leasehold improvement	Construction in Progress	Total
Cost							
Balances at beginning of year	**₱3,190,000**	**₱5,413,000**	**₱1,124,237**	**₱1,553,754**	**₱–**	**₱–**	**₱11,280,991**
Additions	**1,501,799**	**2,965,491**	**2,080,000**	**3,812,644**	**300,960**	**108,059,280**	**118,720,174**
Balances at end of year	**4,691,799**	**8,378,491**	**3,204,237**	**5,366,398**	**300,960**	**108,059,280**	**130,001,165**
Accumulated Depreciation							
Balances at beginning of year	**–**	**2,283,833**	**594,167**	**893,241**	**–**	**–**	**3,771,241**
Depreciation and amortization	**–**	**1,307,117**	**227,814**	**312,443**	**18,419**	**–**	**1,865,793**
Balances at end of year	**–**	**3,590,950**	**821,981**	**1,205,684**	**18,419**	**–**	**5,637,034**
Carrying Amount	**₱4,691,799**	**₱4,787,541**	**₱2,382,256**	**₱4,160,714**	**₱282,541**	**₱108,059,280**	**₱124,364,131**

		2023				
	Note	Land	Transportation Equipment	Computer Equipment	Office Furniture and Equipment	Construction in Progress	Total
Cost							
Balances at beginning of year		₱1,440,000	₱3,814,000	₱1,124,237	₱1,060,081	₱6,488,323	₱13,926,641
Assignment to a subsidiary	12	–	–	–	–	(4,046,422)	(4,046,422)
Additions		1,750,000	1,599,000	–	493,673	–	3,842,673
Write-off	15	–	–	–	–	(2,441,901)	(2,441,901)
Balances at end of year		3,190,000	5,413,000	1,124,237	1,553,754	–	11,280,991
Accumulated Depreciation							
Balances at beginning of year		–	1,473,323	444,839	703,971	–	2,622,133
Depreciation and amortization		–	810,510	149,328	189,270	–	1,149,108
Balances at end of year		–	2,283,833	594,167	893,241	–	3,771,241
Carrying Amount		₱3,190,000	₱3,129,167	₱530,070	₱660,513	₱–	₱7,509,750

Construction in progress pertains to on-going water distribution facilities and pipelines being constructed for several waterworks system projects for the bulk water supply project in Jaclupan, Cebu. This also includes the material and labor costs and installation costs of water extraction equipment. The estimated cost to complete the construction is ₱1.2 billion to be completed in 2026.

In 2023, the Company assigned construction in progress (CIP) amounting to ₱4.0 million to TEC (see Note 12). In addition, the Company wrote-off CIP amounting to ₱2.4 million due to significant modifications to the original construction plan of one of its projects. The loss on write-off of property and equipment is recognized as part of "Other charges" account in the statements of comprehensive income (see Note 15).

The Company acquired transportation equipment amounting to ₱1.3 million in 2023 through bank financing. As at December 31, 2024 and 2023, carrying amount of loan made for the acquisition of transportation equipment amounted to ₱1.9 million and ₱2.7 million, respectively. It is secured by a chattel mortgage on the transportation equipment with a carrying amount of ₱1.3 million and ₱1.8 million as at December 31, 2024 and 2023, respectively (see Note 11).

In 2024, the Company acquired additional transportation equipment amounting to ₱1.1 million and ₱0.4 million through payables and related party advances.

Depreciation and amortization consist of (see Note 14):

	Note	2024	2023
Property and equipment		**₱1,865,793**	₱1,149,108
ROU assets	17	**4,595,642**	–
		₱6,461,435	₱1,149,108

In 2024, the Company capitalized borrowing cost amounting to ₱6.2 million based on the capitalization rate of 7.38% (see Note 11).

Fully depreciated property and equipment being used by the Company amounted to ₱2.1 million and ₱0.7 million as at December 31, 2024 and 2023, respectively.

10. Trade and Other Payables

This account consists of:

	2024	2023
Trade payables	**₱11,347,225**	₱6,278,903
Accrued expenses	**8,501,564**	14,005,258
Statutory payables	**2,606,447**	74,679
Provision for probable losses	**2,524,245**	9,472,722
Deferred output VAT	**–**	5,040,000
Others	**2,400,000**	2,400,000
	₱27,379,481	₱37,271,562

Trade payables are noninterest-bearing and generally payable within one (1) year.

Accrued expenses mainly include labor integration packages (see Note 8), professional fees, outside services and other expenses payable to third parties that are expected to be settled within 12 months from the end of the reporting period.

Statutory payables pertain to taxes withheld by the Company to government agencies. These are remitted to the respective regulatory agencies in the following month.

Provision for probable losses pertains to provisions for contingencies. In accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, no further details were provided because this may prejudice the Company's position on this matter.

Deferred output VAT pertains to the output VAT payable for services rendered but not yet collected.

11. Loans Payable

The movement in this account are as follows:

	2024	2023
Balance at beginning of year	**₱323,061,966**	₱1,826,829
Availments	**185,000,000**	420,141,560
Payments	**(50,755,988)**	(100,449,964)
Unrealized foreign exchange loss	**7,026,881**	1,543,541
Balance at end of year	**464,332,859**	323,061,966
"Day 1" difference	**(51,395,084)**	(67,637,939)
Unamortized debt issue cost	**(26,185,744)**	(28,297,751)
	386,752,031	227,126,276
Less current portion	**185,580,584**	745,520
Noncurrent portion	**₱201,171,447**	₱226,380,756

Breakdown of this account is as follows:

	2024	2023
Through development fund facility	**₱249,884,629**	₱224,497,029
Through local creditor banks	**136,867,402**	2,629,247
	₱386,752,031	₱227,126,276

Development Fund Facility
In 2023, the Company entered into a development cooperation agreement with Climate Fund Managers B.V., Stichting CI2 Development Fund, Cooperatief CI2 Construction Equity Fund U.A. and CEF2 A09 B.V. (collectively referred to as the CFM Group) to fund the development and construction of expansion and/or new water supply projects within the Company's portfolio. The CFM Group shall provide development funding of up to United States (US) $6.9 million.

The development funding is non-interest bearing and is payable in five (5) equal annual installments. If the Company fails to pay any amount payable, interest shall accrue thereon from the due date to the date of actual payment at a rate of 10% per annum.

In 2023, the Company drew down US $5,793,482 or ₱318.8 million from the facility.

Local Creditor Banks
In 2023, the Company obtained additional loan amounting to ₱1.3 million for the acquisition of a transportation equipment (see Note 9). The loan principal is payable in 60 monthly installments and bears an annual interest of 9.18%.

As at December 31, 2024 and 2023, carrying amount of loan made for the acquisition of transportation equipment amounted to ₱1.9 million and ₱2.7 million, respectively. It is secured by a chattel mortgage on the transportation equipment with a carrying amount of ₱1.3 million and ₱1.8 million as at December 31, 2024 and 2023, respectively.

In 2023, the Company also obtained a short-term loan from local creditor banks aggregating to ₱100.0 million with annual interest ranging from 8% to 8.5% to finance its working capital requirements. The loan amount was fully paid as at December 31, 2023.

In 2024, the Company obtained a short-term loan amounting to ₱50.0 million with an annual interest of 8.00% from a local bank. The loan amount was fully paid as at December 31, 2024.

In 2024, the Company obtained a short-term loan amounting to ₱135.0 million with annual interest of 7.38% from a local bank to finance the procurement and pre-construction works for the Jaclupan Bulk Water Project. As at December 31, 2024, the loan was extended until June 2025.

Expected Principal Repayments
The expected principal repayments over the remaining term of the loans as at December 31, 2024 are as follows:

Within one (1) year	₱203,022,911
After one (1) year but not more than five (5) years	269,231,284
	₱472,254,195

"Day 1" Difference
In 2023, the Company recognized a "Day 1" gain on initial recognition of loans through the development fund facility amounting to ₱81.4 million arising from the difference between the fair value of loan and the amount received by the Company.

The movement of "Day 1" difference is as follows:

	2024	2023
Balance at beginning of year	**₱67,637,939**	₱–
Accretion	**(16,242,855)**	(13,749,695)
Addition	–	81,387,634
Balance at end of year	**₱51,395,084**	₱67,637,939

Debt Issue Cost
Debt issue costs pertain to documentary stamp taxes (DST) and other transaction costs incurred in connection with the loans.

Movements of unamortized debt issue costs are as follows:

	2024	2023
Balance at beginning of year	**₱28,297,751**	₱34,302
Accretion	**(5,479,228)**	(4,680,737)
Addition	**3,367,221**	32,944,186
Balance at end of year	**₱26,185,744**	₱28,297,751

Interest expense from bank financing and the amortization of "Day 1" difference on loans payable and debt issue cost aggregated ₱23.1 million and ₱22.5 million in 2024 and 2023, respectively.

Interest Expense and Capitalized Borrowing Costs
Interest expense charged to operations amounted to ₱23.8 million and ₱22.5 million in 2024 and 2023, respectively. The Company capitalized borrowing cost amounting to ₱6.2 million in 2024 (see Note 9).

Interest expense charged to operations consists of:

	Note	2024	2023
Loans payable		**₱23,021,065**	₱22,477,737
Lease liabilities	17	**808,587**	–
		₱23,829,652	₱22,477,737

Debt Covenants
The loan including interest and other charges is secured by a corporate suretyship of Quadwater and PWC and a joint and solidary signature (JSS) of the shareholders.

Disclosure of Changes in Liabilities Arising from Financing Activities
The changes in liabilities arising from financing activities as at December 31, 2024 and 2023 are as follows:

		2024							
				Noncash Changes					
	Note	Balance at Beginning of Year	Net Financing Cash Flows	Initial Recognition	Write-off of debt to a related party	Accretion of Interest & Amortization	Foreign Exchange Loss	Others	Balance at End of Year
Due to related parties	12	₱670,721,433	(₱128,572,314)	₱–	(₱15,000,000)	₱–	₱–	₱448,764	₱527,597,883
Loans payable		227,126,276	130,876,791	–	–	21,722,083	7,026,881	–	386,752,031
Lease liability	17	–	(4,545,875)	9,575,270	–	808,587	–	–	5,837,982
Interest payable		–	(8,840,367)	–	–	–	–	8,840,367	–
		₱897,847,709	(11,081,765)	₱9,575,270	(₱15,000,000)	₱22,530,670	₱7,026,881	₱9,289,131	₱920,187,896

		2023					
				Noncash Changes			
	Note	Balance at Beginning of Year	Net Financing Cash Flows	Reclassification	Acquisition of Property and Equipment through Loans	Others	Balance at End of Year
Due to related parties	12	₱598,925,196	₱75,842,659	₱–	₱–	(₱4,046,422)	₱670,721,433
Loans payable		1,792,527	285,468,210	–	1,279,200	(61,413,661)	227,126,276
Deposits for future stock subscription	12	129,145,472	–	(129,145,472)	–	–	–
Interest payable		–	(4,047,305)	–	–	4,047,305	–
		₱729,863,195	₱357,263,564	(₱129,145,472)	₱1,279,200	(₱61,412,778)	₱897,847,709

Other noncash movement pertains to unrealized foreign exchange loss, accretion of interest, amortization of debt issue cost and discount on loans and offsetting of intercompany balances.

12. Related Party Transactions

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

	Nature	Amount of Transactions 2024	Amount of Transactions 2023	Balance at End of Year 2024	Balance at End of Year 2023
Management Fees Receivables (see Note 5)					
Subsidiaries:					
TCC	Management fees	**₱22,000,000**	₱6,500,000	**₱31,140,000**	₱6,500,000
TTMC	Management fees	**8,179,200**	8,000,000	**17,920,000**	21,381,089
TNI	Management fees	**2,474,594**	1,259,604	**2,927,958**	1,221,817
TCI	Management fees	**392,293**	191,010	**138,835**	56,866
				52,126,793	29,159,772
Associate -					
CWCI	Management fees	**4,051,052**	3,750,046	**358,269**	335,223
		₱37,097,139	₱19,700,660	**₱52,485,062**	₱29,494,995
Due from Related Parties					
Entities under common control:					
Quadcore	Working capital advances	**₱168,640,608**	₱57,806,482	**₱372,199,403**	₱203,558,795
Quadhomes, Inc.	Working capital advances	**1,000,000**	–	**6,000,000**	5,000,000
PEHC	Working capital advances	**2,500,000**	–	**2,500,000**	–
TGV Builders, Inc.	Working capital advances	**–**	40,165,573	**900,000**	40,165,573
Repower Energy Development Corporation	Working capital advances	**15,000**	–	**15,000**	–
				381,614,403	248,724,368
Subsidiaries:					
BBWI	Working capital advances	**11,202,460**	75,259,295	**185,958,659**	174,756,199
	Deposit for future investment	**–**	–	**36,148,802**	36,148,802
TNI	Working capital advances	**19,953,278**	17,923,901	**56,361,061**	36,407,783
TCC	Working capital advances	**–**	39,157,940	**15,957,477**	39,157,940
TTMC	Working capital advances	**13,495,642**	–	**13,495,542**	–
TPGGI	Working capital advances	**–**	–	**1,011,345**	1,011,345
TCI	Working capital advances	**–**	–	**851,656**	1,505,787
ALV TMI	Working capital advances	**82,299**	–	**82,299**	–
TCAI	Working capital advances	**–**	–	**–**	2,852,826
				309,866,841	291,840,682
Associate -					
PUWSI	Working capital advances	**–**	–	**3,516,413**	3,516,413
		₱216,889,287	₱230,313,191	**₱694,997,657**	₱544,081,463
Due to Related Parties					
Ultimate Parent Company	Working capital advances	**₱–**	₱–	**₱186,152,788**	₱289,195,588
Entity under common control -					
Pure Water Corporation	Working capital advances	**–**	–	**60,750,000**	60,750,000
Subsidiaries:					
SJCWCI	Working capital advances	**–**	–	**134,538,719**	134,901,516
TEC	Working capital advances	**–**	125,653,578	**63,849,074**	71,106,080
	Assignment of property and equipment (see Note 9)	–	4,046,422	**4,046,422**	4,046,422
TTMC	Working capital advances	–	1,714,590	**–**	1,714,590
Stockholders	Working capital advances	**–**	71,793,309	**78,260,880**	109,007,237
		₱–	₱203,207,899	**₱527,597,883**	₱670,721,433

	Nature	Amount of Transactions 2024	2023	Balance at End of Year 2024	2023
Deposits for Future Stock Subscription					
Ultimate Parent Company	Deposit for future subscription	₱–	₱–	₱–	₱69,674,256
Entity under common control - PWC	Deposit for future subscription	–	–	–	59,471,216
		₱–	₱–	₱–	₱129,145,472
Loans Payable					
Stockholder	Loan availment	₱–	₱318,862,360	**₱249,884,629**	₱227,126,276

Management Fees Receivables

The Company provides services for program development and other administrative functions to related parties in accordance with the shareholders and stakeholders management services agreements.

The Company recognized revenue from management fees amounting to ₱37.1 million and ₱19.7 million in 2024 and 2023, respectively.

Due from Related Parties

Due from related parties consists of advances to related parties for working capital purposes and deposits for future investment. These are noninterest-bearing, unsecured and are due and demandable. No impairment loss was recognized in 2024 and 2023.

Due to Related Parties

Due to related parties are advances received from related parties for working capital purposes. These are noninterest-bearing, unsecured and are payable in cash and upon demand.

In 2023, the Company offset the consideration for the assigned property and equipment amounting to ₱4.0 million against the amounts due to TEC (see Note 9).

In 2024, the Company wrote-off of due to related parties resulting in a gain amounting to ₱13.2 million (see Note 15).

Deposits for Future Stock Subscription

In 2018, the Company converted its advances from Quadwater and PWC aggregating ₱129.1 million into deposits for future stock subscription.

On July 4, 2023, the Company's BOD and stockholders approved an increase in authorized capital stock from ₱50,000,000, divided into 50,000,000 shares at ₱1 par value per share, to ₱2,000,000,000, divided into 2,000,000,000 shares at ₱1 par value per share.

On the same year, the Company filed its application for the increase in authorized capital stock with the SEC. Accordingly, the Company classified the deposit for future stock subscription as part of "Equity" in the statements of financial position.

On June 20, 2024, the SEC approved the application to increase the Company's authorized capital stock. Accordingly, the Company applied deposit for future stock subscription (DFFS) amounting to ₱129.1 million against the issuance of new common shares (see Note 13).

Compensation of Key Management Personnel
Compensation amounting to ₱11.9 million and ₱9.5 million in 2024 and 2023, respectively, was paid to key management personnel for performing management services. These amounts are presented as "Cost of services" in the statements of comprehensive income.

13. Equity

Capital Stock
Details of capital stock are as follows:

	2024		2023	
	Number of Shares	Amount	Number of Shares	Amount
Authorized Capital Stock - ₱1 par value				
Balance at beginning of year	**50,000,000**	**₱50,000,000**	50,000,000	₱50,000,000
Additions	**1,950,000,000**	**1,950,000,000**	–	–
Balance at end of year	**2,000,000,000**	**₱2,000,000,000**	50,000,000	₱50,000,000
Issued Capital Stock				
Balance at beginning of year	**50,000,000**	**₱50,000,000**	50,000,000	₱50,000,000
Additions	**182,767,113**	**182,767,113**	–	–
Balance at end of year	**232,767,113**	**₱232,767,113**	50,000,000	₱50,000,000

On June 20, 2024, the SEC approved the application to increase the Company's authorized capital stock (see Note 12). The Company issued 182,767,113 shares amounting to ₱182.8 million through application of DFFS amounting to ₱129.1 million (see Note 12) and additional infusion for the shareholders amounting to ₱53.6 million. The issuance of shares resulted to an increase in additional paid-in capital amounting to ₱321.3 million.

14. Operating Expenses

This account consists of:

	Note	2024	2023
Salaries and wages		**₱18,505,625**	₱9,983,980
Depreciation and amortization	9	**6,461,435**	1,149,108
Taxes and licenses		**5,086,324**	2,022,462
Professional fees		**3,865,554**	1,742,859
Rental	17	**3,048,114**	2,806,597
Transportation		**2,602,601**	4,920,606
Representation and entertainment		**2,307,224**	5,280,744
Utilities		**2,068,434**	1,621,864
Insurance		**703,395**	959,720
Advertising		**–**	1,850,293
Others		**3,318,148**	2,681,295
		₱47,966,854	₱35,019,528

15. Other Income (Charges) - Net

This account consists of:

	Note	2024	2023
Gain on reversal of:			
Due to a related party	12	**₱13,200,000**	₱–
Probable loss		**6,948,477**	–
Trade and other payables		**638,724**	–
Unrealized foreign exchange loss		**(5,301,485)**	(1,551,357)
Write-off of property and equipment	9	–	(2,441,901)
Interest on subscription payable	7	–	(1,452,196)
Realized foreign exchange gain		–	(858,104)
Others		**3,294,464**	(1,313,858)
		₱18,780,180	(₱7,617,416)

Others mainly pertain to advances to employees written-off.

16. Income Tax

The Company's provision for current income tax amounting to ₱0.8 million in 2024 and ₱0.2 million in 2023 pertains to MCIT.

Under the Bayanihan to Recover as One Act (Republic Act No. 11494), the MCIT rate was temporarily reduced from 2% to 1% from July 1, 2020, until June 30, 2023. Accordingly, the MCIT rate used is 2% and 1.5% in 2024 and 2023, respectively.

Details of net deferred tax liabilities are as follows:

	2024	2023
Deferred tax asset -		
Lease liability	**₱1,459,496**	₱–
Deferred tax liabilities:		
"Day 1" difference on loans payable	**(4,060,714)**	16,909,485
ROU asset	**1,244,907**	–
Unamortized debt issue cost	**(528,002)**	7,074,438
	(3,343,809)	23,983,923
	(₱4,803,305)	₱23,983,923

The Company's unrecognized deferred tax assets are as follows:

	2024	2023
NOLCO	**₱20,738,268**	₱18,269,668
Unrealized foreign exchange loss	**1,325,371**	387,839
Excess MCIT over RCIT	**1,118,604**	272,244
	₱23,182,243	₱18,929,751

The Company did not recognize deferred tax assets as at December 31, 2024 and 2023 because the management has assessed that sufficient taxable will not be available against which the benefit of deferred tax assets can be utilized.

Details of NOLCO are as follows:

Inception Year	Amount	Incurred	Balance	Expiry Year
2024	₱–	₱9,874,402	₱9,874,402	2027
2023	60,398,097	–	60,398,097	2026
2022	12,680,574	–	12,680,574	2025
	₱73,078,671	₱9,874,402	₱82,953,073	

Details of MCIT over RCIT are as follows:

Inception Year	Amount	Incurred	Balance	Expiry Year
2024	₱–	₱846,360	₱846,360	2027
2023	152,747	–	152,747	2026
2022	119,497	–	119,497	2025
	₱272,244	₱846,360	₱1,118,604	

The reconciliation between the provision for income tax based on statutory income tax rate and effective income tax reported in the statements of comprehensive income is as follows:

	2024	2023
Income tax expense (benefit) computed at statutory tax rate of 25%	**(₱6,851,357)**	₱6,111,955
Change in unrecognized deferred tax assets	**4,252,492**	15,640,110
Add (deduct) tax effects of:		
Nontaxable income	**(1,737,119)**	–
Nondeductible expenses	**485,559**	1,882,545
Share in net loss (income) of associates	**(100,537)**	506,599
Interest income already subjected to final tax	**(5,983)**	(4,539)
	(₱3,956,945)	₱24,136,670

17. Significant Agreements

Lease Agreement

The Company has a lease agreement for its office space for a period two (2) years effective January 1, 2020 to December 31, 2021, renewable upon mutual consent of the parties.

In 2024 and 2023, the lease agreement was renewed for one (1) year.

In 2024, the Company has entered into a noncancellable lease agreement for the use of its office space. The lease agreement has a lease term of two (2) years with an escalation rate of 10% at the start of the second year. The lease contract is renewable within six (6) months prior to the expiration of the lease term.

The balances and movements in ROU assets are as follows:

	Note	2024
Cost		
Initial recognition		₱9,575,270
Accumulated Amortization		
Amortization	9	4,595,642
Carrying Amount		₱4,979,628

The balances and movements in lease liabilities are as follows:

	Note	2024
Initial recognition		₱9,575,270
Rental payments		(4,545,875)
Interest expense	11	808,587
Balance at end of year		5,837,982
Current portion		5,423,732
Noncurrent portion		₱414,250

Rental expense from short-term leases presented under operating expenses amounted to ₱3.0 million and ₱2.8 million in 2024 and 2023, respectively (see Note 14).

Memorandum for the Development of Water Supply of Trece Martires City, Cavite
In 2014, the Company entered into an agreement with the developers of Sunshine Ville to design, construct, operate and maintain the water system in Barangay Cabuco, Trece Martires, Cavite. This agreement gives the Company exclusive authority to provide adequate and potable water supply to all residential and commercial establishments in the Sunshine Ville housing area covering approximately 7,000 households.

In 2020, TTMC was incorporated to take over the operations of this project.

In 2022, RFN Construction & Development Corporation, a developer of housing projects in Trece Martires, granted the exclusive authority to the Company and TTMC to carry out the upgrade and modernization of RFN National Housing Authority water supply, treatment, and distribution facilities, including its operation and maintenance. TTMC and TPGI are granted authority to construct a waterworks system ("The Deepwell 3" located in Sunshine Ville 2, Phase 2) necessary to provide the residents of the Housing Project with adequate potable water with quality.

Certificate of Public Convenience
The Company applied for a water permit and Certificate of Public Convenience (CPC) in 2018 and was granted by the National Water Resources Board (NWRB) in 2019, valid until November 26, 2023.

In 2020, the Company assigned all its rights, title, and interest to the water permit and CPC in favor of the TTMC.

In 2021, the NWRB approved the transfer of the water permit and directed the TTMC to file a petition for the transfer of the CPC.

On November 24, 2023, TTMC submitted its CPC application under its name pursuant to the deed of assignment executed between the Company and TTMC, and in compliance with the NWRB's directive. TTMC is currently operating the water system under the provisions of the pending application filed before the expiration date. As at report date, the NWRB is in the process of reviewing the TTMC's application of the new CPC.

Memorandum for the Development of the Water Supply of Tiglawigan, Sicaba, Luna and Cadiz Viejo in Cadiz City, Negros Occidental

In September, 2017, the Company entered into a joint venture agreement with DLB Prime Products Inc. for the development of the following water supply systems in Cadiz, Negros Occidental:

1. St. Patrick Homes 1; Barangay Tiglawigan, Cadiz City, Negros Occidental
2. Len-Vil Homes, Barangay Sicaba, Cadiz City, Negros Occidental
3. Antonio Heights; Barangay Luna, Cadiz City, Negros Occidental
4. Lacson Villas, Barangay Cadiz Viejo, Cadiz City, Negros Occidental

In 2021, TCAI took over the operations of the Cadiz Projects.

Joint Venture Agreement (JVA) between the Company, Mactan Rock Industries Inc. (MRII) and TGV Builders Inc. (TGV)

The Company entered into a JVA with MRII and TGV to undertake the Bacolod Bulk Water Supply Project. The Company acts as the lead venturer of this JVA. Meanwhile, MRII is the exclusive supplier of the water treatment equipment and supplies, and TGV is the contractor for the pipe laying and construction.

BBWI is currently operating this project.

JVA with Nabua Water District (NAWAD)

In 2020, NAWAD engaged the Company in the development, improvement, upgrade and expansion of water supply and septage system of Nabua, Camarines Sur. NAWAD has agreed to grant TNI the exclusive right and authority to provide water supply and sanitation facilities in the service area of NAWAD.

TNI is currently operating this project.

JVA with Coron Rural Waterworks and Sanitation Association, Inc. (CRWSA)

In 2020, the Company entered into an agreement to construct, design and finance the proposed water and septage system improvement of CRWSA. CRWSA has agreed to grant the Company the right to construct, install, operate, expand and manage the water system and septage system of CRWSA in the municipality of Coron, Palawan.

TCI is currently operating this project.

JVA with San Jose City Water District (SJCWD)

In 2021, SJCWD engaged the Company, Manila Water Philippine Ventures, Inc. and Manila Water Company, Inc. to jointly engage in the development, improvement, upgrade and expansion of water supply and sanitation facilities, and to provide necessary services and incidental thereto in the whole city of San Jose, Nueva Ecija. SJCWD has agreed to grant SJCWCI the exclusive right and authority to provide water supply and sanitation facilities in the service area of San Jose City.

SJCWCI is currently operating this project.

JVA with Catbalogan Water District (CWD)
In 2022, the Company entered into an agreement with CWD for the design, construction, rehabilitation, maintenance, operation, financing, expansion, and management of the water supply and septage system of CWD in the City of Catbalogan, Province of Samar.

In 2023, TCC was incorporated for the operations of this project.

Echague Water Supply, Sewage and Septic Utility
In 2016, the Municipality of Echague passed a municipal resolution granting the Company to enter into a memorandum of agreement for the construction, operation, management and maintenance of water supply, sewage and septic utility in Echague, Isabela. The memorandum of agreement was executed on June 2019.

In 2023, TEC was incorporated for the operations of this project.

Franchise Agreements
In July 2017, the Office of the Sangguniang Bayan of Malasiqui granted the Company a franchise to the design, construct, develop, operate, maintain and manage of the Malasiqui Bulk Water Supply and Distribution System in the municipality of Malasiqui, Pangasinan.

JVA with Manila Water Company Inc. (Manila Water)
The Company and Manila Water had various JVAs to develop water projects in Cebu, Calbayog, Iloilo, and Malasiqui, among others. The Company also entered into various shareholders, subscription, technical and stakeholder management agreements related to these projects.

In 2020, the Company and Manila Water, or their designated joint venture company (the Grantee) was granted by Office of the Sangguniang Panlungsod of Iloilo City franchise for a period of 25 years to construct, establish, commission, operate, and maintain a water supply system to service the population of Iloilo City. The Company paid deposit amounting to ₱10.8 million for the future establishment of a joint venture corporation (see Note 6).

JVA with Watermatic International Ltd. (WMI)
In 2023, the Company entered into an agreement with WMI to provide financing for the entire project cost needed by WMI in the competitive bidding for the Bulk Water Supply Project in Brgy. Jaclupan, Talisay City, Cebu. Both parties agree to form a joint venture company. The Company paid deposit amounting to ₱11.0 million to WMI for its application for license to do business in the Philippines (see Note 6).

Memorandum for the Development of Water Supply of Borbon, Cebu
In 2021, the Company and SAVS Water Utilities Corporation, with the conformity of SAVS-Borbon Cebu Water Corporation, entered into memorandum of agreement for the development, upgrade, and operation of SAVS Borbon's water supply system, including distribution facilities, maintenance, and to improve and expand the water supply services within the Municipality of Borbon.

JVA with City of Mandaue
In March 2022, the local government of the City of Mandaue engaged the Company and ALV Water Solutions Corporation to design, construct, operate, maintain, and finance the Level III Water Supply and Treatment Facility. This facility utilizes the Desalination Treatment Process with Septage Management Program in the City of Mandaue.

In 2024, ALV TMI was incorporated for the operations of this project.

Pre-development and Initial Construction Agreement with Quadcore
In 2022, the Company entered into a pre-development and initial construction agreement with Quadcore to conduct a feasibility study, exploration, other pre-development and initial construction in the project areas to determine the viability of water sources. The project areas are CWD, Municipality of Borbon in Cebu, and Metropolitan Cebu Water District (MCWD).

18. Financial Risk Management Objectives and Policies and Fair Value Measurement

The Company's financial instruments comprise cash, trade and other receivables, due from related parties, refundable deposits, trade and other payables (excluding provision for probable losses, deferred output VAT, statutory payables and output VAT), due to related parties, subscriptions payable, loans payable and lease liabilities. The main purpose of these financial instruments is to finance the Company's operations.

The main risks arising from the Company's financial instruments are credit risk, foreign currency risk, and liquidity risk.

Credit Risk
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

The carrying amount of financial assets at amortized cost recorded in the financial statements represents the Company's maximum exposure to credit risk.

Cash in banks are deposited in reputable banks having good credit rating and low probability of insolvency. For due from related parties, the Company only enters to reputable related parties with low credit risk.

The tables below show the credit quality per class of financial assets as at December 31, 2024 and 2023.

	2024					
			Past Due But Not Impaired			
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total
Lifetime ECL -						
Management fees receivable	₱–	₱52,485,062	₱–	₱–	₱–	₱52,485,062
12-Month ECL:						
Cash in banks	65,652,634	–	–	–	–	65,652,634
Other receivables	–	2,852,853	–	–	–	2,852,853
Due from related parties	–	694,997,657	–	–	–	694,997,657
Refundable deposits	2,171,704	–	–	–	–	2,171,704
	₱67,824,338	₱750,335,572	₱–	₱–	₱–	₱818,159,910

	2023					
			Past Due But Not Impaired			
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total
Lifetime ECL -						
Management fees receivable	₱–	₱29,494,995	₱–	₱–	₱–	₱29,494,995
12-Month ECL:						
Cash in banks	1,747,019	–	–	–	–	1,747,019
Exploration and feasibility study fees receivable	–	22,400,000	–	–	–	22,400,000
Due from related parties	–	544,081,463	–	–	–	544,081,463
Refundable deposits	312,913	–	–	–	–	312,913
	₱2,059,932	₱595,976,458	₱–	₱–	₱–	₱598,036,390

The Company's financial assets are categorized based on the Company's collection experience with the counterparties as follows:

- High Grade - settlements are obtained from counterparty following the terms of the contracts without much collection effort.

- Standard Grade - other financial assets not belonging to high grade financial assets and are not past due are included in this category.

- Past Due But Not Impaired - items with history of frequent default.

Foreign Currency Risk

The Company is exposed to foreign currency risk on business transactions that are denominated in currencies other than the functional currency of the Company. Exposure to foreign currency risk is monitored on an on-going basis by the Company to ensure that the net exposure is kept at an acceptable level.

Exposure to Currency Risk. In 2023, the Company obtained a noninterest-bearing loan in United States (US) dollar amounting to $5,793,482 (see Note 11).

For purposes of restating the balances of the Company's foreign currency denominated loan payable, ₱57.85 and ₱55.37: $1 is used in 2024 and 2023, respectively.

Sensitivity Analysis. The following table demonstrates the sensitivity to a reasonable possible change in foreign exchange rates, with all other variables held constant, of the Company's income before income tax as at December 31, 2024 and 2023.

	2024		2023	
	Increase (decrease)	**Increase (decrease) to net income**	Increase (decrease)	Increase (decrease) to net income
USD	**2%**	**(₱6,720,439)**	1%	(₱3,649,894)
	(2%)	**6,141,091**	(2%)	5,387,938

Liquidity Risk Management
Liquidity risk is the risk that the Company may encounter difficulties in raising funds to meet commitments for financial instruments. Liquidity risk may result from counterparty's failure on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining contractual undiscounted cash flows as at December 31, 2024 and 2023:

	2024					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Trade and other payables*	₱–	₱22,248,789	₱–	₱–	₱–	₱22,248,789
Due to related parties	527,597,883	–	–	–	–	527,597,883
Subscriptions payable	201,219,472	–	–	–	–	201,219,472
Loans payable**	–	203,022,911	68,156,904	67,024,793	134,049,587	472,254,195
	₱728,817,355	₱225,271,700	₱68,156,904	₱67,024,793	₱134,049,587	₱1,223,320,339

**Excluding provision for probable losses, deferred output VAT, statutory payables and output VAT amounting to ₱5.1 million as at December 31, 2024.*
***Including future interest*

	2023					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Trade and other payables*	₱–	₱22,684,161	₱–	₱–	₱–	₱22,684,161
Due to related parties	670,721,433	–	–	–	–	670,721,433
Subscriptions payable	200,290,222	–	–	–	–	200,290,222
Loans payable**	–	998,118	65,155,138	64,992,394	192,767,795	323,913,445
	₱871,011,655	₱23,682,279	₱65,155,138	₱64,992,394	₱192,767,795	₱1,217,609,261

**Excluding provision for probable losses, deferred output VAT and statutory payables amounting to ₱14.6 million as at December 31, 2023.*
***Including future interest*

The Company's objectives in managing its liquidity position are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

Fair Value of Financial Assets and Liabilities

Cash, Trade and Other Receivables, Due from Related Parties, Trade and Other Payables (excluding Provision for Probable Losses, Deferred Output VAT, Statutory Payables and Output VAT), Due to Related Parties, and Subscriptions Payable. Management has determined that the carrying values of these accounts approximate their fair values at year end because of their short-term maturities.

Refundable Deposit. The carrying of the refundable deposit approximates its fair value. The management assessed that any effect in discounting these instruments is deemed insignificant.

Loans Payable. The fair value of loans payable amounted to ₱434.9 million and ₱237.4 million as at December 31, 2024 and 2023, respectively.

The fair value was determined using the discounted cash flow analysis using applicable rates for similar type of loans (Level 2) averaging 6.14% as at December 31, 2024 and 2023. The expected cash flows used in determining the fair value were translated using the current exchange rate.

Fair Value Hierarchy
There were no transfers in fair value hierarchy during the year.

19. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations.

The Company considers its capital stock, additional paid-up capital and deposit for future stock subscription aggregating to ₱605.6 million and ₱230.6 million as at December 31, 2024 and 2023, respectively, as its capital employed. The Company maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term.

The Company is not subject to externally imposed capital requirement. No changes were made in the objective, policies, or processes in 2024 and 2023.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Tubig Pilipinas Group Inc.
3F JTKC Centre
2155 Don Chino Roces Avenue
Makati City

We have audited the accompanying financial statements of Tubig Pilipinas Group Inc. (the Company) as at and for the years ended December 31, 2024 and 2023, on which we have rendered our report dated August 4, 2025.

In compliance with the Revised Securities Regulation Code Rule No. 68, we are stating that the Company has three (3) stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner
CPA Certificate No. 134498
Tax Identification No. 404-428-828-000
BOA Accreditation No. 4782/P-026; Valid until June 6, 2026
BIR Accreditation No. 08-005144-024-2024
Valid until March 26, 2027
PTR No. 10467130
Issued January 2, 2025, Makati City

August 4, 2025
Makati City, Metro Manila

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Gmail Danilo Barchita <jr.accountant@tubigpilipinas.com>

Fwd: Your BIR AFS eSubmission uploads were received

1 message

Maria Luisa Sianghio <malou.sianghio@tubigpilipinas.com> Tue, Nov 25, 2025 at 11:19 AM
To: Danilo Barchita <jr.accountant@tubigpilipinas.com>

---------- Forwarded message ---------
From: <eafs@bir.gov.ph>
Date: Mon, Nov 24, 2025 at 2:59 PM
Subject: Your BIR AFS eSubmission uploads were received
To: <MALOU.SIANGHIO@tubigpilipinas.com>
Cc: <MALOU.SIANGHIO@tubigpilipinas.com>

Hi TUBIG PILIPINAS GROUP INC.,

Valid files

- EAFS008893422AFSTY122024.pdf
- EAFS008893422ITRTY122024.pdf
- EAFS008893422OTHTY122024.pdf
- EAFS008893422TCRTY122024-01.pdf
- EAFS008893422RPTTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-YR14NNZ0MY1MV2ZWQ23SNZRM06HDFKBJ7**
Submission Date/Time: **Nov 24, 2025 02:59 PM**
Company TIN: **008-893-422**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

The following document has been received:

Receiving: Aldrin Pagal
Receipt Date and Time: September 15, 2025 05:46:47 PM

Company Information

SEC Registration No.: CS201309453
Company Name: PURE ENERGY HOLDINGS CORPORATION
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST10915202583751735
Document Type: GENERAL_INFORMATION_SHEET
Document Code: GIS
Period Covered: July 30, 2025
Submission Type: Amendment
Remarks: None

Acceptance of this document is subject to review of forms and contents

AMENDED GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2025

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: PURE ENERGY HOLDINGS CORPORATION	**DATE REGISTERED:** 5/21/2013
BUSINESS/TRADE NAME: PURE ENERGY HOLDINGS CORPORATION	**FISCAL YEAR END:** December 31
SEC REGISTRATION NUMBER: CS201309453	
DATE OF ANNUAL MEETING PER BY-LAWS: June 30	**CORPORATE TAX IDENTIFICATION NUMBER (TIN):** 008-534-733-000
ACTUAL DATE OF ANNUAL MEETING: July 30, 2025	**WEBSITE/URL ADDRESS:** https://pureenergy.com.ph/
COMPLETE PRINCIPAL OFFICE ADDRESS: 3rd Floor JTKC Center, 2155 Pasong Tamo, Makati City	**E-MAIL ADDRESS:** contact@pureenergy.com.ph
COMPLETE BUSINESS ADDRESS: 3rd Floor JTKC Center, 2155 Pasong Tamo, Makati City	**FAX NUMBER:** 810-3536

OFFICIAL E-MAIL ADDRESS	ALTERNATE E-MAIL ADDRESS	OFFICIAL MOBILE NUMBER	ALTERNATE MOBILE NUMBER
[redacted]	[redacted]	[redacted]	[redacted]

NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: REYES TACANDONG AND COMPANY | ARTHUR VINSON U. ONG	**SEC ACCREDITATION NUMBER (if applicable):**	**TELEPHONE NUMBER(S):** 813-8892 to 97
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: HOLDING COMPANY	**INDUSTRY CLASSIFICATION:**	**GEOGRAPHICAL CODE:**

========== INTERCOMPANY AFFILIATIONS ==========

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
DYT EQUITIES CORPORATION	CS201516143	3F JTKC CENTRE, 2155 CHINO ROCES AVE. MAKATI CITY
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
REPOWER ENERGY DEVELOPMENT CORPORATION	CS201310124	3F JTKC CENTRE, 2155 CHINO ROCES AVE. MAKATI CITY
PURE WATER CORPORATION	CS201320614	3F JTKC CENTRE, 2155 CHINO ROCES AVE. MAKATI CITY
NEXGEN ENERGY CORP.	CS201718692	3F JTKC CENTRE, 2155 CHINO ROCES AVE. MAKATI CITY
PURE GEOTHERMAL INC.	CS201614208	3F JTKC CENTRE, 2155 CHINO ROCES AVE. MAKATI CITY
UNIFIED ENERGY SOLUTIONS INC.	CS201810991	3F JTKC CENTRE, 2155 CHINO ROCES AVE. MAKATI CITY

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

Corporate Name: **PURE ENERGY HOLDINGS CORPORATION**

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) ○ Yes ◉ No

Please check the appropriate box:

1.

- ☐ a. Banks
- ☐ b. Offshore Banking Units
- ☐ c. Quasi-Banks
- ☐ d. Trust Entities
- ☐ e. Non-Stock Savings and Loan Associations
- ☐ f. Pawnshops
- ☐ g. Foreign Exchage Dealers
- ☐ h. Money Changers
- ☐ i. Remittance Agents
- ☐ j. Electronic Money Issuers
- ☐ k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

- ☐ a. Insurance Companies
- ☐ b. Insurance Agents
- ☐ c. Insurance Brokers
- ☐ d. Professional Reinsurers
- ☐ e. Reinsurance Brokers
- ☐ f. Holding Companies
- ☐ g. Holding Company Systems
- ☐ h. Pre-need Companies
- ☐ i. Mutual Benefit Association
- ☐ j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

- ☐ Securities Dealers
- ☐ b. Securities Brokers
- ☐ c. Securities Salesman
- ☐ d. Investment Houses
- ☐ e. Investment Agents and Consultants
- ☐ f. Trading Advisors
- ☐ g. Other entities managing Securities or rendering similar services
- ☐ h. Mutual Funds or Open-end Investment Companies
- ☐ i. Close-end Investment Companies
- ☐ j. Common Trust Funds or Issuers and other similar entities
- ☐ k. Transfer Companies and other similar entities
- ☐ l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
- ☐ m. Entities administering of otherwise dealing in valuable objects
- ☐ n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. ☐ Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. ☐ Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

- ☐ a. acting as a formation agent of juridical persons
- ☐ b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
- ☐ c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
- ☐ d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

- ☐ a. managing of client money, securities or other assets
- ☐ b. management of bank, savings or securities accounts
- ☐ c. organization of contributions for the creation, operation or management of companies
- ☐ d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. ☐ None of the above

Describe nature of business:

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? ○ Yes ◉ No

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: PURE ENERGY HOLDINGS CORPORATION

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	20,000,000,000	0.10	2,000,000,000.00
	TOTAL	20,000,000,000	TOTAL P	2,000,000,000.00

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	15	COMMON	12,154,375,030		0.10	1,215,437,503.00	100.00%
		TOTAL	12,154,375,030	TOTAL	TOTAL P	1,215,437,503.00	100%

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
Percentage of Foreign Equity :		TOTAL		TOTAL	TOTAL P		
					TOTAL SUBSCRIBED P	1,215,437,503.00	100%

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	15	COMMON	12,154,375,030	0.10	1,215,437,503.00	100.00%
		TOTAL	12,154,375,030	TOTAL P	1,215,437,503.00	100%

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
0.00 %		TOTAL		TOTAL P	0.00	0%
				TOTAL PAID-UP P	1,215,437,503.00	100.00%
				ADDITIONAL PAID-IN CAPITAL P	384,637,500.00	
				TOTAL AMOUNT OF CAPITAL P	1,600,075,003.00	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME:	PURE ENERGY HOLDINGS CORPORATION							
DIRECTORS / OFFICERS								
NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. DEXTER Y. TIU [redacted]	FILIPINO	Y	C	M	Y	CHAIRMAN AND CEO	N/A	[redacted]
2. ERIC PETER Y. ROXAS [redacted]	FILIPINO	Y	M	M	Y	PRESIDENT	N/A	[redacted]
3. A. BAYANI K. TAN [redacted]	FILIPINO	N	M	M	Y	N/A	N/A	[redacted]
4. RYAN WESLEY T. YAPKIANWEE [redacted]	FILIPINO	N	M	M	Y	N/A	N/A	[redacted]
5. CHARLIE T. SY [redacted]	FILIPINO	N	M	M	Y	N/A	N/A	[redacted]
6. ARISTIDES S. ARMAS [redacted]	FILIPINO	N	I	M	Y	N/A	N/A	[redacted]
7. STEPHEN T. CUUNJIENG [redacted]	FILIPINO	N	I	M	Y	N/A	N/A	[redacted]
8. GERTIM G. CHUAHIONG [redacted]	FILIPINO	Y		M	Y	TREASURER	N/A	[redacted]
9. ROLANDO P. DOMINGO [redacted]	FILIPINO	N		M	N	CFO/INVESTOR RELATIONS OFFICER	N/A	[redacted]
10. SUSAN BERTULFO-CARISMA [redacted]	FILIPINO	N		F	N	CORP. SEC./VP-Legal & Corporate Affairs	N/A	[redacted]
11.								
12.								
13.								
14.								
15.								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.

FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.

FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT

FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT

FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.

FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE, "A" FOR AUDIT COMMITTEE, "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========			
CORPORATE NAME:	**PURE ENERGY HOLDINGS CORPORATION**		
TOTAL NUMBER OF STOCKHOLDERS:	**15**	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES E/**	**9**
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:	**1,712,300,344.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
1 DYT EQUITIES CORPORATION FILIPINO [redacted]	C	9,244,657,217	924,465,721.70	76.06%	924,465,721.70	[redacted]
	TOTAL	9,244,657,217	924,465,721.70			
2. ERIC PETER Y. ROXAS FILIPINO [redacted]	C	1,155,000,000	115,500,000.00	9.50%	115,500,000.00	[redacted]
	TOTAL	1,155,000,000	115,500,000.00			
3. GERTIM G. CHUAHIONG FILIPINO [redacted]	C	577,265,226	57,726,522.60	4.75%	57,726,522.60	[redacted]
	TOTAL	577,265,226	57,726,522.60			
4. MARK C. CAÑETE FILIPINO [redacted]	C	577,265,226	57,726,522.60	4.75%	57,726,522.60	[redacted]
	TOTAL	577,265,226	57,726,522.60			
5. SYNTEGRITY RESOURCES CORPORATION FILIPINO [redacted]	C	291,593,938	29,159,393.80	2.40%	29,159,393.80	[redacted]
	TOTAL	291,593,938	29,159,393.80			
6. YSMAEL T. JAVELLANA FILIPINO [redacted]	C	86,439,784	8,643,978.40	0.71%	8,643,978.40	[redacted]
	TOTAL	86,439,784	8,643,978.40			
7. SUZANNE S. CAÑETE FILIPINO [redacted]	C	83,778,458	8,377,845.80	0.69%	8,377,845.80	[redacted]
	TOTAL	83,778,458	8,377,845.80			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL				**100.00%**	**1,201,599,984.90**	
TOTAL AMOUNT OF PAID-UP CAPITAL					**1,201,599,984.90**	
ADDITIONAL PAID-IN CAPITAL					**384,637,500.00**	
TOTAL AMOUNT OF CAPITAL					**1,586,237,484.90**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========			
CORPORATE NAME:	**PURE ENERGY HOLDINGS CORPORATION**		
TOTAL NUMBER OF STOCKHOLDERS:	**15**	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARI**	**9**
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:	**1,712,300,344.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8. RICHMOND S. LIM FILIPINO [redacted]	C	76,525,142	7,652,514.20	0.63%	7,652,514.20	[redacted]
	TOTAL	76,525,142	7,652,514.20			
9. AUDRIC PETER G. COLIANGCO FILIPINO [redacted]	C	61,850,000	6,185,000.00	0.51%	6,185,000.00	[redacted]
	TOTAL	61,850,000	6,185,000.00			
10. DEXTER Y. TIU FILIPINO [redacted]	C	12	1.20	0.00%	1.20	[redacted]
	TOTAL	12	1.20			
11. STEPHEN T. CUUNJIENG FILIPINO [redacted]	C	12	1.20	0.00%	1.20	[redacted]
	TOTAL	12	1.20			
12. ARISTIDES S. ARMAS FILIPINO [redacted]	C	12	1.20	0.00%	1.20	[redacted]
	TOTAL	12	1.20			
13. A. BAYANI K. TAN FILIPINO [redacted]	C	1	0.10	0.00%	0.10	[redacted]
	TOTAL	1	0.10			
14. CHARLIE T. SY FILIPINO [redacted]	C	1	0.10	0.00%	0.10	[redacted]
	TOTAL	1	0.10			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL				**100.00%**	**1,215,437,502.90**	
TOTAL AMOUNT OF PAID-UP CAPITAL					**1,215,437,502.90**	
ADDITIONAL PAID-IN CAPITAL					**384,637,500.00**	
TOTAL AMOUNT OF CAPITAL					**1,600,075,002.90**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========			
CORPORATE NAME:	PURE ENERGY HOLDINGS CORPORATION		
TOTAL NUMBER OF STOCKHOLDERS:	15	NO. OF STOCKHOLDERS WITH 100 OR MORE SHARI	9
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:	1,712,300,344.00		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
15. RYAN WESLEY T. YAPKIANWEE FILIPINO [redacted]	C	1	0.10	0.00%	0.10	[redacted]
	TOTAL	1	0.10			
16.						
17.						
18.						
19.						
20.						
21.						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL				100.00%	1,215,437,503.00	
TOTAL AMOUNT OF PAID-UP CAPITAL					1,215,437,503.00	
ADDITIONAL PAID-IN CAPITAL					384,637,500.00	
TOTAL AMOUNT OF CAPITAL					1,600,075,003.00	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: PURE ENERGY HOLDINGS CORPORATION

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS		
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)		
1.3 LOANS/ CREDITS/ ADVANCES		
1.4 GOVERNMENT TREASURY BILLS		
1.5 OTHERS		

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION

3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH		
5.2 STOCK		
5.3 PROPERTY		
TOTAL	P	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:

DATE	NO. OF SHARES	AMOUNT

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	BSP	IC
TYPE OF LICENSE/REGN.			
DATE ISSUED:			
DATE STARTED OPERATIONS:			

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT
0.00	5	0	5

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **SUSAN BERTULFO-CARISMA**, Corporate Secretary of **PURE ENERGY HOLDINGS CORPORATION** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this _____ day of _____, 20__ in MAKATI CITY, PHILIPPINES.

SUSAN BERTULFO-CARISMA
Corporate Secretary

SUBSCRIBED AND SWORN TO before me in MAKATI CITY on 15 SEP 2025 by affiant who personally appeared before me and exhibited to me his/her competent evidence of identity consisting of _____ issued at _____ on _____.

NOTARY PUBLIC

DOC. NO. 153
PAGE NO. 32
BOOK NO. XCII
SERIES OF 2025

ATTY. RENE MA. M. VILLA
Notary Public of Makati City
Appointment No M-110
(Ren) (2025 2026)
Until December 31, 2026
PTR No.10467471, 01-03-2025; Makati City
IBP Lifetime No 013595, 12-27 2013, I.C
Roll No 37226
MCLE Compliance No VIII-0012754, 08-27-2024
Ground Floor, Makati Terraces Condominium
3650 Davila St., Tejeros, Makati City

BENEFICIAL OWNERSHIP DECLARATION
FOR THE YEAR: 2025

SEC REGISTRATION NUMBER: CS201309453
CORPORATE NAME: PURE ENERGY HOLDINGS CORPORATION

Instructions:

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category	Description
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
E	Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
F	Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
G	Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
H	Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
ıruary 5, 2(	Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III)	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP[1] / % OF VOTING RIGHTS[2]	TYPE OF BENEFICIAL OWNER[3] Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
DEXTER Y. TIU	[redacted]	FILIPINO	2/24/1972	[redacted]	76.06%	I	1

Note: This page is not for uploading on the SEC iView.

[1] For Stock Corporations.
[2] For Non-Stock Corporations.
[3] For Stock Corporations.

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	3	0	9	4	5	3

COMPANY NAME

PURE ENERGY HOLDINGS CORPORATION

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

3rd Floor, JTKC Center, 2155 Pasong Tamo, Makati City

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AASFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
contact@pureenergy.com.ph	(02) 8 813-8892	0917-830-1613

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
15	June 30	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
Atty. Rolando P. Domingo	rolando.domingo@pureenergy.com.ph	–	0917-830-1613

CONTACT PERSON'S ADDRESS

3rd Floor, JTKC Center, 2155 Pasong Tamo, Makati City

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.*

NOTE 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 shall not excuse the corporation from liability for its deficiencies.*

PURE ENERGY

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS"

The Management of **PURE ENERGY HOLDINGS CORPORATION,** is responsible for the preparation and fair presentation of the 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 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 in overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the years ended December 31, 2023 and 2022, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: Dexter Y. Tiu
Chairman of the Board and President

Signature: Gertim G. Chuahiong
Treasurer

Signed this _____ day of _____

BUREAU OF INTERNAL REVENUE
RECEIVED
INITIAL: DATE:
RCO NAME: BERNADETTE G. RIVADENEIRA RCO CODE 230231

MAR 26 2025

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Pure Energy Holdings Corporation
3rd Floor, JTKC Center
2155 Pasong Tamo, Makati City

Opinion

We have audited the separate financial statements of Pure Energy Holdings Corporation (the Company), which comprise the separate statements of financial position as at December 31, 2023 and 2022, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes to separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company 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 the audit of the separate 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.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 PSA 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the separate 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 audits 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner
[redacted]

December 2, 2024
Makati City, Metro Manila

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. [illegible] MAKATI
Revenue District Office No. 048
RECEIVED
INITIAL: _____ DATE: _____
RDO NAME: BERNADETTE G. [illegible] RDO CODE 230331

MAR 26 2025

PURE ENERGY HOLDINGS CORPORATION

SEPARATE STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2023	2022
ASSETS			
Current Assets			
Cash in banks	4	**₱43,942**	₱4,666,270
Due from related parties	9	**268,663,371**	835,434,828
Total Current Assets		**268,707,313**	840,101,098
Noncurrent Asset			
Investments in subsidiaries	5	**1,110,085,783**	874,701,455
		₱1,378,793,096	₱1,714,802,553
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other payables	7	**₱317,081**	₱262,762
Due to related parties	9	**273,516,820**	618,511,800
Loans payable	8	**100,000,000**	115,000,000
Subscription payable	5	**9,375,000**	9,375,000
Total Liabilities		**383,208,901**	743,149,562
Equity			
Capital stock		**615,437,503**	615,437,503
Additional paid-in capital		**384,637,500**	384,637,500
Deficit		**(4,490,808)**	(28,422,012)
Total Equity		**995,584,195**	971,652,991
		₱1,378,793,096	₱1,714,802,553

See accompanying Notes to Separate Financial Statements.

BUREAU OF INTERNAL REVENUE
RECEIVED
MAR 26 2025

PURE ENERGY HOLDINGS CORPORATION

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31 2023	2022
GAIN ON SALE OF INVESTMENTS IN SUBSIDIARIES	5	**₱37,224,412**	₱–
OPERATING EXPENSES			
Salaries		**(2,640,812)**	(2,843,428)
Broker's fee		**(1,375,000)**	–
Professional fees		**(1,277,848)**	(333,160)
Taxes and licenses		**(2,322)**	(18,817)
Others		**(324,905)**	(72,377)
		(5,620,887)	(3,267,782)
INTEREST EXPENSE	8	**(8,318,527)**	(4,210,274)
INTEREST INCOME	4	**646,206**	926
INCOME (LOSS) BEFORE INCOME TAX		**23,931,204**	(7,477,130)
PROVISION FOR INCOME TAX	10	–	–
NET INCOME (LOSS)		**23,931,204**	(7,477,130)
OTHER COMPREHENSIVE INCOME		–	–
TOTAL COMPREHENSIVE INCOME (LOSS)		**₱23,931,204**	(₱7,477,130)

See accompanying Notes to Separate Financial Statements.

BUREAU OF INTERNAL REVENUE
RECEIVED
DATE:
MAR 2 6 2025

PURE ENERGY HOLDINGS CORPORATION

SEPARATE STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31	
	2023	2022
CAPITAL STOCK - ₱0.10 par value		
Authorized - 10,000,000,000 shares		
Issued and outstanding - 6,154,375,030 shares	**₱615,437,503**	₱615,437,503
ADDITIONAL PAID - IN CAPITAL		
Balances at beginning and end of year	**384,637,500**	384,637,500
DEFICIT		
Balance at beginning of year	**(28,422,012)**	(20,944,882)
Net income (loss)	**23,931,204**	(7,477,130)
Balance at end of year	**(4,490,808)**	(28,422,012)
	₱995,584,195	₱971,652,991

See accompanying Notes to Separate Financial Statements.

PURE ENERGY HOLDINGS CORPORATION

SEPARATE STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**₱23,931,204**	(₱7,477,130)
Adjustments for:			
Gain on sale of investments in subsidiaries	5	**(37,224,412)**	–
Interest expense	8	**8,318,527**	4,210,274
Interest income	4	**(646,206)**	(926)
Operating loss before working capital changes		**(5,620,887)**	(3,267,782)
Decrease in prepayments		**–**	22,057
Increase (decrease) in accrued expenses and other payables		**54,319**	(344,055)
Net cash used for operations		**(5,566,568)**	(3,589,780)
Interest received	4	**646,206**	926
Net cash used in operating activities		**(4,920,362)**	(3,588,854)
CASH FLOWS FROM INVESTING ACTIVITIES			
Collection of due from related parties		**389,924,041**	7,635,486
Additions to due from related parties	9	**(71,312,500)**	(47,435,892)
Proceeds from sale of investments in subsidiaries	5	**50,000,000**	–
Net cash provided by (used for) investing activities		**368,611,541**	(39,800,406)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Due to related parties		**(375,211,643)**	–
Loans	9	**(15,000,000)**	–
Interest	8	**(8,318,527)**	(4,210,274)
Proceeds from:			
Due to related parties	9	**30,216,663**	37,095,729
Loan availments		**–**	15,000,000
Net cash provided by (used for) financing activities		**(368,313,507)**	47,885,455
NET INCREASE (DECREASE) IN CASH IN BANKS		**(4,622,328)**	4,496,195
CASH IN BANKS AT BEGINNING OF YEAR		**4,666,270**	170,075
CASH IN BANKS AT END OF YEAR	4	**₱43,942**	₱4,666,270
NONCASH FINANCIAL INFORMATION			
Conversion of due from related party to investment in subsidiaries	5	**248,159,916**	–
Assignment of loans	8	**–**	₱100,000,000

See accompanying Notes to Separate Financial Statements.

1. General Information

Pure Energy Holdings Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 21, 2013.

The Company was organized primarily to be a holding company of entities primarily engaged in renewable energy generation and water system management and distribution.

The Company is a 76%-owned subsidiary of DYT Equities Corporation (the Parent Company). The Parent Company is incorporated in the Philippines, with principal place of business at 3rd Floor JTKC Center, 2155 Don Chino Roces Avenue, Brgy. Pio del Pilar, Makati City.

As at December 31, 2023 and 2022, the following are the subsidiaries of the Company:

		Effective Percentage of Ownership			
		2023		2022	
Name of Subsidiaries	Nature of Business	Direct	Indirect	Direct	Indirect
Repower Energy Development Corporation (REDC) and Subsidiaries:	Holding and Investments	67.69%	-	100%	-
Philippine Power and Development Company (PPDC)**	Renewable Energy Generation	-	68%	-	99%
Labayat 1 Hydropower Corporation (L1HC)**	Renewable Energy Generation	-	56%	-	60%
Tibag Hydropower Corporation (THC)**	Renewable Energy Generation	-	68%	-	100%
Cabanglasan Hydropower Corporation (CHC)**	Renewable Energy Generation	-	68%	-	100%
Majayjay Hydropower Company, Inc. (MHCI)**	Renewable Energy Generation	-	68%	-	99%
Bicol Hydropower Corporation (BHC)**	Renewable Energy Generation	-	68%	-	100%
Piapi Hydropower Corporation (PHC)**	Renewable Energy Generation	-	41%	-	60%
Baguio Asin Hydropower Corporation (BAHC)**	Renewable Energy Generation	-	68%	-	-
Pure Water Corporation (PWC) and Subsidiary -	Holding and Investments	100%	-	100%	-
Tubig Pilipinas Group, Inc. (TPGI) and Subsidiaries* -	Direct Water Distribution	-	50%	-	50%
Bacolod Bulk Water Inc. (BBWI)***	Bulk Water Supply	-	47%	-	47%
Tubig Nabua Inc. (TNI)***	Direct Water Distribution	-	50%	-	50%
Tubig Coron Inc. (TCI)***	Direct Water Distribution	-	50%	-	48%
Tubig Trece Martires Corp. (TTMC)***	Direct Water Distribution	-	50%	-	50%
Tubig Cadiz Inc. (TCAI)***	Direct Water Distribution	-	25%	-	25%
San Jose City (N.E.) Water Company Inc. (SJCWCI)***	Direct Water Distribution	-	49%	-	49%
Tubig Pilipinas Global Group Inc. (TPGGI)***	Direct Water Distribution	-	26%	-	26%
Tubig Catbalogan Corp. (TCC)***	Direct Water Distribution	-	50%	-	-
Tubig Echague Corp. (TEC)***	Direct Water Distribution	-	35%	-	-
Pure Geothermal, Inc. (PGI)	Renewable Energy Generation	100%	-	100%	-
NexGen Energy Corp. (XG) and Subsidiaries:	Renewable Energy Generation	100%	-	100%	-
SPARC Solar-Powered Agri-Rural Communities Corporation (SPARCC)****	Renewable Energy Generation	-	77.78%	-	77.78%
5Hour Peak Energy Corp. (5HPEC)	Renewable Energy Generation	-	100%	-	-
Airstream Renewables Corp. (ARC)	Renewable Energy Generation	-	100%	-	-
Unified Energy Solutions, Inc. (UESI)	Retail Energy Supplier and Energy Consolidator	100%	-	100%	-

**Indirect ownership of 50% plus one (1) share*

***Percentage of ownership of REDC in 2023 and 2022, except for BAHC which is incorporated in 2023, are as follows: THC, CHC, BAHC, and BHC - 100%, PPDC and MHCI - 99%, L1HC - 82% in 2023 and 60% in 2022, PHC - 60%*

****Percentage of ownership of TPGI in 2023 and 2022, except for TCC and TEC which are incorporated in 2023 are as follows: TTMC and TNI - 100%, TCI - 100% in 2023 and 95% in 2022, SJCWCI - 97%, BBWI - 93%, TEC - 70%, TPGGI - 51%, TCAI - 50%*

*****Percentage of ownership of XG in 2023 and 2022 in SPARC is 77.78%*

All subsidiaries are incorporated and operating in the Philippines with principal place of business located at 3rd floor, JKTC Center, 2155 Pasong Tamo, Makati City, except for BBWI, TNI, TCI, TTMC, TCAI, SJWCI, TCC and TEC whose principal place of business are as follows:

Subsidiaries	Principal place of business
BBWI	Block 4, Lot 8 Villa Servando Subdivision, Barangay Singcang, Bacolod City
TNI	Nabua Water District Lourdes Hospital Roan San Francisco (Pob.) Nabua, Camarines Sur
TCI	Coron Municipal Hall Compound Don Pedro St. Barangay II (Pob.) Coron, Palawan
TTMC	Sunshine Ville 2, Cabuco, Trece Martires City, Cavite
TCAI	Lot 21 Block 30 Antonio Heights Villa Luisa Housing Western Nuatical Highway 2nd District Luna, Cadiz City, Negros Occidental
SJWCI	2675 G/F San Jose City (N.E.) Water District, Maharlika Road, San Jose City, Nueva Ecija
TCC	Catbalogan Water District, Allen Avenue Extension, Poblacion 4 (Barangay 4), City of Catbalogan (Capital), Samar (Western Samar), Region VIII, Eastern Visayas
TEC	2155 3F JTKC Centre Chino Roces Pio Del Pilar, City of Makati, Fourth District, National Capital Region (NCR), 1230

Registered Address

The Company's principal office address and principal place of business is located at 3rd Floor, JTKC Center, 2155 Pasong Tamo, Makati City.

Approval of Separate Financial Statements

The separate financial statements of the Company as at and for the years then ended December 31, 2023 and 2022 were approved and authorized for issue by the Board of Directors (BOD) on December 2, 2024.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by SEC, including SEC pronouncements.

This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

The Company also prepares, and issues consolidated financial statements for the same year as the separate financial statements. Users of these separate financial statements should read them together with the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the Group) to obtain full information on the financial position, financial performance and cash flows of the Group as a whole. The consolidated financial statements can be obtained in the registered office address of the Company or from SEC.

Consistency of Accounting Policies

The material accounting policy information used in the preparation of the separate financial statements have been consistently applied to all the years presented, unless otherwise stated.

Measurement Bases
The separate financial statements are presented in Philippine Peso, the functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The separate financial statements of the Company have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

Adoption of Amendments to PFRS
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS, effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements,* and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* - The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.

The adoption of the amendments to PFRS did not materially affect the financial statements of the Company except for the adoption of the amendment to PAS 1. Additional disclosures were included in the separate financial statements, as applicable.

Financial Assets at Amortized Cost
The Company's cash in banks and due from related parties are classified as financial assets at amortized cost. These financial assets are measured at amortized cost less allowance for expected credit losses (ECL), if any. Impairment of financial assets is assessed based on potential liquidity of counterparties based on available financial information. Financial assets are derecognized when the right to receive cash flows from the asset has expired or the Company has transferred its right to receive cash flows from the financial asset.

Financial Liabilities at Amortized Cost
The Company's accrued expenses and other payables (excluding withholding tax payable), due to related parties, loans payable and subscription payable are classified as financial liabilities at amortized cost. The Company recognized financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Investments in Subsidiaries
A subsidiary is an entity that is controlled by the Company. The Company controls a subsidiary when it is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect these returns through its power over the subsidiary. Investments in subsidiaries are carried in the Company's separate statements of financial position at cost, less any impairment in value. Cost is the purchase price plus any incidental cost relating to the acquisition of the investment.

The Company reduces the carrying amount of its investment in subsidiaries based on average acquisition cost per share (historical cost) when the Company disposes the investment. Any gain or loss on disposal of the investment (calculated as the difference between the proceeds ad the carrying amount) are recognized in profit or loss when the asset is derecognized.

Impairment of Nonfinancial Assets
The Company reviews the carrying amounts of its nonfinancial assets at each reporting date for indications of impairment. If such indications exist, the recoverable amount is estimated. An impairment loss is recognized if the carrying amount exceeds the recoverable amount, which is the higher of fair value less costs of disposal or value in use. Impairment losses are recognized in profit or loss. Impairment losses from prior periods are reassessed at each reporting date. If there are indications that the impairment loss has decreased or no longer exists, it is reversed, but only to the extent that the asset's carrying amount does not exceed what it would have been, net of depreciation, if no impairment loss had been recognized.

Capital Stock and Additional Paid-In Capital
Capital stock is measured at par value for all shares issued. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Deficit
Deficit represents the cumulative balance of net income and losses.

Interest Income
Interest income is recognized as at the interest accrues, taking into account the effective yield on the asset, net of final tax.

Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Employee Benefits

Short-term Benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Income Tax

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is recognized on all temporary differences at the reporting date between the carrying amount of the assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable income in the future. Deferred tax assets are recognized for all deductible temporary differences, net operating loss carry-over (NOLCO), and excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Related Party Transactions
Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions.

These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Company; (b) associates; and (c) individuals owning directly or indirectly, an interest in the voting power of the Company that give them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Provisions

Provisions are recognized when the Company 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. If the effect of the time value of money is material, provisions are discounted using a current pretax 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 finance cost.

Contingencies

Contingent liabilities are not recognized in the separate financial statements. These are disclosed in the notes to the separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the separate financial statements but are disclosed in the notes to the separate financial statements when an inflow of economic benefits is probable.

Events After the Reporting Date

Any events after the reporting date that provide additional information about the Company's financial position at the end of reporting date (adjusting events) are reflected in the separate financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to separate financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Company's separate financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the separate financial statements and accompanying notes. The judgments, accounting estimates and assumptions used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgments, accounting estimates and assumptions made by the Company:

Assessing Impairment of Financial Assets at Amortized Cost. The Company determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime expected credit loss.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade
- existing or forecasted adverse changes in business, financial or economic conditions
- actual or expected significant adverse changes in the operating results of the borrower.

The Company's financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12 months expected credit losses. The Company has assessed that the ECL for financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and related parties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2023 and 2022.

The carrying amounts of financial assets at amortized cost as at December 31, 2023 and 2022 are disclosed in Notes 4 and 9.

Assessing Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

An assessment is made at each reporting 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.

The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

No impairment loss was recognized in 2023 and 2022. The carrying amounts of nonfinancial assets as at December 31, 2023 and 2022 are disclosed in Notes 5 and 6.

Recognizing Deferred Tax Asset. The Company reviews the carrying amounts of deferred tax asset at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The unrecognized deferred tax assets as at December 31, 2023 and 2022 is disclosed in Note 10.

4. Cash in Banks

Cash in banks amounted to ₱43,942 and ₱4,666,270 as at December 31, 2023 and 2022, respectively. Cash in banks earn interest at prevailing bank deposit rates. Interest income amounted to ₱646,206 and ₱926 in 2023 and 2022, respectively.

5. Investments in Subsidiaries

This account consists of investments in the following subsidiaries as at December 31, 2023 and 2022:

	2023		2022	
	Percentage of Ownership	**Amount**	Percentage of Ownership	Amount
REDC	**67.69%**	**₱762,125,872**	100%	₱774,901,460
XG	**100%**	**260,659,916**	100%	12,500,000
PWC	**100%**	**61,299,995**	100%	61,299,995
PGI	**100%**	**13,500,000**	100%	13,500,000
UESI	**100%**	**12,500,000**	100%	12,500,000
		₱1,110,085,783		₱874,701,455

REDC

On May 28, 2013, the Company subscribed to 12,499,995 shares of stock of REDC for ₱12,499,995. REDC was incorporated in the Philippines as an investment holding company of entities engaged in generation and distribution of renewable energy.

In 2016, the Company subscribed to additional 137,500,000 shares of REDC for ₱337,500,000.

In 2019, the Company converted its advances amounting to ₱115,350,626 into investment.

In 2020, the Company made additional investment aggregating ₱309,550,839 through the conversion of advances to REDC amounting to ₱124,617,360 into investment in subsidiaries as approved by the BOD on December 14, 2020, and cash infusion of ₱184,933,479.

On July 24, 2023, REDC shares were listed on the Philippine Stock Exchange (PSE).

In 2023, the Company sold 10,000,000 shares of stock of REDC to the lead underwriter, pursuant to the overallotment option at offer price of ₱5 per share aggregating ₱50,000,000, resulting to a gain amounting to ₱37,224,412.

XG
On June 7, 2017, the Company subscribed to 100% interest in XG for ₱12,500,000. XG is engaged in solar energy generation and distribution.

On December 13, 2023, the SEC approved XG's increase in authorized capital stock and reduction in par value from ₱50,000,000 divided into 50,000,000 shares at par value of ₱1 per share, to ₱200,000,000 divided into 2,000,000,000 shares with a par value of ₱0.10 per share. The Company converted its advances to XG aggregating ₱248,159,916 as payment for additional subscription of 750,000,000 XG's commons shares.

Events After Reporting Period
On February 16, 2024, the Company subscribed to additional XG common shares amounting to ₱31,500,000 divided into 315,000,003 shares.

On July 16, 2024, XG shares were listed on the PSE.

PWC
On October 22, 2013, the Company subscribed 12,499,995 shares of stock of PWC for ₱12,499,995. PWC was incorporated in the Philippines as an investment holding company of entities engaged in bulk water supply and distribution and wastewater treatment service provider.

In 2016, the Company subscribed to 37,500,000 shares of PWC and paid ₱1.30 per share, or ₱48,800,000.

PGI
On July 1, 2016, the Company incorporated and subscribed to 12,500,000 shares of stock or 100% interest in PGI for ₱12,500,000. PGI is set to engage in geothermal energy generation and distribution.

In 2020, the Company converted ₱1,000,000 of its advances to PGI into investment in subsidiaries as approved by the BOD.

UESI
On June 22, 2018, the Company incorporated and subscribed to 12,500,000 shares of stock or 100% interest in UESI. The Company has an existing subscription payable to UESI amounting to ₱9,375,000 as at December 31, 2023 and 2022. UESI is set to do business of retail energy supplier and energy consolidator.

6. Property and Equipment

As at December 31, 2023 and 2022, office equipment and furniture and fixtures costing ₱86,260 and ₱71,850, respectively, were fully depreciated, but still in use. No depreciation was charged in 2023 and 2022.

7. Accrued Expenses and Other Payables

This account consists of:

	2023	2022
Accrued expenses	**₱197,849**	₱205,457
Withholding tax payable	**81,161**	17,786
Other payables	**38,071**	39,519
	₱317,081	₱262,762

Accrued expenses are non-interest bearing and are normally settled within one (1) year.

Withholding tax pertains to taxes payable to government agencies which are normally settled in the subsequent month.

8. Loans Payable

In April 2022, the Company entered into a loan agreement with a stockholder for working capital purposes amounting to ₱15,000,000, payable on demand and bears annual interest of 6.0% payable every three (3) months (see Note 9). The loan was fully paid in 2023.

On July 12, 2022, REDC assigned its loan with an individual to the Company amounting to ₱100,000,000. The loan is payable on demand and bears an annual interest of 7.5% payable every three (3) months.

Interest expense charged to operations amounted to ₱8,318,527 and ₱4,210,274 in 2023 and 2022, respectively (see Note 9).

9. Related Party Transactions

The Company, in the normal course of business, has transactions with its related parties. The following table summarizes the related party transactions of the Company:

		Transactions During the Year		Balance at End of Year	
	Nature	**2023**	2022	**2023**	2022
Due from Related Parties					
Subsidiaries:					
REDC	Advances	**₱71,312,500**	₱47,435,892	**₱222,933,416**	₱420,461,620
	Assignment of loan	**–**	100,000,000	**–**	–
XG	Advances	**–**	–	**–**	248,159,916
PWC	Advances	**–**	–	**–**	119,783,337
Entities under common control	Advances	**–**	–	**45,729,955**	47,029,955
				₱268,663,371	₱835,434,828
Due to Related Parties					
Stockholders	Advances	**₱–**	₱35,225,866	**₱233,730,294**	₱591,441,937
Subsidiaries:					
PWC	Advances	**30,216,663**	–	**30,216,663**	–
SPARC	Advances	**–**	1,869,863	**6,869,863**	6,869,863
UESI	Advances	**–**	–	**2,700,000**	2,700,000
TPGI	Advances	**–**	–	**–**	17,500,000
				₱273,516,820	₱618,511,800

	Nature	Transactions During the Year 2023	2022	Balance at End of Year 2023	2022
Loans Payable (see Note 8)					
Stockholders	Loan payable	₱–	₱15,000,000	₱–	₱15,000,000
	Interest	8,318,527	4,210,274	–	–
				₱–	₱15,000,000

Due from Related Parties

Due from related parties represent advances for working capital which are noninterest-bearing, unsecured, collectible in cash and upon demand. No impairment loss was recognized in 2023 and 2022.

On July 12, 2022, REDC assigned its loan from an individual to the Company amounting to ₱100,000,000. The loan is payable on demand and bears an annual interest of 7.5% payable every three (3) months.

In 2023, the Company converted its advances to XG amounting to ₱248,159,916 into investment in subsidiaries as approved by the BOD (see Note 5).

Due to Related Parties

Due to related parties represent advances for working capital and are noninterest-bearing, unsecured and are payable in cash and upon demand.

Loans Payable

On April 2022, the Company entered into a loan agreement with a stockholder for working capital purposes amounting to ₱15,000,000 payable on demand and bears annual interest of 6.0% payable every three (3) months (see Note 8). The loan was fully paid in 2023.

The changes in Company's liabilities arising from financing activities in 2023 and 2022 are as follows:

	2023			
	Balance at Beginning of Year	**Financing Cash Flows**	**Accretion of Interest**	**Balance at End of Year**
Loans payable	**₱115,000,000**	**(₱15,000,000)**	**₱–**	**₱100,000,000**
Due to related parties	**618,511,800**	**(344,994,980)**	**–**	**273,516,820**
Interest payable	**–**	**(8,318,527)**	**8,318,527**	**–**
	₱733,511,800	**(₱368,313,507)**	**₱8,318,527**	**₱373,516,820**

	2022				
	Balance at Beginning of Year	Financing Cash Flows	Non-Cash Assignment	Accretion of Interest	Balance at End of Year
Loans payable	₱–	₱15,000,000	₱100,000,000	₱–	₱115,000,000
Due to related parties	581,416,071	37,095,729	–	–	618,511,800
Interest payable	–	(4,210,274)	–	4,210,274	–
	₱581,416,071	₱47,885,455	₱100,000,000	₱4,210,274	₱733,511,800

Compensation of Key Management Personnel

The compensation and other short-term benefits paid to key management personnel of the Company amounted to ₱2,640,812 and ₱2,300,000 in 2023 and 2022, respectively.

10. Income Taxes

The Company has no provision for income tax in 2023 and 2022 due to its net loss position. The applicable RCIT rate is 25% in 2023 and 2022.

The Company's unrecognized deferred tax assets are as follows:

	2023	2022
NOLCO	**₱5,218,475**	₱3,813,254
Accrued expenses	**51,364**	51,364
	₱5,269,839	₱3,864,618

Management assessed that the Company may not generate sufficient future taxable income against which the deferred tax assets may be utilized.

Details of NOLCO which can be claimed as deduction from future taxable income are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Balance at End of Year	Year of Expiry
2023	₱–	₱5,620,887	₱5,620,887	2026
2022	7,814,393	–	7,814,393	2025
2021	3,383,109	–	3,383,109	2026
2020	4,055,512	–	4,055,512	2025
	₱15,253,014	₱5,620,887	₱20,873,901	

As mandated by Section 4 of RA No. 11494 or the "Bayanihan to Recover as One Act" and as implemented under RR No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried-over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

The Company incurred excess MCIT over RCIT in 2019 amounting to ₱257,532 which expired in 2022.

The reconciliation between the income tax expense based on statutory income tax rate and effective income tax reported in the separate statements of comprehensive income is as follows:

	2023	2022
Income tax expense (benefit) computed at statutory tax rate	**₱5,982,801**	(₱1,869,283)
Add (deduct) tax effects of:		
Gain on sale of investments in subsidiaries	**(9,306,103)**	–
Nondeductible expenses	**2,079,632**	923
Change in unrecognized deferred tax assets	**1,405,222**	1,611,060
Interest income subjected to final tax	**(161,552)**	(232)
Expired excess MCIT over RCIT	**–**	257,532
	₱–	₱–

11. Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are credit risk and liquidity risk.

Credit Risk Management
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Generally, due from related parties are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The table below shows the maximum exposure to credit risk of the Company's financial assets.

	Note	2023	2022
Cash in banks	4	**₱43,942**	₱4,666,270
Due from related parties	9	**268,663,371**	835,434,828
		₱268,707,313	₱840,101,098

The tables below show the credit risk concentrations of the Company's financial assets as at December 31, 2023 and 2022. The amounts are presented by credit risk rating grades and represent the gross carrying amounts of the financial assets.

	2023					
			Past Due, But Not Impaired			
	High Grade	Standard Grade	1 - 30 Days	31 - 60 Days	More than 60 Days	Total
Cash in banks	**₱43,942**	**₱–**	**₱–**	**₱–**	**₱–**	**₱43,942**
Due from related parties	**–**	**268,663,371**	**–**	**–**	**–**	**268,663,371**
	₱43,942	**₱268,663,371**	**₱–**	**₱–**	**₱–**	**₱268,707,313**

	2022					
			Past Due, But Not Impaired			
	High Grade	Standard Grade	1 - 30 Days	31 - 60 Days	More than 60 Days	Total
Cash in banks	₱4,666,270	₱–	₱–	₱–	₱–	₱4,666,270
Due from related parties	–	835,434,828	–	–	–	835,434,828
	₱4,666,270	₱835,434,828	₱–	₱–	₱–	₱840,101,098

The credit quality of the financial assets was determined based on their historical experience with corresponding third parties.

The Company's financial assets are categorized based on the Company's collection experience with the counterparties as follows:

a. High Grade - settlements are obtained from counterparty following the terms of the contracts without much collection effort.

b. Standard Grade - some reminder follow-ups are performed to obtain settlement from the counterparty.

c. Past Due, But Not Impaired - items with history of frequent default nevertheless the amount due are still collectible.

Cash in Banks. The credit risk for cash in banks is considered negligible because the counterparties are reputable banks with high quality external credit ratings. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 for every depositor per banking institution. Thus, the impairment loss is limited to 12-month ECL.

Due from Related Parties. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Liquidity Risk Management

Liquidity risk is the risk that the Company may encounter difficulties in raising funds to meet commitments for financial instruments. Liquidity risk may result from counterparty's failure on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining contractual undiscounted cash flows as at December 31, 2023 and 2022:

	2023					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Accrued expenses and other payables*	₱–	₱235,920	–	–	–	₱235,920
Due to related parties	273,516,820	–	–	–	–	₱273,516,820
Loans payable	100,000,000	–	–	–	–	₱100,000,000
Subscription payable	9,375,000	–	–	–	–	₱9,375,000
	₱382,891,820	₱235,920	₱–	₱–	₱–	₱383,127,740

**Excluding withholding tax payable amounting to ₱81,161 as at December 31, 2023.*

	2022					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Accrued expenses and other payables*	₱–	₱244,976	₱–	₱–	₱–	₱244,976
Due to related parties	618,511,800	–	–	–	–	618,511,800
Loans payable	115,000,000	–	–	–	–	115,000,000
Subscription payable	9,375,000	–	–	–	–	9,375,000
	₱742,886,800	₱244,976	₱–	₱–	₱–	₱743,131,776

**Excluding withholding tax payable amounting to ₱17,786 as at December 31, 2022.*

The Company's objectives in managing its liquidity position are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations. The Company considers its total equity amounting to ₱995,584,195 and ₱971,652,991 as at December 31, 2023 and 2022, respectively, as its capital employed. The Company maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term.

No changes were made in the objectives, policies or processes in 2023 and 2022.

12. Fair Value Measurement

Cash in Banks, Due from Related Parties, Due to Related Parties and Accrued Expenses and Other Payables (excluding Withholding Taxes Payable). Due to the short-term nature of transactions, the fair values approximate the carrying amount at reporting period.

Subscription Payable. The fair value of subscription payable has not been determined using observable market data because the management believes that the difference between its fair values and carrying amounts are not significant.

Loans Payable. The fair value of loans payable approximate the carrying amount at reporting period due to the short-term nature of transactions.

There were no transfers in fair value hierarchy in 2023 and 2022.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Pure Energy Holdings Corporation
3rd Floor, JTKC Center
2155 Pasong Tamo, Makati City

We have audited the accompanying separate financial statements of Pure Energy Holdings Corporation (the Company) as at and for the years then ended December 31, 2023 and 2022, on which we have rendered our report dated December 2, 2024.

In compliance with the Revised Securities Regulation Code Rule No. 68, we are stating that the Company has nine (9) stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner
[redacted]

December 2, 2024
Makati City, Metro Manila

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
The SEC Headquarters
7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City, 1209, Metro Manila

COMPANY REG. NO. CS201309453

CERTIFICATE OF FILING OF AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the amended articles of incorporation of the

PURE ENERGY HOLDINGS CORPORATION
(Amending Article VII thereof)

copy annexed, adopted on February 7, 2024 by a majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 15 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed to this Certificate at The SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1209, Metro Manila, Philippines, this 2nd day of October, Twenty Twenty-Four.

GERARDO F. DEL ROSARIO
Director
Company Registration and Monitoring Department

BA/ioo

COVER SHEET

for

APPLICATION FOR INCREASE OF AUTHORIZED CAPITAL STOCK

S.E.C Registration Number

C	S	2	0	1	3	0	9	4	5	3

COMPANY NAME

PURE ENERGY HOLDINGS CORPORATION

PRINCIPAL OFFICE (*No. Street City/Town/Province*)

3/F JTKC CENTRE, 2155 DON CHINO ROCES AVENUE PIO DEL PILAR MAKATI CITY

Form Type	Dept. Requiring this Doc.	Secondary License Type, If Applicable

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
rolando.domingo@pureenergy.com.ph	8813-8892	09178301613

Number of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
15	June 30	December 31

CONTACT PERSON INFORMATION

Name of Contact Person	Email Address	Contact Number
Rolando P. Domingo	rolando.domingo@pureenergy.com.ph	8813-8892

CONTACT PERSON'S ADDRESS

3/F JTKC Centre 2155 Don Chino Roces Pio del Pilar Makati City

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-recipient of Notice of Deficiencies. Furthermore, non-recipient shall not excuse the corporation from liability for its deficiencies.*

AMENDED

ARTICLES OF INCORPORATION

OF

PURE ENERGY HOLDINGS CORPORATION

KNOW ALL MEN BY THESE PRESENTS:

The undersigned incorporators, all of legal age and majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Philippines.

WE HEREBY CERTIFY THAT:

FIRST: The name of the Corporation shall be:

PURE ENERGY HOLDINGS CORPORATION

SECOND: The purposes for which the Corporation is formed are:

PRIMARY

1. To engage in the business of a holding company; to buy and hold shares of other companies whether common, preferred, treasury, founders or other kinds of shares, either by subscribing to the unissued shares of the capital stock in public or private offerings or by purchasing the shares of other stockholders by way of assignment in private sale; to invest in the stock or equity of other companies; to acquire rights in the stock of other companies by way of pledge, chattel mortgage or assignment; to sell, dispose, assign, pledge, or convey any or all of its shareholdings in other companies in favor of qualified persons by way of private sale, assignment or other forms of private conveyance, all in accordance with the Corporation Code, the Securities Act and other applicable laws and regulations;

2. To engage in the business of holding energy companies such as renewable energy and the likes.

3. To vote its shareholdings in other companies and exercise all the rights of a shareholder under the Corporation Code and applicable laws;

4. To do other acts and things, necessary, desirable or appropriate for the attainment of the foregoing purposes;

SECONDARY

1. To purchase, acquire, and take over all or any part of the rights, assets, business and property of any person, partnership, corporation and association and to undertake and assume the liabilities and obligations of such persons, partnerships, corporation or association whose rights, assets, business or property may be purchased, acquired or taken over;

2. To enter into any arrangement for sharing profits, union of interests, joint venture, reciprocal concession or otherwise, with any person or company engaging in or about to engage in any business or transaction which the Corporation is authorized to carry on or engage in any business or transaction that may directly or indirectly benefit the Corporation;

3. To purchase or otherwise acquire, obtain an interest in, own, hold, pledge, mortgage, assign, deposit, create trusts, exchange, sell and otherwise dispose of, alone or in syndicates or otherwise in conjunction with others; and generally deal in and with all or any of the following: all kinds of warrants, options, voting trust certificates, trust certificate, bonds, mortgages, debentures, trust receipts, notes and other certificates, obligations, association, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign, and evidences of any interest therein or in respect thereto; to acquire, purchase, sell or otherwise dispose of any securities or other obligation of the Corporation, provided that the Corporation shall not engage in stock brokerage business;

4. To engage in the business of manufacturing, processing, assembling, and/or fabricating and exporting, importing, buying, acquiring, holding, selling or otherwise disposing of and dealing in goods, wares, supplies, materials, articles, merchandise, commodities, properties of every kind, class and description, whether natural or artificial which may become articles of commerce, and in connection therewith to act as an indenter, principal or agent, manufacturer's representative, commission merchant, merchandise broker, factor, consignment agent or in any other representative capacity for foreign and domestic juridical entities or natural persons;

5. To purchase, own, sell, assign, negotiate, mortgage, pledge or otherwise dispose of accounts receivable, notes receivable, checks, drafts, negotiable instruments, letters of credit and other evidences of indebtedness or other obligations for the payment of money owed by any person, partnership, corporation or association, or to undertake, under such terms and conditions as the Corporation may deem fit, the collection of such accounts receivable, notes receivable, checks, drafts, negotiable instruments, letters of credit and other evidences of indebtedness or other obligations for the payment of money.

6. To act as manufacturer's representatives, indentors, commission merchants, commercial brokers or agents, or in any other representative capacity, for natural or juridical persons, whether domestic or foreign.

7. To act as managers, managing agents of administrators of corporations, partnerships, or persons, with respect to their businesses or properties and to undertake, carry on, assist or participate in the management, reorganization or liquidation of corporations, partnerships, and other forms of business firms and entities except management of funds, securities, portfolios, of similar assets of managed entity and without acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser or and investment company, close end or open-end investment company, investment house, transfer agency, commodity/financial exchange company.

8. To purchase or otherwise acquire, assemble, install, construct, equip, repair or remodel, maintain, operate, hold, own, lease, rent, mortgage, charge, sell, convey or otherwise dispose of, any and all kinds of gas, works, mills, factories, installations, plants, shops, laboratories, terminals, office buildings, and other buildings and structures, roads, railroads, cars, railroad and equipment, garages, motor and road equipment, aircraft and aircraft equipment, aviation fields, water works, reservoirs, dams, canals, waterways, bridges, ports, docks, piers, wharves, marine equipment and any and all kinds of machinery, apparatus, instruments, fixtures and appliance.

9. To acquire by purchase, lease, contract, concession or otherwise any and all real estate, lands, land patents, options, grants, concessions, franchises, water and other rights, privileges, easements, estates, interests and properties of every kind and description whatsoever; or any other business in which the corporation may lawfully engage, and to own, hold, operate, improve, develop, reorganize, manage, grant, lease, sell, exchange or otherwise dispose of all, the whole or any part thereof; to purchase, drill for or otherwise by purchase, lease or otherwise and to erect, construct, enlarge, own, hold, maintain, use and operate water works; and water systems for supplying water and water power for any and all uses and purposes.

AND IN FURTHERANCE OF THE FOREGOING PURPOSES-

1. To acquire or obtain from any governmental authority or authorities, national or municipal or from any corporation, company, entity or person, such charters, franchises, licenses, permits, patents, trade mark, trade name, trade secret, invention, copyright, or other rights and privileges which may be conducive to or necessary or desirable for the attainment of any of the objects and purposes of the Corporation;

2. To purchase, acquire, hold, lease, sell, and convey such real and personal properties which are necessary for the conduct of the corporate business.

3. To borrow or raise money from not more than 19 lenders including its stockholders necessary to meet the financial requirements of the Corporation by the issuance of bonds, promissory notes and evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the Corporation, or to issue, pursuant to law, shares of capital stock, debentures, bonds, warrants, notes or other evidence of indebtedness in payment of or exchange for properties or rights acquired by the Corporation or for money borrowed in the prosecution of its business.

4. To deal in and with the properties of the Corporation in such manner as may from time to time be considered necessary for the advancement for the business interests of the Corporation and to sell, dispose of or transfer the business, goodwill, properties and undertaking of the Corporation or any part thereof for such consideration and under such terms as it shall see fit to accept under the circumstances.

5. To purchase, acquire, hold, sell, dispose of or otherwise deal in and with shares, bonds, and other securities created by any company having objectives or purposes altogether or in part similar to those of the Corporation, and while the owner or holder thereof to exercise all the rights and incidents of ownership, including the right to vote the same, to receive, collect and dispose of the interests, dividends and income therefrom.

6. To do and perform all acts and things necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any one or more of the objects herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the corporation, including the exercise of the powers, authorities and attributes conferred upon corporations organized under the laws of the Philippines in general and upon domestic corporations of like nature in particular.

The foregoing clauses shall each be construed as purposes and powers and the matters expressed in each clause or any part of any clause shall in no wise be limited by reference to or inference from any other clause or any other part of the same clause but shall be regarded as independent purposes and powers, and the enumeration of specified purposes and powers shall not be construed to limit or restrict in any manner the meaning of the general purposes and powers of the Corporation, nor shall the expression of one thing be deemed to exclude another, although it be or like nature, not expressed. Likewise, the purposes and powers specified herein shall not be regarded in any manner as a limitation of the powers granted or allowed to and exercisable by the Corporation under the Corporation Code and other applicable statutes of the Republic of the Philippines.

THIRD: The place where the principal office of the Corporation is to be established or located is at 3rd Floor, JTKC Center, 2155 Pasong Tamo, Makati City.

FOURTH: The term for which the Corporation is to exist is **fifty (50) years** from and after the date of incorporation.

FIFTH: The names, nationalities and residences of the incorporators of the Corporation are as follows:

NAMES	NATIONALITY	ADDRESSES
DEXTER Y. TIU	Filipino	[redacted]
FERDINAND MICHAEL T. TEODORO	Filipino	[redacted]
GERTIM G. CHUAHIONG	Filipino	[redacted]
JAIME T. ANG	Filipino	[redacted]
ERIC Y. ROXAS	Filipino	[redacted]

SIXTH:[1] The number of directors of the Corporation shall be EIGHT (8) and that the names, nationalities and residences of the directors who are to serve until their successors are elected and qualified as provided by the by-laws are as follows:

NAMES	NATIONALITY	ADDRESSES
DEXTER Y. TIU	Filipino	[redacted]
FERDINAND MICHAEL T. TEODORO	Filipino	[redacted]
GERTIM G. CHUAHIONG	Filipino	[redacted]
JAIME T. ANG	Filipino	[redacted]
ERIC Y. ROXAS	Filipino	[redacted]

SEVENTH:[2] **The authorized capital stock of the Corporation is TWO BILLION PESOS (₱2,000,000,000.00), Philippine Currency, and said capital stock is divided into TWENTY BILLION (20,000,000,000) shares of stock with a par value of TEN CENTAVOS (₱0.10) each. (As amended during the Joint Special Meeting of the Board of Directors, through a majority of the members thereof and the stockholders representing at least 2/3 of the outstanding capital stock of the Corporation, held on 7 February 2024 at the principal office address of the Corporation at the 3rd Floor, JTKC Center, 2155 Pasong Tamo, Makati City)**

No stockholder shall have a right to purchase or subscribe to any additional share of the capital stock of the Corporation whether such shares of capital stock are now or hereafter authorized, whether or not such stock is convertible into or exchangeable for any stock of the Corporation or of any other class, and whether out of the number of shares authorized by the Articles of Incorporation of the Corporation as originally filed, or by any amendment thereof, or out of shares of the capital stock of any class of the Corporation acquired by it after the issue thereof; nor shall any holder of any such stock of any class, as such holder, have any right to purchase or subscribe for any obligation which the Corporation may issue or sell that shall be convertible into, or exchangeable for, any shares of the capital stock of any class of the Corporation or to which shall be attached or appertain any warrant or warrants or any instrument or instruments that shall confer upon the owner of such obligation, warrant or instrument the right to subscribe for, or to purchase from the Corporation, any shares of its capital stock of any class.

---

[1] As approved by majority of the Board of Directors in a meeting held on June 30, 2016, and by two-thirds (2/3) of the stockholders in the Annual Stockholders' Meeting that followed on the same date.

[2] As amended per SEC Certificate dated 23 December 2015.

The Board of Directors may, from time to time, grant stock options, issue warrants or enter into stock purchase reciprocal investments, private placements, joint ventures, or similar agreements for purposes necessary or desirable for the Corporation and allocate, issue, sell or otherwise transfer, convey or dispose of shares of stock of the Corporation of a class or classes and to such persons or entities to be determined by the Board, including, but not limited to employees, officers and directors of the Corporation.

These provisions shall be printed in all stock certificates of the Corporation.[3]

EIGHTH: At least twenty five percent (25%) of the authorized capital stock above stated have been subscribed as follows:

NAME	NATIONALITY	NO. OF SUBSCRIBED	AMOUNT SUBSCRIBED	
DEXTER Y. TIU	Filipino	11,875,000	₱	11,875,000.00
ERIC Y. ROXAS	Filipino	624,997		624,997.00
FERDINAND MICHAEL T. TEODORO	Filipino	1		1.00
JAIME T. ANG	Filipino	1		1.00
GERTIM G. CHUAHIONG	Filipino	1		1.00
TOTAL		**12,500,000**	**₱**	**12,500,000.00**

NINTH: The above named subscribers have fully paid their total subscription as follows:

NAME	NATIONALITY	SUBSCRIBED/ PAID-IN	AMOUNT SUBSCRIBED	
DEXTER Y. TIU	Filipino	11,875,000	₱	11,875,000.00
ERIC Y. ROXAS	Filipino	624,997		624,997.00
FERDINAND MICHAEL T. TEODORO	Filipino	1		1.00
JAIME T. ANG	Filipino	1		1.00
GERTIM G. CHUAHIONG	Filipino	1		1.00
TOTAL		**12,500,000**	**₱**	**12,500,000.00**

TENTH: **ERIC Y. ROXAS** has been elected by the subscribers as treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the by-laws; and that as such Treasurer-in-Trust, he has been authorized to receive for and in the name and for the benefit of the Corporation, all subscriptions paid in by the subscribers;

ELEVENTH:[4] Should the Corporation apply for, and qualify, to list its shares in the Philippine Stock Exchange, the existing stockholders who own an equivalent of at least 10% of the issued and outstanding shares of stock of the Corporation shall be required to refrain from selling, assigning or in any manner disposing of their shares for a period of:

---

[3] As approved by majority of the Board of Directors in a meeting held on June 30, 2016, and by two-thirds (2/3) of the stockholders in the Annual Stockholders' Meeting that followed on the same date.

[4] *Id.*

a) One Hundred Eighty (180) days after the listing of the shares, if the Corporation meets the track record requirements of the Philippine Stock Exchange;

b) Three Hundred Sixty-Five (365) days after listing of said shares, if the Corporation is exempt from the track record and operating history requirements of the Philippine Stock Exchange Rules.

If there is any issuance or transfer of shares (i.e., private placements, assets for shares swap or a similar transaction) or instruments which lead to issuance of shares (i.e., convertible bonds, warrants or a similar instrument) done and fully paid for within One Hundred Eighty (180) days prior to the start of the offering period, or, prior to listing date in case of companies listing by way of introduction, and the transaction price is lower than that of the offer price in the Initial Public Offering, or listing price for a listing by way of introduction, all shares availed of shall be subject to a lock-up period of at least Three Hundred Sixty Five (365) days from full payment of the aforesaid shares.

TWELFTH: No transfer of stock or interest which would reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the Corporation and this restriction shall be indicated in all the stock certificates issued by the Corporation;

THIRTEENTH: The Corporation manifests its willingness to change its corporate name in the event another person, firm or entity has acquired prior right to use the firm name or one deceptively or confusingly similar to it.

IN WITNESS WHEREOF, we have set our hands this 14th day of May 2013 at Makati City, Philippines.

(Sgd.) **JAIME T. ANG** [redacted]

(Sgd.) **FERDINAND MICHAEL T. TEODORO** [redacted]

(Sgd.) **DEXTER Y. TIU** [redacted]

(Sgd.) **GERTIM G. CHUAHIONG** [redacted]

(Sgd.) **ERIC Y. ROXAS** [redacted]

SIGNED IN THE PRESENCE OF:

(Sgd.) *(Sgd.)*

REPUBLIC OF THE PHILIPPINES)
) S.S.

BEFORE ME, a Notary Public in and for _____, Philippines, this _____day of _____, personally appeared:

NAME	CTC#/PASSPORTS	DATE & PLACE ISSUED
JAIME T. ANG DEXTER Y. TIU FERDINAND MICHAEL TEODORO GERTIM G. CHUAHIONG ERIC Y. ROXAS	[redacted]	[redacted]

Personally known to me to be the same persons who executed the foregoing instrument as identified through their competent evidence of identity as defined by the Rules of Notarial Practice and they acknowledged to me that the same is their free and voluntary act and deed.

This instrument refers to the Articles of Incorporation of Pure Energy Holdings Corporation which consists of eight (8) pages including the page whereon the acknowledgement is written and which is signed by the parties and their instrumental witnesses on each and every page thereof.

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

(Sgd.) ATTY. SOCORRO MARICEL N. NEPOMUCENO
Notary Public until December 31, 2013
PTR No. 7611881 – Jan. 07, 2013/QC
IBP No. 84266/ Roll No. 50756
MCLE No. III-013133/Appointment #NP-236
3F Vargas Bldg. #103 Kalayan Ave. Dil. QC

Doc. No. 181;
Page No. 38;
Book No. 21;
Series of 2013.

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S. S.

SECURITIES AND EXCHANGE COMMISSION
CRMD
20 SEP 2024
RECEIVED
By: Time:

DIRECTORS' CERTIFICATE

We, the majority of the Board of Directors of **PURE ENERGY HOLDINGS CORPORATION** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at the 3rd Floor JTKC Centre, 2155 Pasong Tamo, Makati City - do hereby certify that the accompanying Amended Articles of Incorporation are true and correct copies of the Articles of Incorporation, as amended, which amendments were approved in accordance with the provisions of Sections 15 and 37 of the Revised Corporation Code of the Philippines, by a vote of a majority of the members of the Board of Directors of the Corporation and the Stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation, at their Joint Special Meeting held on 7 February 2024 at the principal office address in Makati City, Metro Manila, Philippines.

The amendment to the Articles of Incorporation consists of an amendment to Article Seventh, increasing the authorized capital stock of the Corporation from One Billion Pesos (Php1,000,000,000.00) divided into Ten Billion (10,000,000,000) common shares to TWO BILLION PESOS (Php2,000,000,000.00) divided into TWENTY BILLION (20,000,000,000) common shares with a par value of Ten Centavos (Php 0.10) per share.

IN WITNESS WHEREOF, we have hereunto signed these presents on this ____ day of FEB 16 2024 2024 at Makati City, Metro Manila.

DEXTER Y. TIU
Director/Chairman & CEO

ERIC PETER Y. ROXAS
Director/ President

RYAN WESLEY T. YAPKIANWE
Director

ARISTIDES S. ARMAS
Director

CHARLIE T. SY
Director

CERTIFIED CORRECT:

GERTIM G. CHUAHIONG
Treasurer

SUSAN BERTULFO-CARISMA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this ___ day of FEB 16 2024 2024, declarants exhibiting to me competent proofs of identity, to wit:

Name	Competent Evidence of Identity	Date/Place of Issue
Dexter Y. Tiu Eric Peter Y. Roxas Aristides S. Armas Charlie T. Sy Gertim G. Chuahiong Susan Bertulfo-Carisma Ryan Wesley T. Yapkianwee	[redacted]	

known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed.

WITNESS MY HAND AND SEAL, this ___ day of FEB 16 2024 2024 at Makati City, Philippines.

Doc. No.: 71;
Page No.: 16;
Book No.: D;
Series of 2024.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-274 until Dec. 31, 2024
Unit 3C LTA Building, 118 Perea St
Legaspi Village, Makati City
Roll No. 70942
IBP No 323340 / 11-30-2023 / Pasig City
PTR No 10074513 / 01-02-2024 / Makati City
MCLE Compliance No VII-0020869/April 14, 2025

NOTARY PUBLIC

PRESENT THIS PASSBOOK WHENEVER DEPOSITS OR WITHDRAWALS ARE MADE. NOTIFY THE BANK OF ANY CHANGE OF ADDRESS OR STATUS. NOTIFY THE BANK IMMEDIATELY IF PASSBOOK IS LOST OR STOLEN.

Serial No. 11010581 B

MAKATI SHANGRILA HOTEL

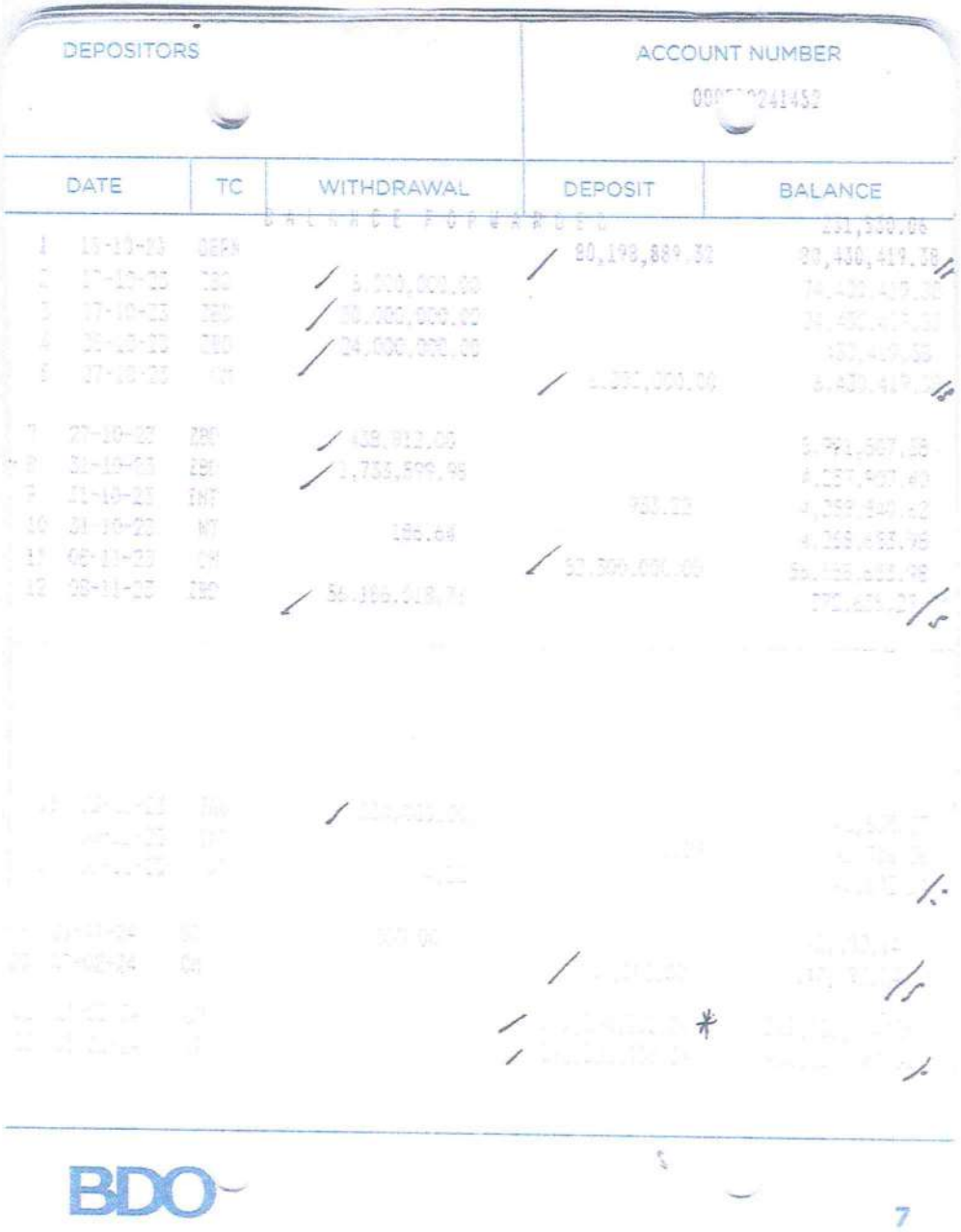
Peso Savings Account No. 00009024452

Name PURE ENERGY HOLDINGS CORPORATION

Address 3F JTKC CENTRE 2155 DON CHINO ROCES AVE

MAKATI CITY

1. Peso Savings is a peso deposit savings account with a passbook and earns fixed interest.
2. The opening, operation and closure of the account shall be principally governed by the Terms and Conditions Governing Deposit Accounts agreed by the Account Holder upon account opening supplemented by these Rules and Regulations. The term "Account Holder" shall refer to any one of the Depositors named in Joint OR Accounts, or all of the Depositors named in Joint AND Accounts, provided that deposits to Joint AND Accounts may be made by any one of the Depositors named in the account or his duly authorized representative.
3. Upon opening of passbook-based accounts, BDO shall provide the Account Holder with a passbook in which all transactions shall be recorded. The Account Holder must not write anything on the passbook under any circumstances. BDO will not be liable or will not be made responsible for unauthorized entries made in the passbook. In the event of any discrepancy between the entries in the passbook and the records and accounts of BDO, the records and accounts of BDO shall prevail and be conclusive and binding on the Account Holder.
4. The Account Holder/authorized representative must present the passbook each and every time a transaction has to be made to the account. However, BDO may allow deposit transactions and, upon request of the Account Holder, allow withdrawal/debit transactions without the presentation of the passbook but shall be subject to required approvals and fees, as applicable. The passbook shall be updated over the counter at any BDO branch or in other authorized channels, as applicable, to reflect all the transactions made by the Account Holder/authorized representative in all forms, mediums and channels.
5. In case the passbook is damaged, lost or stolen, the Account Holder shall immediately notify BDO in writing and comply with the policies and procedures of BDO for the replacement of passbook including but not limited to the submission of a Sworn Statement/Affidavit of Loss, as applicable regarding the circumstances behind the damage, loss or theft of the passbook. BDO will not be held liable for any transaction made by persons presenting the passbook prior to its receipt of written notice from the Account Holder.
6. Deposits to the account must be made by using the prescribed deposit transaction form, or through the medium, channel or process implemented by BDO. BDO may, in its sole discretion, refuse to accept any deposit, or return any deposit, in whole or in part, together with the accrued interest.
7. Withdrawals from the account must be made by the Account Holder/authorized representative by using the prescribed



DEPOSITORS			ACCOUNT NUMBER	
			0005[illegible]241452	
DATE	TC	WITHDRAWAL	DEPOSIT	BALANCE
		BALANCE FORWARDED		231,000.06
1 10-10-23	DERA		90,199,889.32	90,430,419.38
5 17-10-23	TRF	5,000,000.00		85,430,419.38
5 17-10-23	TRF	30,000,000.00		55,430,419.38
6 20-10-23	TRF	24,000,000.00		431,419.38
6 17-10-23	CHK		4,000,000.00	4,431,419.38
7 27-10-23	TRF	428,912.00		4,002,507.38
9 31-10-23	INT	1,738,599.96		4,431,107.40
9 31-10-23	INT		982.02	4,432,089.42
10 31-10-23	WT	186.64		4,431,902.78
11 06-11-23	CHK		90,000,000.00	94,431,902.78
12 08-11-23	TRF	56,886,518.74		377,454.04

BDO

* The payment for subscription is part of Php 241,244,512.84 deposited at Banco De Oro, Shangrila Makati Branch on February 15, 2024 and receipted under Pure Energy Holdings Corporation official receipt no. 0005 dated February 15, 2024.

DEPOSITORS

ACCOUNT NUMBER 0000241452

	DATE	TC	WITHDRAWAL	DEPOSIT	BALANCE
			BALANCE FORWARDED		231,530.06
1	13-10-23	DEPN		80,198,889.32	80,430,419.38
2	17-10-23	ZBD	6,000,000.00		74,430,419.38
3	17-10-23	ZBD	50,000,000.00		24,430,419.38
4	25-10-23	ZBD	24,000,000.00		430,419.38
5	27-10-23	CM		6,000,000.00	6,430,419.38
7	27-10-23	ZBD	438,912.00		5,991,507.38
8	31-10-23	ZBD	1,733,599.98		4,257,907.40
9	31-10-23	INT		933.22	4,258,840.62
10	31-10-23	WT	186.64		4,258,653.98
11	08-11-23	CM		52,300,000.00	56,558,653.98
12	08-11-23	ZBD	56,186,018.71		372,635.27
15	28-11-23	ZBD	330,000.00		42,635.27
16	30-11-23	INT		71.09	42,706.36
17	30-11-23	WT	14.22		42,692.14
19	31-01-24	SC	500.00		42,192.14
20	07-02-24	CM		100,000.00	142,192.14
22	15-02-24	CM		241,244,512.84	241,386,704.98
23	15-02-24	CM		241,230,058.34	482,616,763.32

BDO

ALDEN CADIZ CALIMUTAN
Certified Public Accountant

Verification Report of Independent Certified Public Accountant

The Stockholders and Board of Directors
PURE ENERGY HOLDINGS CORPORATION
3rd Floor JTKC Center,
2155 Chino Roces Ave., Makati City

Gentlemen:

At your request I have performed certain procedures more specifically described below with respect to PURE ENERGY HOLDINGS CORPORATION's (PEHC) intent to increase its Authorized Capital from ONE BILLION PESOS (P1,000,000,000.00) to TWO BILLION PESOS (P2,000,000,000.00).

In accordance with the Guidelines on On-Site Verification as provided for in SEC Memorandum Circular No. 6, series of 2008, I have conducted a verification of the Company's receipt of cash in relation to the corporation's intent to increase its capital.

On the basis of a received copy of a Directors' Certificate and the Certificate of Increase in Authorized Capital Stock of Pure Energy Holdings Corporation indicating therein a meeting was held on February 07, 2024 at its principal office at 3rd Floor JTKC Center, 2155 Chino Roces Ave., Makati City , during which a quorum was present. In the said meeting, the authorized capital stock of the Company was approved to be raised from ONE BILLION PESOS (P1,000,000,000.00) divided into TEN BILLION (10,000,000,000) shares at the par value of Ten Centavos (P0.10) per share to TWO BILLION PESOS (P2,000,000,000.00) divided into TWENTY BILLION (20,000,000,000) shares at the par value of Ten Centavos (P0.10) per share as agreed upon by the stockholders who comprise at least two thirds (2/3) of the outstanding capital stock. Of said capital increase, shares worth TWO HUNDRED FIFTY MILLION PESOS (P 250,000,000.00) were proposed to be subscribed by DYT Equities Corporation of which SIXTY TWO MILLION FIVE HUNDRED THOUSAND PESOS (P62,500,000.00) was received by Pure Energy Holdings Corporation as additional paid in capital.

I had obtained a copy of the acknowledgment receipt issued by PEHC, dated February 16, 2024 for the subscriber named above. I test traced the related additional paid-in capital payment made on February 15, 2024 with the cash receipts book and verified them against the receipts and with other related documents.

I was able to compare the amount received from the subscriber and it matched the amount indicated in the bank statements and the acknowledgment receipt presented. I was also able to obtain a bank reconciliation statement as of February 29, 2024 and compared it with the balances per Company's books and they match up.

I have checked the mathematical accuracy of the Company's schedule and compared them against the general and subsidiary ledger. As a result, I have ascertained that the cash deposit were in fact made by the Subscriber as mentioned above.

I have also checked the Company's cash disbursement book and there were no entries of prior nor post disbursement, advances or loans made to the Subscriber to indicate any semblance of linkage or association with the payment for subscription. Thus, the cash disbursement entries made by the Company were solely for its operation.

I understand that this informative report will be submitted to the Securities and Exchange Commission (SEC) in support to the Company's application for an increase in authorized capital. The procedures referred to above do not comprise an audit made in accordance with the Philippine Standards in Auditing. This report is solely for the use of the Company and the SEC and should not be used for any other purpose without my consent.

I shall be glad to discuss with you matters presented in this report and to answer any question you may have on the foregoing. Thank you for giving me this opportunity to be of service to you.

ALDEN C. CALIMUTAN

[redacted]

July 25, 2024
San Juan City

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
The SEC Headquarters
7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City , 1209, Metro Manila

COMPANY REG. NO. CS201320614

CERTIFICATE OF FILING OF AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Amended Articles of Incorporation of the

PURE WATER CORPORATION

(Secondary Purpose)

copy annexed, adopted on February 19, 2025 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock, and certified under oath by the Corporate Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 15 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019, and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant; financing/lending company and time shares/club shares/membership certificates issuers or selling agents thereof; nor to operate a fiat money to virtual currency exchange. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at The SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City , 1209, Metro Manila, this 4th day of June, Two Thousand Twenty-Five.

BAGONG PILIPINAS

DANIEL P. GABUYO
Assistant Director
Company Registration and Monitoring Department

Securities and Exchange Commission
PHILIPPINES

SEC Main Office
The SEC Headquarters
7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City , 1209

electronic Official Receipt

Transaction Details

eOR Number	20250530-PM-0067697-16
Transaction Number	20250530121212800110170753470779840
Payment Date	May 30, 2025 02:08 PM
Payment Scheme	gcash
Status	COMPLETED
Payment Status	PAYMENT_SUCCESS

Payment Assessment Details

PAF No.	20250530-12842601
PAF Date	2025-05-30 09:55:45
Payor Name	PURE WATER CORPORATION
Payor Address	3RD FLR JTKC CTR 2155 DON CHINO ROCES CITY OF MAKATI NCR

#	Nature of Collection	Account Code	Amount
1	Amended Articles of Incorporation	4020102000(606)	1,000.00
2	Legal Research Fee (A0823)	2020105000(131)	10.00
3	Documentary Stamp Tax	4010401000(4010401)	30.00
		TOTAL	**1,040.00**

Total amount indicated herein does not include the convenience/service fee of the selected payment channel.

COVER SHEET

COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application

AMENDMENT

SEC Registration Number

CS201320614

Company Name

PURE WATER CORPORATION

Principal Office (No./Street/Barangay/City/Town)Province)

3F JTKC CENTRE 2155 DON CHINO ROCES AVENUE MAKATI CITY PHILIPPINES

ZIP CODE: 1230

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
rolando.domingo@pureenergy.com.ph	8-813-8892	0917-830-1613

CONTACT PERSON INFORMATION

The designated person ***MUST*** be a Director/Trustee/Partner/Officer/Resident Agent of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Rolando P. Domingo	rolando.domingo@pureenergy.com.ph	8-813-8892	0917-830-1613

Contact Person's Address

To be accomplished by CRMD Personnel

	Date	Signature
Assigned Processor :		

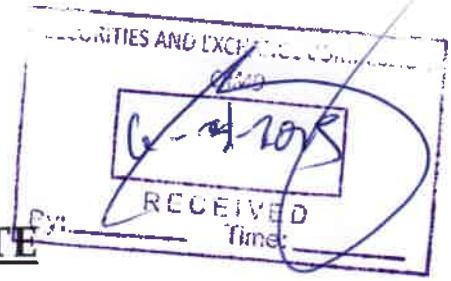
Document I.D.

Received by **Corporate Filing and Records Division (CFRD)**

Forwarded to:

- ☐ Corporate and Partnership Registration Division
- ☐ Green Lane Unit
- ☐ Financial Analysis and Audit Division
- ☐ Licensing Unit

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S. S.



DIRECTORS' CERTIFICATE

We, the undersigned members of the Board of Directors and the Chairman and Corporate Secretary of **PURE WATER CORPORATION** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office address at the 3rd Floor, JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, Philippines, hereby certify that:

1. At the duly constituted joint meeting of the Board of Directors and Stockholders of the Corporation held on 19 February 2025 at the principal office address, during which a quorum was present and acting throughout, the amendment of the Articles of Incorporation, specifically Article Second on the Secondary Purposes, was approved, ratified and confirmed by the majority members of the Board and the Stockholders representing more than 2/3 of the outstanding capital stock thereof, thus:

JOINT RESOLUTION
==========
Amendment of Secondary Purpose

"RESOLVED, as it is hereby resolved, that in pursuit of its corporate goals and purposes, the amendment of the corporate charters so as to empower and authorize the Corporation to secure and guarantee the obligations of its subsidiaries and other owned entities including special purpose units formed, owned and/or controlled through joint venture companies or agreements, either by mortgage, pledge, suretyship or other forms of security on its properties, real or personal of whatever form and description, without engaging in the business of suretyship or insurance be, as it is hereby APPROVED, RATIFIED and CONFIRMED;

RESOLVED FURTHER, that the corresponding amendment in the Articles of Incorporation, specifically, by adding and inserting as Secondary Purpose No. 6, as to wit:

"SECOND: That the purposes for which said corporation is formed are as follows:

XXXX

SECONDARY PURPOSES:

6. *To purchase or otherwise acquire, sell, lease, convey, secure and guarantee the obligations of its subsidiaries and other owned entities including special purpose units formed, owned and/or controlled through joint venture companies*

or agreements, either by mortgage, pledge, suretyship or other forms of security on its properties, real or personal of whatever kind or description, without engaging in the business of suretyship or insurance; encumber and otherwise deal with any property or interest therein, or assessment, right or privilege over and in respect of any real or personal property as may be now or hereafter be permitted by law and as may be reasonably necessary to enable it to carry out the purposes for which the Corporation is organized."

- and the re-numbering of the existing catch-all secondary purpose No. 6 to No. 7, thus:

> *"7. To conduct and transact any and all lawful activities, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation."*

- be, as it is hereby APPROVED, RATIFIED and CONFIRMED;

RESOLVED, FINALLY, as it is hereby finally resolved, that any of the following corporate officers, namely, the President, the Treasurer or the Corporate Secretary, be, as they are hereby directed to obtain the requisite approvals of, in so far as necessary, and file the corresponding reports and compliances to and before, the proper regulatory agencies and bodies."

CERTIFIED CORRECT:

DEXTER Y. TIU
Director

JOHNSON A. SANHI, JR.
Director

ERIC PETER Y. ROXAS
Director

Certified by:

DEXTER Y. TIU
Chairman

ERIC PETER Y. ROXAS
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 25 FEB 2025 day of February 2025, affiants exhibiting to me competent proofs of identity, to wit:

NAME	COMPETENT EVIDENCE OF IDENTITY
Dexter Y. Tiu	[redacted]
Eric Peter Y. Roxas	
Johnson A. Sanhi, Jr.	

Doc. No. : 29 ;
Page No. : 07 ;
Book No. : XII ;
Series of 2025.

ATTY. RENE MA. M. VILLA
Notary Public of Makati City
Appointment No M-111
(Rev) (2025 2026)
Until December 31, 2026
PTR No.10467471, 01-03-2025; Makati City
IBP Lifetime No 013595, 12-27 2013; I.C
Roll No 37226
MCLE Compliance No VIII-0012754, 08-27-2024
Ground Floor, Makati Terraces Condominium
3650 Davila St., Tejeros, Makati City

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S. S.

SECRETARY'S CERTIFICATE

I, ERIC PETER Y. ROXAS, Filipino, of legal age, and with office address at the 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, Metro Manila, after having been duly sworn to in accordance with law, hereby depose and state, that:

1. I am the Corporate Secretary of PURE WATER CORPORATION ("the Corporation" for brevity), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal office address at the 3rd Floor, JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, Philippines;

2. To the best of my knowledge, from the date of approval of the amendment by the Board of Directors and Stockholders in a meeting held on 19 February 2025 up to the date of filing of the application for amendment of Articles of Incorporation, no action or proceeding has been filed or is pending before any Court involving an intra-corporate dispute and/or any claim by any person or group against the Board of Directors and/or major corporate officers of the Corporation as its duly elected and/or appointed directors or officers or vice versa.

Issued this _____ day of _____ 2025 at the City of Makati, Metro Manila.

ERIC PETER Y. ROXAS
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME, this 08 APR 2025 day of _____ 2025 at Makati, Metro Manila, Philippines, declarant being identified as follows:

Name	Evidence of Identity	Issued At/On
Eric Peter Y. Roxas	[redacted]	

and after having found the signature therein to be authentic and by virtue of said signature do hereby attest that he avows under penalty of law that the contents of the foregoing are true and correct.

ATTY. RENE MA. M. VILLA
Notary Public of Makati City
Appointment No M-110
(Ren) (2025 2026)
Until December 31, 2026
PTR No 10467471, 01-03-2025, Makati City
IBP Lifetime No 013595, 12 27 2013, PC
Roll No 37226
MCLE Compliance No VIII-0012754, 08-27-2024
Ground Floor, Makati Terrace Condominium
3650 Davila St., Tejeros, Makati City

Doc. No. 74;
Page No. 16;
Book No. XVII;
Series of 2025.

AMENDED
ARTICLES OF INCORPORATION
OF
PURE WATER CORPORATION

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned incorporators, all Filipinos, of legal age and all of whom are residents of the Republic of the Philippines, have this day voluntarily associated together for the purpose of forming a corporation under the laws of the Philippines.

AND WE CERTIFY THAT-

FIRST: The name of the Corporation shall be

PURE WATER CORPORATION

SECOND: That the purposes for which said corporation is formed are as follows:

PRIMARY PURPOSE

To carry on the general business of operating, managing, maintaining and rehabilitating waterworks, sewerage, and sanitation systems and services, specifically, for the distribution, supply and sale of potable water; the provision of sewerage and sanitation systems; the maintenance, development, repair and upgrading of water and wastewater facilities including water supply, treatment, distribution of water, sewerage and sanitation, metering and leakage control, customer service and billing; the construction, maintenance and operation of all necessary and convenient buildings, structures, dams, reservoirs, conduits, aqueducts, tunnels, purification plants, water mains, pipes, pumping stations, machineries, sanitary sewerages and other waterworks and the acquisition, lease, occupation or use of land rights of way and easement therein; the provision of allied and ancillary services; and undertaking such other activities incidental to the foregoing.

SECONDARY PURPOSES

1. To purchase, acquire, own, build, construct, lease (except financial leasing), mortgage, sell and convey real properties such as lands, buildings, factories and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business; and to pay in cash, shares of its capital stock,

debentures and other indebtedness, or other securities as may be deemed expedient, for any business or property acquired by the Corporation;

2. To borrow or raise money from not more than nineteen lenders including its stockholders necessary to meet the financial requirements of its business by the issuance of bonds, promissory notes and other evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the corporation or to issue pursuant to law shares of its capital stock, debentures and other evidences of indebtedness in payment for properties acquired by the Corporation of for money borrowed in the prosecution of its lawful business;

3. To invest and deal with the money and properties of the Corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell, dispose of or transfer the business, properties and goodwill of the Corporation or any part thereof for such consideration and under such terms as it shall see fit to accept;

4. To acquire or obtain from any government or authority, national, provincial, municipal or otherwise, or any corporation, company or partnership or person, such charter, contracts, franchise, privileges, exemption, licenses and concessions as may be conducive to any of the objects of the Corporation;

5. To establish and operate one or more branch offices or agencies and to carry on any or all of its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge and convey or otherwise deal in and with real or personal property anywhere within the Philippines;

6. **To purchase or otherwise acquire, sell, lease, convey, secure and guarantee the obligations of its subsidiaries and other owned entities including special purpose units formed, owned and/or controlled through joint venture companies or agreements, either by mortgage, pledge, suretyship or other forms of security on its properties, real or personal of whatever kind of description, without engaging in the business of suretyship or insurance;** encumber and otherwise deal with any property or interest therein, or assessment, right or privilege over and in respect of any real or personal property as may be now or hereafter be permitted by law and as may be reasonably necessary to enable it to carry out the purposes for which the Corporation is organized. (As amended by the stockholders representing 2/3 of the authorized capital stock and the majority of the members of the Board of Directors and Stockholders during the Joint Special Meeting held on 19 February 2025 at the principal office address.)

7. To conduct and transact any and all lawful activities, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation.

THIRD: That the place where the principal office of the corporation is to be established is at 3rd Floor JTKC Centre, 2155 Don Chino Roces Ave. Makati City, Philippines without prejudice to the opening or maintenance of branches or correspondent or representative offices in or outside the Republic of Philippines as the exigencies of the business or operations of the Corporation may require from to time.

FOURTH: That the term of for which the corporation is to exist is FIFTY (50) years from and after the date of issuance of the Certificate of Incorporation, renewable for such terms as may be permitted under the laws of the Republic of the Philippines.

FIFTH: The names, nationalities, and addresses of the incorporators of the Corporation are as follows:

NAMES	NATIONALITY	ADDRESSES
DEXTER Y. TIU	Filipino	[redacted]
JOHNSON A. SANHI JR.	Filipino	
GERTIM G. CHUAHIONG	Filipino	
JAIME T. ANG	Filipino	
ERIC Y. ROXAS	Filipino	

SIXTH: That the number of directors of the corporation shall be five (5) who and the names, nationalities, and addresses of the first directors of the Corporation who are to serve as such until their successors are duly elected and qualified as provided in its By-Laws are as follows:

NAMES	NATIONALITY	ADDRESSES
DEXTER Y. TIU	Filipino	[redacted]
JOHNSON A. SANHI JR.	Filipino	
GERTIM G. CHUAHIONG	Filipino	
JAIME T. ANG	Filipino	
ERIC V. ROXAS	Filipino	

SEVENTH: That the authorized capital stock of the corporation is ONE HUNDRED MILLION (P 100,000,000.00) Pesos in lawful money of the Philippines, divided into ONE HUNDRED MILLION (100,000,000) shares with a par value of One (P1.00) Peso per share. (As amended by the stockholders representing 100% of the authorized capital stock and the majority of the members of the Board of Directors during the Joint Special Meeting held on 15 May 2023 at the principal office address.)

EIGHTH: That at least twenty five percent (25%) of the authorized capital stock above stated have been subscribed as follows:

NAME	NATIONALITY	No. of Subscribed		Amount Subscribed
PURE ENERGY HOLDINGS CORPORATION	Filipino	12,499,995	P	12,499,995.00
DEXTER Y. TIU	Filipino	1		1.00
JOHNSON A. SANHI JR.	Filipino	1		1.00
JAIME T. ANG	Filipino	1		1.00
GERTIM G. CHUAHIONG	Filipino	1		1.00
ERIC Y. ROXAS	Filipino	1		1.00
TOTAL		**12,500,000**	**P**	**12,500,000.00**

NINTH : That least twenty five percent (25%) of the total subscription has been paid as follows;

NAME	NATIONALITY	Subscribed/ Paid in		Amount Paid Up
PURE ENERGY HOLDINGS CORPORATION	Filipino	3,124,995	P	3,124,995.00
DEXTER Y. TIU	Filipino	1		1.00
JOHNSON A. SANHI JR.	Filipino	1		1.00
JAIME T. ANG	Filipino	1		1.00
GERTIM G. CHUAHIONG	Filipino	1		1.00
ERIC Y. ROXAS	Filipino	1		1.00
TOTAL		**3,125,000**	**P**	**3,125,000.00**

TENTH: That **DEXTER Y. TIU** has been elected by the subscribers as treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the by-laws; and that as such Treasurer-in-Trust, he has been authorized to receive for and in the name and do the benefit of the corporation, all subscriptions paid in by the subscribers;

ELEVENTH: No transfer of stock or interest which would reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the corporation and this restriction shall be indicated in all the stock certificates issued by the corporation;

TWELVETH: That the corporation manifests its willingness to change its corporate name in the event another person, firm or entity has acquired prior right to use the firm name or one deceptively or confusingly similar to it.

IN WITNESS WHEREOF, we have set our hands this 8th day of Oct 2013 at Makati City, Philippines.

(SGD) **JAIME T. ANG**
[redacted]

(SGD) **JOHNSON A. SANHI JR.**
[redacted]

(SGD) **DEXTER Y. TIU**
[redacted]

(SGD) **GERTIM G. CHUAHIONG**
[redacted]

(SGD) **ERIC Y. ROXAS**
(TIN: 106-207-301)

SIGNED IN THE PRESENCE OF:

_____ _____

Republic of the Philippines)
_____) S.S.

Before Me, a Notary Public in and for Makati City, Philippines, this 8th day of October 2013 personally appeared:

NAMES	CTC#/PASSPORTS	DATE & PLACE ISSUED
JAIME T. ANG DEXTER Y. TIU JOHNSON A. SANHI JR. GERTIM G. CHUAHIONG ERIC Y. ROXAS	[redacted]	[redacted]

Personally known to me to be the same persons who executed the foregoing instrument as identified through their competent evidence of identity as defined by the Rules of Notarial Practice and they acknowledged to me that the same is their free and voluntary act and deed.

This instrument refers to an Articles of Incorporation of PURE WATER CORPORATION which consists of seven (6) pages including the page whereon the acknowledgement is written and which is signed by the parties and their instrumental witnesses on each and every page thereof.

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

Doc. No. 459;
Page No. 93;
Book No. XVIII;
Series of 2013.

(SGD) ATTY. JOSHUA P. LAPUZ
NOTARY PUBLIC FOR MAKATI CITY
APPOINTMENT NO. M-564
UNTIL DECEMBER 31, 2013
ROLL NO. 45790/IBP LIFETIME NO.04897
PTR NO. 1418712/01-07/20213/MANILA
101 URBAN AVENUE, PIO DEL PILAR, MAKATI CITY

ONCOLL PAYMENT SLIP

ONCOLL PAYMENT SLIP

LANDBANK

This is your receipt when machine validated.

Please check the appropriate mode of payment.

☐ CASH ☐ CHECK ☐ DEBIT FROM ACCOUNT

DATE 4/4/25

MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER

3 7 5 2 2 2 2 0 4 4

MERCHANT / AGENCY NAME

Securities and Exchange Commission

Reference Number 1

20250331-1247C828

Printed Name and Signature of Payor / Depositor / Representative

Maria Irene G. Chan

Reference Number 2

Pure Water Corporation

Validation 04APR2025 13:10:05 000134 2KLI Reg Pymt Coll

BRANCH NAME 0178

INSTITUTION NAME Securities and Exchange Comis

CLRNG ACCT NO 3752222044

PAYMENT ASSESSMENT FORM 20250319247C828

NAME OF PAYOR PURE WATER C

AMOUNT PHP 9,500.00

40.00

Reference Number 3 (Numeric)

Amount 9,500

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
SECURITIES AND EXCHANGE COMMISSION
COMPANY REGISTRATION AND MONITORING DEPARTMENT
COMPLIANCE MONITORING DIVISION

BAGONG PILIPINAS

MONITORING SHEET

FINAL

Type of Corporation: **STOCK CORPORATION**

CORPORATE PROFILE

Corporate Name	PURE WATER CORPORATION		
SEC Reg. No.	CS201320614	Date Registered	OCTOBER 23, 2013
Term of Existence	50 YEARS	Fiscal Year	DECEMBER 31
No. of Directors	5	Annual Meeting	JUNE 30
Authorized Cap. Stock	₱ 100,000,000.00	Paid-Up Capital Stock	₱ 3,125,000.00
Principal Address	3RD FLOOR JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY		

FINDINGS IN LATEST GIS DUE			FINDINGS IN LATEST FS DUE
Actual Meeting Date	OCTOBER 31, 2024	Fiscal Year Ended	DECEMBER 31, 2023
No. of Directors/Trust	5	Authorized Cap. Stock	₱ 100,000,000.00
Auth. Cap. Stock	₱ 100,000,000.00	Paid-Up Capital Stock	₱ 50,000,000.00
Foreign Equity		APIC (if any)	₱ 11,300,000.00
		Deficit	₱ 920,802.00

OTHER FINDINGS

Compliance with SEC Memorandum Cir. No. 28, s.2020	Date Filed	01/13/2021	Findings	OT	₱ -
Stock and Transfer Book / Membership Book	Date Filed	10/25/2013	Findings	MONITORED	₱ -

TOTAL FINES ASSESSED FOR OTHER FINDINGS	₱ -
TOTAL FINES ASSESSED FOR GIS	₱ -
TOTAL FINES ASSESSED FOR FS	₱ 9,500.00
TOTAL FINES AND PENALTIES ASSESSED	₱ 9,500.00

NOTE: This assessment does not constitute as waiver of any fine or penalty for deficiencies in reportorial requirements due from, or may hereafter be assessed against, the corporation nor does it preclude the institution of any action against the corporation for violation of any of the provisions of the Revised Corporation Code of the Philippines, the Securities Regulation Code, and its implementing rules and regulations, and other pertinent laws, rules and regulations implemented by the Commission. In case the corporation is subject of a complaint or investigation by the Commission or any party, the computation of penalty may be years, earlier than the five (5) years and imposition of fine shall be made if warranted.

This Monitoring Sheet is good for updating until the first working day of January of the following year. Further SEC is not estopped from assessing the corporation additional penalties, fees and charges should it turn out that the previous assessment is erroneous.

Assessed By:	IPMANALAC
Date:	MARCH 19, 2025
Reviewed By:	
Date:	
OR No.:	
Date of Payment:	

Confirmation of Payment of Fines and Penalties:

BLESILDA E. ARCEO
OFFICER IN CHARGE, CMD-CRMD

MS_DC(2024V)

Securities and Exchange Commission
PHILIPPINES

ANNEX "D" - ANNOTATION

ARTICLES OF INCORPORATION

ORGANIZATIONAL DETAIL TRN-R042025-SECGWB9ZCS927

Corporate Name	PURE WATER CORPORATION
Date of Approval by the Commission	
Approved by majority of the Directors	19 February 2025
Approved by the stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock	19 February 2025
Subject of Amendment	Secondary Purpose

TO 6. To purchase or otherwise acquire, sell, lease, convey, secure and guarantee the obligations of its subsidiaries and other owned entities including special purpose units formed, owned and/or controlled through joint venture companies or agreements, either by mortgage, pledge, suretyship or other forms of security on its properties, real or personal of whatever kind of description, without engaging in the business of suretyship or insurance; encumber and otherwise deal with any property or interest therein, or assessment, right or privilege over and in respect of any real or personal property as may be now or hereafter be permitted by law and as may be reasonably necessary to enable it to carry out the purposes for which the Corporation is organized.

FROM 6. To conduct and transact any and all lawful activities, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation.

Machine Validation:

VALID UNTIL: JULY 14, 2025

Republic of the Philippines

DEPARTMENT OF FINANCE
SECURITIES AND EXCHANGE COMMISSION
The SEC Headquarters
7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City, 1209

PAYMENT ASSESSMENT FORM

No. 20250530-12842601

DATE	RESPONSIBILITY CENTER
05/30/2025	CRMD

PAYOR: PURE WATER CORPORATION
3RD FLR JTKC CTR 2155 DON CHINO ROCES CITY OF MAKATI NCR

	NATURE OF COLLECTION	QUANTITY	ACCOUNT CODE	AMOUNT
	Amended Articles of Incorporation	1	4020102000 (606)	1,000.00
	Legal Research Fee (A0823)	1	2020105000 (131)	10.00
	Documentary Stamp Tax	1	4010401000 (4010401)	30.00
	---NOTHING FOLLOWS---			
TOTAL AMOUNT TO BE PAID				**Php 1,040.00**

Assessed by: eamend	**Amount in words:** ONE THOUSAND FORTY PESOS AND 00/100
Remarks:	

PAYMENT OPTIONS

1. Online payment thru eSPAYSEC at
   - https://espaysec.sec.gov.ph
2. Over the Counter Payments at any LandBank branch nationwide **from 8:30 am up to 3:00 pm only**

BREAKDOWN SUMMARY

FUND ACCOUNT	AMOUNT	ACCOUNT #
SEC RCC Current Account	1,000.00	3752-2220-44
SEC BIR - DST	30.00	3752-2220-60
SEC BTR Account - LRF	10.00	3402-2319-20
TOTAL	**Php 1,040.00**	

NOTES:

A. The Payment Assessment Form (PAF) is valid until JULY 14, 2025.

B. Accepted modes of payment at Landbank branches:
   1. Cash 2. Manager's/Cashier's Check payable to the Securities and Exchange Commission

C. For check payment, please prepare separate Manager's checks per fund account as indicated on the breakdown summary.

D. For over the counter payment at LandBank:
1. **Print 2 copies of PAF, 1 Client Copy, 1 LandBank copy**
2. **Accomplish the onColl Payment slip per fund account as indicated on the breakdown summary.**
   Use the correct Fund Account and Account No. and provide the below information:
   - **Reference Number 1 - PAF No.**
   - **Reference Number 2 - Name of Payor appearing on the PAF**
3. **Present OnColl Payment Slip, together with the PAF, to the LandBank Teller**

E. You may generate the electronic official receipt (eOR) by visiting https://espaysec.sec.gov.ph/eor
   - Payment thru ESPAYSEC – eOR available upon payment
   - LandBank OTC - eOR available within two (2) business days after the payment

F. ANY ALTERATIONS WILL INVALIDATE THIS FORM

VALID UNTIL: JULY 14, 2025

purewater corporation

June 03, 2025

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

Dear Sir/Madam:

This is to transmit the following for Pure Water Corporation Amendment:

1. Amended Articles of Incorporation
2. Secretary's Certificate (2 Original and 1 photocopy)
3. Director 's Certificate (2 Original and 1 photocopy)
4. Electronic Receipt Payment for PAF No.20250530-12842601
5. Photocopy of Payment for Monitoring Clearance

Prepared by:

Wilson Villa

Received by:

_____

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: ARIEL FETALVO
Receipt Date and Time: August 14, 2025 01:35:36 PM

Company Information

SEC Registration No.: CS201320614
Company Name: PURE WATER CORPORATION
Industry Classification: E41000
Company Type: Stock Corporation

Document Information

Document ID: OST10814202583658156
Document Type: GENERAL_INFORMATION_SHEET
Document Code: GIS
Period Covered: July 31, 2025
Submission Type: Annual Meeting
Remarks: None

Acceptance of this document is subject to review of forms and contents

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2025

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: PURE WATER CORPORATION	**DATE REGISTERED:** 10/23/2013
BUSINESS/TRADE NAME: PURE WATER CORPORATION	**FISCAL YEAR END:** December 31
SEC REGISTRATION NUMBER: CS201320614	
DATE OF ANNUAL MEETING PER BY-LAWS: June 30	**CORPORATE TAX IDENTIFICATION NUMBER (TIN):** 008-645-943-000
ACTUAL DATE OF ANNUAL MEETING: July 31, 2025	**WEBSITE/URL ADDRESS:** N/A
COMPLETE PRINCIPAL OFFICE ADDRESS: 3F JTKC CENTRE 2155 CHINO ROCES AVE., PIO DEL PILAR, MAKATI CITY	**E-MAIL ADDRESS:**
COMPLETE BUSINESS ADDRESS: 3F JTKC CENTRE 2155 CHINO ROCES AVE., PIO DEL PILAR, MAKATI CITY	**FAX NUMBER:** 810-3536

OFFICIAL E-MAIL ADDRESS	ALTERNATE E-MAIL ADDRESS	OFFICIAL MOBILE NUMBER	ALTERNATE MOBILE NUMBER
rosanna.desiderio@pureenergy.com.ph	rolando.domingo@pureenergy.com.ph	09178301613	N/A

NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER:	SEC ACCREDITATION NUMBER (if applicable):	TELEPHONE NUMBER(S):
REYES TACANDONG & COMPANY | ARTHUR VINSON U. ONG	120745-SEC GROUP A	8813-8892

PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN:	INDUSTRY CLASSIFICATION:	GEOGRAPHICAL CODE:
DISTRIBUTION OF WATER	ELECTRICITY, GAS AND WATER INDUSTRY	

========== INTERCOMPANY AFFILIATIONS ==========

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
PURE ENERGY HOLDINGS CORPORATION	CS201309453	3F JTKC CENTRE 2155 CHINO ROCES AVE., PIO DEL PILAR, MAKATI CITY
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
TUBIG PILIPINAS GROUP, INC.	CS201421025	3F JTKC CENTRE 2155 CHINO ROCES AVE., PIO DEL PILAR, MAKATI CITY

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

Corporate Name: PURE WATER CORPORATION

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) ○ Yes ◉ No

Please check the appropriate box:

1.

- ☐ a. Banks
- ☐ b. Offshore Banking Units
- ☐ c. Quasi-Banks
- ☐ d. Trust Entities
- ☐ e. Non-Stock Savings and Loan Associations
- ☐ f. Pawnshops
- ☐ g. Foreign Exchage Dealers
- ☐ h. Money Changers
- ☐ i. Remittance Agents
- ☐ j. Electronic Money Issuers
- ☐ k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

- ☐ a. Insurance Companies
- ☐ b. Insurance Agents
- ☐ c. Insurance Brokers
- ☐ d. Professional Reinsurers
- ☐ e. Reinsurance Brokers
- ☐ f. Holding Companies
- ☐ g. Holding Company Systems
- ☐ h. Pre-need Companies
- ☐ i. Mutual Benefit Association
- ☐ j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

- ☐ a. Securities Dealers
- ☐ b. Securities Brokers
- ☐ c. Securities Salesman
- ☐ d. Investment Houses
- ☐ e. Investment Agents and Consultants
- ☐ f. Trading Advisors
- ☐ g. Other entities managing Securities or rendering similar services
- ☐ h. Mutual Funds or Open-end Investment Companies
- ☐ i. Close-end Investment Companies
- ☐ j. Common Trust Funds or Issuers and other similar entities
- ☐ k. Transfer Companies and other similar entities
- ☐ l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
- ☐ m. Entities administering of otherwise dealing in valuable objects
- ☐ n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. ☐ Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. ☐ Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

- ☐ a. acting as a formation agent of juridical persons
- ☐ b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
- ☐ c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
- ☐ d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

- ☐ a. managing of client money, securities or other assets
- ☐ b. management of bank, savings or securities accounts
- ☐ c. organization of contributions for the creation, operation or management of companies
- ☐ d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. ☑ None of the above

Describe nature of business:

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? ○ Yes ◉ No

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME: PURE WATER CORPORATION

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	100,000,000	1.00	100,000,000.00
	TOTAL	**100,000,000**	**TOTAL P**	**100,000,000.00**

SUBSCRIBED CAPITAL

F I L I P I N O	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	6	COMMON	62,500,000		1.00	62,500,000.00	100%
		TOTAL	**62,500,000**	**TOTAL**	**TOTAL P**	**62,500,000.00**	**100%**

F O R E I G N (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
Percentage of Foreign Equity :		**TOTAL**		**TOTAL**	**TOTAL P**		
					TOTAL SUBSCRIBED P	**98,050,000.00**	**100%**

PAID-UP CAPITAL

F I L I P I N O	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	6	COMMON	62,500,000	1.00	62,500,000.00	100%
		TOTAL	**62,500,000**	**TOTAL P**	**62,500,000.00**	**100%**

F O R E I G N (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
0.00 %		**TOTAL**		**TOTAL P**		
				TOTAL PAID-UP P	**62,500,000.00**	**100%**
				ADDITIONAL PAID-UP CAPITAL P	143,750,000.00	
				TOTAL AMOUNT OF CAPITAL P	206,250,000.00	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	**PURE WATER CORPORATION**

D I R E C T O R S / O F F I C E R S

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. DEXTER Y. TIU [redacted]	FILIPINO	Y	C	M	Y	N/A	N/A	[redacted]
2. GERTIM G. CHUAHIONG [redacted]	FILIPINO	Y	M	M	Y	TREASURER	N/A	[redacted]
3. ERIC PETER Y. ROXAS [redacted]	FILIPINO	Y	M	M	Y	CORP. SEC	N/A	[redacted]
4. JOHNSON A. SANHI, JR. [redacted]	FILIPINO	Y	M	M	Y	PRESIDENT	N/A	[redacted]
5. MARK C. CAÑETE [redacted]	FILIPINO	N	M	M	Y	N/A	N/A	[redacted]
6. ROLANDO P. DOMINGO [redacted]	FILIPINO	N		M	N	CFO	N/A	1[redacted]
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: PURE WATER CORPORATION

TOTAL NUMBER OF STOCKHOLDERS: 6 **NO. OF STOCKHOLDERS WITH 100 OR MORE SHARE** 2

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: **Php 211,032,353.00**

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
1 PURE ENERGY HOLDINGS CORPORATION CORPORATION FILIPINO 3F JTKC CENTRE 2155 CHINO ROCES AVE., MAKATI CITY	COMMON	56,249,995	56,249,995.00	90.00%	56,249,995.00	[redacted]
	TOTAL	**56,249,995**	**56,249,995.00**			
2. HOWARD CONRAD T. SY FILIPINO [redacted]	COMMON	6,250,000	6,250,000.00	10.00%	6,250,000.00	[redacted]
	TOTAL	**6,250,000**	**6,250,000.00**			
3. DEXTER Y. TIU FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
4. GERTIM G. CHUAHIONG FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
5. ERIC PETER Y. ROXAS FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
6. JOHNSON A. SANHI, JR. FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
7. MARK C. CAÑETE FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL				**100.00%**	**62,500,000.00**	
TOTAL AMOUNT OF PAID-UP CAPITAL						
ADDITIONAL PAID UP CAPITAL					**143,750,000.00**	
TOTAL AMOUNT OF CAPITAL					**206,250,000.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	PURE WATER CORPORATION		
TOTAL NUMBER OF STOCKHOLDERS:	**6**	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	**2**
TOTAL ASSETS BASED ON LATEST AUDITED FS:	**Php 211,032,353.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFCATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8.						
	TOTAL					
9.						
	TOTAL					
10.						
	TOTAL					
11.						
	TOTAL					
12.						
	TOTAL					
13.						
	TOTAL					
14.						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			**0.00**	**0.00%**	**0.00**	
				TOTAL AMOUNT OF PAID-UP CAPITAL		

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET
STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	PURE WATER CORPORATION		
TOTAL NUMBER OF STOCKHOLDERS:	**6**	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	2
TOTAL ASSETS BASED ON LATEST AUDITED FS:	**Php 460,918,082.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	**SHARES SUBSCRIBED**				**AMOUNT PAID (PhP)**	**TAX IDENTIFICATION NUMBER**
	TYPE	**NUMBER**	**AMOUNT (PhP)**	**% OF OWNER-SHIP**		
15.						
	TOTAL					
16.						
	TOTAL					
17.						
	TOTAL					
18.						
	TOTAL					
19.						
	TOTAL					
20.						
	TOTAL					
21. **OTHERS (Indicate the number of the remaining stockholders)**						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL				0.00%	**0.00**	
TOTAL AMOUNT OF PAID-UP CAPITAL						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: **PURE WATER CORPORATION**

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS		
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)		
1.3 LOANS/ CREDITS/ ADVANCES		
1.4 GOVERNMENT TREASURY BILLS		
1.5 OTHERS		

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION

3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH		
5.2 STOCK		
5.3 PROPERTY		
TOTAL	P	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:

DATE	NO. OF SHARES	AMOUNT

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	B S P	I C
TYPE OF LICENSE/REGN.			
DATE ISSUED:			
DATE STARTED OPERATIONS:			

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, ERIC PETER Y. ROXAS, Corporate Secretary of PURE WATER CORPORATION declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this 14 AUG 2025 day of _____, 20 ____ in MAKATI CITY.

ERIC PETER Y. ROXAS
(Signature over printed name)

SUBSCRIBED AND SWORN TO before me in MAKATI CITY on 14 AUG 2025 by affiant who personally appeared before me and exhibited to me his/her competent evidence of identity consisting of _____ issued at _____ on _____.

ATTY. RENE MA. M. VILLA
Notary Public of Makati City
Appointment No. M-110
(Rene) (2025 - 2026)
NOTARY PUBLIC
Until December 31, 2026
PTR No 10467471, 01-03-2025; Makati City
IBP Lifetime No 013595, 12 27 2013, I.C
Roll No 37226
MCLE Compliance No VIII-0012754, 08-27-2024
Ground Floor, Makati Terraces Condominium
3650 Davila St., Tejeros, Makati City

DOC. NO. 189
PAGE NO. 99
BOOK NO. XXXII
SERIES OF 2025

BENEFICIAL OWNERSHIP DECLARATION
FOR THE YEAR: 2025

SEC REGISTRATION NUMBER: CS201320614
CORPORATE NAME: PURE WATER CORPORATION

Instructions:

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category	Description
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
E	Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
F	Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
G	Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
H	Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
I	Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III)	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP[1] / % OF VOTING RIGHTS[2]	TYPE OF BENEFICIAL OWNER[3] Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
PURE ENERGY HOLDINGS CORPORATION	3F JTKC Centre, 2155 Chino Roces Ave., Makati City	Filipino		008-534-733	90%	D	

Note: This page is not for uploading on the SEC iView.

[1] For Stock Corporations.
[2] For Non-Stock Corporations.
[3] For Stock Corporations.

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: November 03, 2025 01:43:32 PM

Company Information

SEC Registration No.: CS201320614
Company Name: PURE WATER CORPORATION
Industry Classification: E41000
Company Type: Stock Corporation

Document Information

Document ID: OST11103202583806345
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	3	2	0	6	1	4

COMPANY NAME

PURE WATER CORPORATION

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

3F JTKC Centre, 2155 Chino Roces Avenue, Makati City, Philippines

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
[redacted]	(02) 8-813-8892	[redacted]

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
7	June 30	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
Rolando P. Domingo	[redacted]	(02) 8-813-8892	[redacted]

CONTACT PERSON'S ADDRESS

3F JTKC Centre, 2155 Chino Roces Avenue, Makati City, 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 shall not excuse the corporation from liability for its deficiencies.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 14, 2024, valid until June 6, 2026
SEC Registration No. PP2010007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Pure Water Corporation
3F JTKC Centre, 2155 Chino Roces Avenue
Makati City, Philippines

Opinion

We have audited the financial statements of Pure Water Corporation (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Finoncial Stotements* section of our report. We are independent of the Company 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 the audit of the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, 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 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.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 PSA 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner
[redacted]

October 7, 2025
Makati City, Metro Manila

PURE WATER CORPORATION
STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2024	2023
ASSETS			
Current Assets			
Cash in bank	4	**₱94,472**	₱43,749
Due from related parties	6	**90,S13,627**	160,187,883
Total Current Assets		**90,608,099**	160,231,632
Noncurrent Assets			
Investment in an associate	5	**120,424,254**	–
Investment in a subsidiary	5	**–**	50,749,998
Total Noncurrent Assets		**120,424,254**	50,749,998
		₱211,032,353	₱210,981,630
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses		**₱236,132**	₱236,132
Due to related parties	6	**916,300**	366,300
Total Current Liabilities		**1,152,432**	602,432
Equity			
Capital stock	7	**62,500,000**	50,000,000
Additional paid-in capital		**148,800,000**	11,300,000
Deposits for future stock subscription	6	**–**	150,000,000
Deficit		**(1,420,079)**	(920,802)
Total Equity		**209,879,921**	210,379,198
		₱211,032,353	₱210,981,630

See accompanying Notes to Financial Statements.

PURE WATER CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31 2024	2023
OPERATING EXPENSES			
Taxes and licenses		**₱450,248**	₱24,528
Professional fee		**48,787**	71,560
Others		**500**	3,987
		499,535	100,075
INTEREST INCOME	4	**258**	825
LOSS BEFORE INCOME TAX		**499,277**	99,250
PROVISION FOR INCOME TAX	8	**–**	–
NET LOSS		**499,277**	99,250
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE LOSS		**₱499,277**	₱99,250

See accompanying Notes to Financial Statements.

PURE WATER CORPORATION

STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31 2024	2023
CAPITAL STOCK - ₱1 par value			
Balance at beginning of year		**₱50,000,000**	₱50,000,000
Issuances	6	**12,500,000**	–
Balance at end of year		**62,500,000**	50,000,000
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of year		**11,300,000**	11,300,000
Additions	6	**137,500,000**	–
Balance at end of year		**148,800,000**	11,300,000
DEPOSIT FOR FUTURE STOCK SUBSCRIPTION	6		
Balance at beginning of year		**150,000,000**	–
Application to capital stock and additional paid-in capital		**(150,000,000)**	–
Additions		–	150,000,000
Balance at end of year		–	150,000,000
DEFICIT			
Balance at beginning of year		**(920,802)**	(821,552)
Net loss		**(499,277)**	(99,250)
Balance at end of year		**(1,420,079)**	(920,802)
		₱209,879,921	₱210,379,198

See accompanying Notes to Financial Statements.

PURE WATER CORPORATION
STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱499,277)**	(₱99,250)
Adjustment for interest income	4	**(258)**	(825)
Operating loss before working capital changes		**(499,535)**	(100,075)
Increase in accrued expenses		**–**	48,787
Net cash used for operations		**(499,535)**	(51,288)
Interest received		**258**	825
Net cash used in operating activities		**(499,277)**	(50,463)
CASH FLOWS FROM INVESTING ACTIVITIES			
Collection of due from related parties	5, 6	**10,203,040**	50,000
Additions to investments	5	**(10,203,040)**	–
Additions to due from related parties	6	**–**	(30,216,663)
Net cash used in investing activities		**–**	(30,166,663)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of due to related parties	6	**SS0,000**	–
Payments of due to related parties		**–**	(119,783,337)
Proceeds from deposit for future stock subscription	6	**–**	150,000,000
Net cash provided by financing activities		**5S0,000**	30,216,663
NET INCREASE (DECREASE) IN CASH IN BANK		**50,723**	(463)
CASH IN BANK AT BEGINNING OF YEAR		**43,749**	44,212
CASH IN BANK AT END OF YEAR	4	**₱94,472**	₱43,749
NONCASH FINANCIAL INFORMATION			
Reclassification of due from related parties to investment in subsidiary	6	**₱S9,471,216**	₱–
Reclassification of investment in subsidiary to investment in an associate	5	**120,424,254**	–

See accompanying Notes to Financial Statements.

PURE WATER CORPORATION

NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. Corporate Information

Pure Water Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 23, 2013. The Company was organized and primarily as a bulk water provider, distribution utility, and wastewater treatment service provider.

As at December 31, 2024, the Company is a 90.0%-owned subsidiary of Pure Energy Holdings Corporation (PEHC or Parent Company). PEHC is an investment holding company of entities engaged primarily in renewable energy generation and water system management and distribution. PEHC is a 76.0%-owned subsidiary of DYT Equities Corporation or the Ultimate Parent Company. All entities are incorporated in the Philippines.

The Company's principal office address is located at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, Philippines.

Approval of the Financial Statements

The accompanying financial statements of the Company as at and for the years ended December 31, 2024 and 2023 were approved and authorized for issue by the Board of Directors (BOD) on October 7, 2025.

2. Summary of Material Accounting Policy Information

The material accounting policies used in the preparation of the financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

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

The Company availed of the exemption from reporting under the Philippine Financial Reporting Standards for Small and Medium-sized entities because the Company is a subsidiary of PEHC who prepares its financial statements in accordance with PFRS Accounting Standards. The Parent Company prepares consolidated financial statements which can be obtained from SEC or from the registered address of the Parent Company which is located at 3rd Floor, JTKC Center, 2155 Pasong Tamo, Makati City.

Measurement Bases

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

The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

Further information about the assumptions made in measuring fair values is included in Note 9.

Adoption of Amendments to PFRS Accounting Standards

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

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

The adoption of the above amendments to PFRS Accounting Standards had an impact on the presentation but not on the measurement or recognition of loans payable in the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

Amended PFRS Accounting Standards in Issue but Not Yet Effective

Relevant amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024, are not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets

The Company's cash in bank and due from related parties are classified as financial assets at amortized cost. These financial assets are measured at amortized cost less allowance for expected credit losses (ECL), if any. Impairment is assessed based on potential liquidity of counterparties based on available financial information. Financial assets are derecognized when the right to receive cash flows from the asset has expired or the Company has transferred its right to receive cash flows from the financial asset.

Financial Liabilities

The Company's accrued expenses and due to related parties are classified as financial liabilities at amortized cost. The Company recognized financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Investment in an Associate

The Company's investment in an associate, an entity over which the Company has significant influence, is accounted for under the cost method of accounting in the financial statements. These are measured at cost less any impairment in value. The Company can exercise significant influence over an investee if it has the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control of those policies. Dividends received from an associate are recognized in the financial statements when the Company's right to receive the dividend is established. Distributions received in excess of accumulated profits of the associates are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment. The Company and its associates have the same reporting date and use similar accounting policies. If necessary, adjustments are made to align the associate's accounting policies with those of the Company.

Investments in Subsidiaries
The Company's investments in subsidiaries, entities over which the Company has control, are accounted for under the cost method of accounting in the financial statements which is measured at cost less any impairment in value. In assessing control, the Company considers if it is exposed, or has right, to variable returns from its investment with the subsidiary and if it has the ability to affect those returns. The Company recognizes income from the investment only to the extent that the Company receives distributions from accumulated profits of the subsidiaries arising after the date of acquisition.

Impairment of Nonfinancial Assets
The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Capital Stock and Additional Paid-In Capital
Capital stock is measured at par value for all shares issued. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Deposits for Future Stock Subscription
Deposits for future stock subscription refer to the payments made by stockholders of the Company on subscription to the increase in the authorized capital which cannot be directly credited to capital stock issued. Deposits for future stock subscription are recognized as equity if, and only if, all of the following elements set forth by the SEC are present as at reporting date:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD's approval on the proposed increase in authorized capital stock for which a deposit was received by the Company;
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as a liability.

Deficit
Deficit represents the cumulative balance of loss.

Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Income Tax

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefit of unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefit of unused NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related Party Transactions

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Company; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Company that give them significant influence over the Company and close members of the family of any such individual; and (d) members of the key management personnel of the Company.

In considering each possible related party relationship, attention is directly to the substance of the relationship and not merely on the legal form.

Provisions

Provisions are recognized when the Company 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.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

Events After the Reporting Date
Events after the reporting date that provide additional information about the Company's financial position at the end of reporting date (adjusting events) are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, accounting estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

Judgements
In the process of applying the Company's accounting policies, management has made certain judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Determination of Existence of Either Significant Influence or Control over on Investee Company. 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.

While the Company applies significant judgment in assessing whether it holds significant influence over an investee and considers the following:

a. representation on the boards of directors or equivalent governing body of the investee;

b. participation in policy-making processes, including participation in decisions about dividends or other distributions;

c. material transactions between the investor and the investee;

d. interchange of managerial personnel; or

e. provision of essential technical information.

The Company assessed that it has the ability to exercise significant influence, but not control, over its associate as at December 31, 2024 by virtue of the Company's 42.5% ownership interest in Tubig Pilipinas Group Inc. (TPGI). While as at December 31, 2023, management has determined that by virtue of its majority ownership of voting rights in TPGI, the Company has the ability to exercise control over its subsidiary.

Definition of Default and Credit-Impaired Financial Assets. The Company defines a financial instrument as in default, which is fully aligned with the definition of credit- impaired, when it meets one or more of the following criteria:

a. Quantitative Criteria - the borrower is more than 90 days past due on its contractual payments, which is consistent with the Company's definition of default.

b. Qualitative Criteria - The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is experiencing financial difficulty or is insolvent;
- The borrower is in breach of financial covenants;
- Concessions have been granted by the Company, for economic or contractual reasons relating to the borrower's financial difficulty; or
- It is probable that the borrower will enter bankruptcy or other financial reorganization.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to the determination of ECL.

Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimate at the reporting 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 below.

Estimation of Allowance for ECL on Financial Assets at Amortized Cost. The Company determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions;
- actual or expected significant adverse changes in the operating results of the borrower; and
- significant changes in credit spread, rates or terms such as more stringent covenants and increased amount of collateral or guarantees.

For cash in bank and due from related parties, the Company assessed that these financial assets have low credit risk because the counterparties are reputable bank and related parties which possess good credit standings. Thus, the impairment loss on these financial assets in 2024 and 2023 are not significant and not recognized.

The carrying amounts of financial assets at amortized cost as at December 31, 2024 and 2023 are disclosed in Notes 4 and 6.

Assessment for Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An assessment is made at each reporting 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.

The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- Significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

No impairment loss was recognized on investment in an associate and investment in a subsidiary in 2024 and 2023. The carrying amounts as at December 31, 2024 and 2023 are disclosed in Note 5.

Assessing the Realizability of Deferred Tax Assets. The Company reviews the carrying amounts of deferred tax asset at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Company's unrecognized deferred tax asset as at December 31, 2024 and 2023 is disclosed in Note 8.

4. Cash in Bank

Cash in bank amounted to ₱94,472 and ₱43,749 as at December 31, 2024 and 2023, respectively.

Cash in bank earns interest at prevailing bank deposit rates and are immediately available for use in the current operations. Interest income earned from cash in bank amounted to ₱258 and ₱825 in 2024 and 2023, respectively.

5. Investment in an Associate and Investment in a Subsidiary

As at December 31, 2023, the Company owns 24,999,998 shares of Tubig Pilipinas Group Inc. (TPGI) representing 50% ownership with a carrying amount of ₱50,749,998. TPGI is organized to engage in the operation, management, maintenance, and rehabilitation of waterworks, sewerage, and sanitation systems and services. TPGI is incorporated in the Philippines, with its registered office located at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City.

On June 20, 2024, TPGI's application of increase in authorized capital stock was approved, accordingly, the deposit for future investment amounting to ₱59,471,216 was reclassified as Investment in a Subsidiary (see Note 6). Moreover, in 2024, the Company invested for additional subscription of shares amounting to ₱10,203,040.

In 2024, the Company's ownership interest in TPGI was reduced to 42.50%, resulting in the loss of control over the investee. Accordingly, the investment amounting to ₱120,424,254 was reclassified from Investment in a Subsidiary to Investment in an Associate account. As at December 31, 2024, the Company owns 94,852,942 shares of TPGI.

The financial information of TPGI is as follows:

	2024
Current assets	₱695,730,252
Noncurrent assets	1,760,162,497
Current liabilities	1,117,645,243
Noncurrent liabilities	943,094,859
Equity	395,152,647
Revenue	262,155,464
Net loss	48,305,184
Total comprehensive loss	48,305,184

6. Related Party Transactions

The Company, in the normal course of business, has transactions with related parties as follows:

		Transactions During the Year		Balance at End of Year	
	Nature	**2024**	2023	**2024**	2023
Due from Related Parties					
Parent Company	Advances for working capital	**₱–**	₱30,216,663	**₱20,013,623**	₱30,216,663
Associate/Subsidiary -					
TPGI	Advances for working capital	**–**	–	**60,750,000**	60,750,000
	Deposit for future investment	**–**	–	**–**	59,471,216
Affiliate -					
Quadwater Corporation	Advances for working capital	**–**	–	**9,750,004**	9,750,004
				₱90,513,627	₱160,187,883
Due to Related Parties					
Stockholder	Advances for working capital	**₱–**	**₱–**	**₱200,000**	₱200,000
Entity under common control -					
Repower Energy Development Corporation	Advances for working capital	**550,000**	–	**716,300**	166,300
				₱916,300	₱366,300
Deposit for Future Stock Subscription					
Stockholders	Deposit for future stock subscription	**₱–**	₱150,000,000	**₱–**	₱150,000,000

Due from Related Parties

Due from related parties are noninterest-bearing, unsecured and are due and demandable in cash. No impairment loss was recognized in 2024 and 2023.

Deposit for future investment will be converted into shares upon the approval of the increase in authorized capital stock of TPGI. On June 20, 2024, TPGI's application was approved, accordingly, the deposit for future investment amounting to ₱59,471,216 was reclassified as Investment in a Subsidiary (see Note 5).

Due to Related Parties
Due to related parties are noninterest-bearing, unsecured and payable in cash upon demand.

The change in liabilities arising from financing activity represents receipt of advances for working capital amounting to ₱550,000 and nil in 2024 and 2023, respectively.

Deposits for Future Stock Subscription
On May 15, 2023, the Company's BOD and stockholders approved the increase in authorized capital stock from ₱50,000,000, divided into shares at 50,000,000 par value per share, to ₱100,000,000, divided into 100,000,000 shares at ₱1 par value per share. The Company received deposit for future stock subscription from an investor amounting to ₱150,000,000 for the subscription of common shares.

On November 15, 2023, the Company filed its application for the increase in authorized capital stock with the SEC. Accordingly, the Company classified the deposit for future stock subscription as part of "Equity" in the statements of financial position.

On January 15, 2024, the SEC approved the application to increase the Company's authorized capital stock. Accordingly, the Company issued ₱12,500,000 from the deposit for future stock subscription resulting to additional paid-in capital of ₱137,500,000.

Compensation of Key Management Personnel
No compensation was paid to key management personnel in 2024 and 2023. The accounting and administrative functions are undertaken by its Parent Company.

7. Equity

Capital Stock
Details of capital stock are as follows:

	2024		2023	
	Number of Shares	Amount	Number of Shares	Amount
Authorized Capital Stock - ₱1 par value				
Balance at beginning of year	**50,000,000**	**₱50,000,000**	50,000,000	₱50,000,000
Additions	**50,000,000**	**50,000,000**	–	–
Balance at end of year	**100,000,000**	**₱100,000,000**	50,000,000	₱50,000,000
Issued and Outstanding				
Balance at beginning of year	**50,000,000**	**₱50,000,000**	50,000,000	₱50,000,000
Additions	**12,500,000**	**12,500,000**	–	–
Balance at end of year	**62,500,000**	**₱62,500,000**	50,000,000	₱50,000,000

8. Income Taxes

The Company has no current provision for income tax in 2024 and 2023 due to its net taxable loss position.

Details of the Company's NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Year of Expiry
2024	₱–	₱499,535	₱–	₱499,535	2027
2023	100,075	–	–	100,075	2026
2022	48,768	–	–	48,768	2025
2021	53,835	–	–	53,835	2026
2020	70,600	–	–	70,600	2025
	₱273,278	₱499,535	₱–	₱772,813	

Under Revenue Regulation No. 25-2020 net operating loss incurred for taxable years 2020 and 2021 can be carried over for the next five (5) consecutive taxable years immediately following the year of such loss.

The Company did not recognize deferred tax asset on NOLCO amounting to ₱193,203 and ₱68,320 as at December 31, 2024 and 2023, respectively, because the management has assessed that there may not be sufficient future taxable income against which the deferred tax asset can be utilized.

The reconciliation of income tax benefit computed at statutory tax rate with the provision for income tax shown in the statements of comprehensive income follows:

	2024	2023
Income tax benefit at statutory tax rate	**(₱124,819)**	(₱24,813)
Change in unrecognized deferred tax on asset	**124,883**	25,019
Deduct tax effects of:		
Interest income subjected to final tax	**(64)**	(206)
	₱–	₱–

9. Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash in bank, due from related parties, accrued expenses and due to related parties. The primary purpose of these financial instruments is to finance the Company's operations. The main risks arising from the use of these financial instruments are credit risk and liquidity risk. BOD reviews and approves the policies for managing each of these risks which are summarized below.

Credit Risk. Credit risk arising from the inability of counterparty to meet the terms of the Company's financial instrument is generally limited to the amount, if any, by which the counterparty's obligations exceed the obligation of the Company. With respect to credit risk arising from the financial assets of the Company, which comprise cash in bank and due from related parties, the Company's exposure to credit risk arises from default of the counterparty, with the maximum exposure equal to the amount of these instruments.

The tables below show the credit quality per class of financial assets as at December 31, 2024 and 2023.

	2024						
			Past Due				
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total	Allowance for ECL
12-Month ECL:							
Cash in bank	₱94,472	₱–	₱–	₱–	₱–	₱94,472	₱–
Due from related parties	–	90,513,627	–	–	–	90,513,627	–
	₱94,472	₱90,513,627	₱–	₱–	₱–	₱90,608,099	₱–

	2023						
			Past Due				
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total	Allowance for ECL
12-Month ECL:							
Cash in bank	₱43,749	₱–	₱–	₱–	₱–	₱43,749	₱–
Due from related parties	–	160,187,883	–	–	–	160,187,883	–
	₱43,749	₱160,187,883	₱–	₱–	₱–	₱160,231,632	₱–

Cash in bank is classified as high grade since these are deposited in reputable bank having good credit rating and low probability of insolvency. The due from related parties are classified under high grade because the Company only transacts with reputable related parties with low credit risk.

Generally, financial assets at amortized cost are written-off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one (1) year.

Liquidity Risk. Liquidity risk is the risk that the Company may encounter difficulties in raising funds to meet commitments for financial instruments. Liquidity risk may result from counterparty's failure on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining contractual undiscounted cash flows as at December 31, 2024 and 2023:

	2024					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Accrued expenses	₱–	₱236,132	₱–	₱–	₱–	₱236,132
Due to related parties	916,300	–	–	–	–	916,300
	₱916,300	₱236,132	₱–	₱–	₱–	₱1,152,432

	2023					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Accrued expenses	₱–	₱236,132	₱–	₱–	₱–	₱236,132
Due to related parties	366,300	–	–	–	–	366,300
	₱366,300	₱236,132	₱–	₱–	₱–	₱602,432

The Company's objectives in managing its liquidity position are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations.

The Company considers its capital stock, additional paid-in capital and deficit as its capital employed. The Company maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term. No changes were made in the objectives, policies or processes in 2024 and 2023.

The Company considers its total equity amounting to ₱209,879,921 and ₱210,379,198 as at December 31, 2024 and 2023, respectively, as its capital.

Fair Value of Financial Assets and Liabilities

The carrying amounts of cash in bank, due from related parties, accrued expenses and due to related parties approximate their fair values due to their short-term maturities.

Fair Value Hierarchy Changes. There has been no transfer between levels of fair value hierarchy as at December 31, 2024 and 2023.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 14, 2024, valid until June 6, 2026
SEC Registration No. PP2010007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Pure Water Corporation
3F JTKC Centre, 2155 Chino Roces Avenue
Makati City, Philippines

We have audited the accompanying financial statements of Pure Water Corporation (the Company) as at and for the years ended December 31, 2024 and 2023, on which we have rendered our report dated October 7, 2025.

In compliance with Revised Securities Regulation Code Rule No. 68, we are stating that the Company has two (2) and one (1) stockholders owning one hundred (100) or more shares each as at December 31, 2024 and 2023, respectively.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner

[redacted]

October 7, 2025
Makati City, Metro Manila

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

purewater corporation

STATEMENT OF MANAGEMENT'S RESPONSIBIILITY FOR FINANCIAL STATEMENTS

The management of Pure Water Corporation (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, 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 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 financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

DEXTER Y. TIU
Chairman of the Board

JOHNSON A. SANHI JR
President

ROLANDO P. DOMINGO
Chief Financial Officer

Signed this ___ day of _____, 2025

Gmail Wilson Villa <redc.acctg11@gmail.com>

Tax Return Receipt Confirmation

ebirforms-noreply@bir.gov.ph <ebirforms-noreply@bir.gov.ph> Mon, Nov 3, 2025 at 10:55 AM
To: redc.acctg11@gmail.com

This confirms receipt of your submission with the following details subject to validation by BIR:

File name: 008645943000-1702RTv2018C-122024V1.xml
Date received by BIR: 3 November 2025
Time received by BIR: 10:25 AM
Penalties may be imposed for any violation of the provisions of the NIRC and issuances thereof.

FOR RETURNS WITH TAX PAYABLE:
Please pay through any of the following ePayment Channels:

Land Bank of the Philippines Link.BizPortal

- LBP ATM Cards
- Bancnet ATM/Debit Cards
- PCHC PayGate or PESONeT (RCBC, Robinsons Bank, UnionBank, PSBank, BPI, Asia United Bank)

DBP PayTax Online

- Credit Cards (MasterCard/Visa)
- Bancnet ATM/Debit Cards

Unionbank of the Philippines

- Unionbank Online (for Unionbank Individual and Corporate Account Holders)
- UPAY via InstaPay (For Individual Non-Unionbank Account Holders)

Taxpayer Agent/ Tax Software Provider-TSP

- (Gcash/PayMaya/MyEG)

This is a system-generated email. Please do not reply.

Bureau of Internal Revenue

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. CS201400082
COMPANY TIN 008-684-535

CERTIFICATE OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Articles of Incorporation and By-Laws of

QUADWATER CORPORATION

were duly approved by the Commission on this date upon the issuance of this Certificate of Incorporation in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg.68), and copies of said Articles and By-Laws are hereto attached.

This Certificate grants juridical personality to the corporation but does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

As a registered corporation, it shall submit annually to this Commission the reports indicated at the back of this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 8th day of October, Twenty Fourteen.

FERDINAND B. SALES
Director
Company Registration and Monitoring Department

(STOCK)

ARTICLES OF INCORPORATIONS

OF

QUADWATER CORPORATION

Know All Men by These Presence

The undersigned incorporators, all of legal age and majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Republic of the Philippines.

THAT WE HEREBY CERTIFY:

FIRST: The name of this corporation shall be:

QUADWATER CORPORATION

SECOND: A. That the primary purpose of this corporation is

To construct, build, maintain, and operate, own or hold by purchase of otherwise, lease, rent or in any other manner lawfully acquire, by itself, or through a subsidiary or affiliate, pipelines, water treatment and sewage treatment plants and facilities for the water and water rights from and to individuals, firms, corporations, municipalities, or cities, to own, operate maintain, and control such meters and other equipments as may be necessary in conducting its business; and to buy own sell, lease, or rent all such property, real (including land), personal or mixed, if necessary in the conduct of its business aforesaid and not contrary to law .

B. That the corporation shall have all the express powers of a corporation as provided for under Section 36 of the Corporation Code of the Philippines.

THIRD: That the place where the principal office of the corporation is to be established at:

No./Street Progreso St.,cor. Casadores St. Poblacion East Umingan If applicable)

City Town Pangasinan. Province _____

FOURTH: That the term for which the corporation is to exist is fifty (50) years from and after the date of issuance of the certificate of incorporation.

FIFTH: That the names, nationalities, and residences of the incorporators are as follows:

Name	**Nationality**	**Residence** (Complete Address)
Calugay Paulo M.	Filipino	[redacted]
Chong Kate Ming	Chinese	[redacted]
Belisario, Conrado Ma. Leandro Francisco G.	Filipino	[redacted]
Yapkianwee, Ryan Wesley T.	Filipino	[redacted]
Belisario, Cristopher Gerard G.	Filipino	[redacted]

SIXTH: That the number of directors of said corporation shall be Five (5) and that the names, nationalities and residences of the first directors who are to serve until their successors are elected and qualified as provided by the by-laws are as follows:

Name	**Nationality**	**Residence** (Complete Address)
Calugay Paulo M.	Filipino	[redacted]
Chong Kate Ming	Chinese	[redacted]
Belisario, Conrado Ma Leandro Francisco G.	Filipino	[redacted]
Yapkianwee, Ryan Wesley T.	Filipino	[redacted]
Belisario, Cristopher Gerard G.	Filipino	[redacted]

SEVENTH: That the authorized capital stock of the corporation is Fifty Million (P 50,000,000.00) pesos in lawful money of the Philippines, divided into Five Hundred Thousand (500,000) shares with the par value of One Hundred (P 100.00) pesos per share.

EIGHT: That at least 25% of the authorized capital stock has been subscribed and at least 25% of the total subscription has been paid as follows:

NAME	NATIONALITY	No. of Shares Subscribed	Amount Subscribed	Amount Paid
Calugay, Paulo M.	Filipino	31,250	3,125,000	781,250
Chong Kate Ming	Chinese	31,250	3,125,000	781,250
Belisario, Conrado Ma. Leandro Francisco G	Filipino	28,125	2,812,500	703,125
Yapkianwee, Ryan Wesley T.	Filipino	31,250	3,125,000	781,250
Belisario, Cristopher Gerard G.	Filipino	3,125	312,500	78,125
Total		**125,000**	**12,500,000.00**	**3,125,000**

NINTH: No transfer of stock or interest which would reduce the stock ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of corporation and this restriction shall be indicated in the stocks certificates issued by the corporation.

TENTH: That **Kate Ming Chong** - has been elected by the subscribers as treasurer of the corporation to act as such until his/her successor is duly elected and qualified in accordance with the by-laws; and that as such Treasurer, he/she has been authorized to receive for and in the name and for the benefit of the corporation, all subscriptions paid by the subscribers.

ELEVENTH: That the incorporators undertake to change the name of the corporation immediately upon receipt of notice or directive from the Securities and Exchange Commission that another corporation, partnership or person has acquired a prior right to the use of that name or that the name has been declared as misleading, deceptive, confusingly similar to a registered name, or contrary to public morals, good customs or public policy. as herein provided or as amended thereafter

DEC 27 2013

IN WITNESS WHEREOF, we have set our hands this ___ day of _____ 2013 at Pasig City.

Calugay Paulo M.	Chong Kate Ming	Belisario, Conrado Ma. Leandro Francisco G
[redacted]	[redacted]	[redacted]
Yapkianwee, Ryan Wesley T.	Belisario, Cristopher Gerard G.	
[redacted]	[redacted]	TIN NO
TIN NO	TIN NO	TIN NO
TIN NO	TIN NO	TIN NO
TIN NO	TIN NO	TIN NO
TIN NO	TIN NO	TIN NO

WITNESSES:

_____ _____

(All incorporators appearing on the fifth article and the two witnesses should affix their signatures on the blanks provided in this page above their respective names.)

ACKNOWLEDGEMENT

Republic of the Philippines)
QUEZON CITY) S.S.

BEFORE ME, a Notary Public in and for QUEZON CITY Philippines, this DEC 27 2013 day of _____ 2013 personally appeared:

Name	SSS No.
Paulo M. Calugay	[redacted]
Kate Ming Chong.	
Conrado Ma. Leandro Francisco G. Belisario	
Ryan Wesley T. Yapkianwee	
Cristopher Gerard G. Belisario	

all known to me and to me known to be the same persons who executed the foregoing Articles of Incorporation and they acknowledged to me that the same is their free and voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

ATTY. TOMAS F. DULAY, JR.
NOTARY PUBLIC
Until Dec. 31, 2013
ADM. MATTER# NP-001-2013-2014
PTR# 7612451 - 01/07/13 Q.C.
IBP# 849880-01/02/13 Q.C.
Roll # 10583 - 03/13/1961
TIN# 410-225-916
MCLE# 000838
#09 Lapsap St., Proj. 4, Q.C.

NOTARY PUBLIC
Until December 31, 20__

Doc. No. 116;
Page No. 24;
Book No. 361;
Series of 2013.

TREASURER'S AFFIDAVIT

REPUBLIC OF THE PHILIPPINES)
CITY/MUNICIPALITY OF) S.S.
PROVINCE OF QUEZON CITY)

I, **KATE MING CHONG** being duly sworn, depose and say:

That I am elected Treasurer of **QUADWATER CORPORATION**;

That as Treasurer, I am authorized to act as such until my successor has been duly elected and qualified in accordance with the by-laws of the corporation;

That I certify that at least twenty five percent (25%) of the authorized capital stock of the above mentioned corporation has been subscribed and at least twenty five percent (25%) of the subscription in the amount of Three Million One Hundred Twenty Five Thousand Pesos (P 3,125,000.00) has been paid, and received by me in cash / property for the benefit and credit of the corporation.

IN WITNESS WHEREOF, I hereby sign this affidavit this DEC 27 2013 th day of _____, 20____ in QUEZON CITY.

KATE MING CHONG
Treasurer

SUBSCRIBED AND SWORN to before me this ___ day of DEC 27 2013, 2013 at QUEZON CITY, Philippines, affiant exhibiting to me his SSS Number [redacted]

ATTY. TOMAS F. DUMAY, JR.
NOTARY PUBLIC
Until December 31, 20__
ADM. MATTER NO. NP 031 - 2013-2014
PTR# 7812451 - 01/07/13 Q.C.
IBP# 842[illegible] 01/07/13 Q.C.
Roll # 18793 - 08/13/1961
TIN# 110-235-916
MCLE# 006838
#92 Legaspi St., Proj. 4, Q.C.

Doc. No. 117;
Page No. 24;
Book No. 34;
Series of 2013

(STOCK)

BY - LAWS

OF

QUADWATER CORPORATION

(Name of Corporation)

ARTICLE I

SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES

Section 1. Subscriptions - Subscribers to the capital stock of the corporation shall pay the value of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

Section 2. Certificate - The stockholder shall be entitled to one or more certificates for fully paid stock subscription in his name in the books of the corporation. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificate shall be signed by the President, countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal.

Section 3. Transfer of Shares - Subject to the restrictions, terms and conditions contained in the Articles of Incorporation, shares may be transferred, sold, assigned or pledged by delivery of the certificates duly indorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the corporation only upon record thereof in the books of the corporation. The Secretary shall cancel the stock certificates and issue new certificates to the transferee.

No share of stock against which the corporation holds unpaid claim shall be transferable in the books of the corporation.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

Section 4. Lost Certificates - In case any stock certificate is lost, stolen, or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code,

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Annual / Regular Meetings - The annual/regular meetings of stockholders shall be held at the principal office on April 15 of each year, if legal holiday, then on the day following.

Section 2. Special Meeting - The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock, (b) President.

Section 3. Place of Meeting - Stockholders meetings, whether regular or special, shall be held in the principal office of the corporation or at any place designated by the Board of Directors in the city or municipality where the principal office of the corporation is located.

Section 4. Notice of Meeting - Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at his last known address. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called.

When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Section 5. Quorum - Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

Section 6. Conduct of Meeting - Meeting of the stockholders shall be presided over by the President, or in his absence, by a chairman to be chosen by the stockholders. The Secretary, shall act as Secretary of every meetings, but if not present, the chairman of the meeting shall appoint a secretary of the meeting.

Section 7. Manner of Voting - At all meetings of stockholders, a stockholder may vote in person or by proxy. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting or by their personal presence at the meeting.

Section 8. Closing of Transfer Books or Fixing of Record Date - For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, the Board of Directors may provide that the stock and transfer books be closed for ten (10) working days immediately preceding such meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Powers of the Board - Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors to be elected by and from among the stockholders. Without prejudice to such powers as may be granted by law, the Board of Directors shall also have the following powers:

a.) From time to time, to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation's business and affairs;

b.) To purchase, receive, take or otherwise acquire for and in the name of the corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;

c.) To invest the funds of the corporation in other corporations or for purposes other than those for which the corporation was organized, subject to such stockholders' approval as may be required by law;

d.) To incur such indebtedness as the Board may deem necessary, to issue evidence of indebtedness including without limitation, notes, deeds of trust, bonds, debentures, or securities, subject to such stockholders approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the corporation;

e.) To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and directors of the corporation;

f.) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officer are either plaintiffs or defendants in connection with the business of the corporation;

Section 8. Closing of Transfer Books or Fixing of Record Date - For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, the Board of Directors may provide that the stock and transfer books be closed for ten (10) working days immediately preceding such meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Powers of the Board - Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors to be elected by and from among the stockholders. Without prejudice to such powers as may be granted by law, the Board of Directors shall also have the following powers:

a.) From time to time, to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation's business and affairs;

b.) To purchase, receive, take or otherwise acquire for and in the name of the corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;

c.) To invest the funds of the corporation in other corporations or for purposes other than those for which the corporation was organized, subject to such stockholders' approval as may be required by law;

d.) To incur such indebtedness as the Board may deem necessary, to issue evidence of indebtedness including without limitation, notes, deeds of trust, bonds, debentures, or securities, subject to such stockholders approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the corporation;

e.) To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and directors of the corporation;

f.) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officer are either plaintiffs or defendants in connection with the business of the corporation;

g.) To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business of the corporation to any standing or special committee or to any officer or agent and to appoint any person to be agent of the corporation with such powers and upon such terms as may be deemed fit;

h.) To implement these by-laws and to act on any matter not covered by these by-laws, provided such matter does not require the approval or consent of the stockholders under the Corporation Code.

Section 2. Election and Term - The Board of Directors shall be elected during each regular meeting of' stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

Section 3. Vacancies - Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at any special meeting of stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further notice, or at any regular or at any special meeting of stockholders called for the purpose, after giving notice as prescribed in these by-laws.

Section 4. Meetings - Regular meetings of the Board of Directors shall be held once a month on such dates and at places as may be called by the Chairman of the Board, or upon the request of a majority of the Directors.

Section 5. Notice - Notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telegram, or by written message. A director may waive this requirement, either expressly or impliedly.

Section 6. Quorum - A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board.

Section 7. Conduct of the Meetings - Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence, by any other director chosen by the Board. The Secretary, shall act as secretary of every meeting, if not present, the Chairman of the meeting, shall appoint a secretary of the meeting.

Section 8. Compensation – By - resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

ARTICLE IV

OFFICER

Section l. Election / Appointment - Immediately after their election, the Board of Directors shall formally organize by electing the President, the Vice-President, the treasurer, and the Secretary at said meeting.

The Board may, from time to time, appoint such other officers as it may determine to be necessary or proper. Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or Secretary at the same time.

Section 2. President – The President shall be the Chief Executive Officer of the corporation and shall exercise the following functions:

a.) To preside at the meetings of the stockholders;

b.) To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;

c.) To supervise and manage the business affairs of the corporation upon the direction of the Board of Directors;

d.) To implement the administrative and operational policies of the corporation under his supervision and control;

e.) To appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;

f.) To oversee the preparation of the budgets and the statements of accounts of the corporation;

g.) To represent the corporation at all functions and proceedings;

h.) To execute on behalf of the corporation all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board of Directors.

i.) To make reports to the Board of Directors and stockholders;

j.) To sign certificates of stock;

k.) To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

Section 3. The Vice-President - He shall, if qualified, act as President in the absence of the latter. He shall have such other powers and duties as may from time to time be assigned to him by the Board of Directors or by the President.

Section 4. The Secretary - The Secretary must be a resident and a citizen of the Philippines. He shall have the following specific powers and duties:

a.) To record the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;

b.) To keep record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;

c.) To keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature all corporate documents requiring the same;

d.) To attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;

e.) To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations.

f.) To act as inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine questions in connection with the right to vote, count and tabulate all votes, determine the result, and do such acts as are proper to conduct the election.

g.) To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.

Section 5. The Treasurer - The Treasurer of the corporation shall have the following duties:

a.) To keep full and accurate accounts of receipts and disbursements in the books of the corporation;

b.) To have custody of, and be responsible for, all the funds, securities and bonds of the corporation;

c.) To deposit in the name and to the credit of the corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the corporation which may come under his control;

d.) To render an annual statements showing the financial condition of the corporation and such other financial reports as the Board of Directors, or the President may, from time to time require;

e.) To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;

f.) To exercise such powers and perform such duties and functions as may be assigned to him by the President.

Section 6. Term of Office - The term of office of all officers shall be one (1) year and until their successors are duly elected and qualified.

Section 7. Vacancies - If any position of the officers becomes vacant by reason of death, resignation, disqualification or for any other cause, the Board of Directors, by majority vote may elect a successor who shall hold office for the unexpired term.

Section 8. Compensation - The officers shall receive such renumeration as the Board of Directors may determine. A director shall not be precluded from serving the corporation in any other capacity as an officer, agent or otherwise, and receiving compensation therefor.

ARTICLE V

OFFICES

Section 1. The principal office of the corporation shall be located at the place stated in Article III of the Articles of Incorporation. The corporation may have such other branch offices, either within or outside the Philippines as the Board of Directors may designate.

ARTICLE VI

AUDIT OF BOOKS, FISCAL YEAR AND DIVIDENDS

Section 1. External Auditor - At the regular stockholders' meeting, the external auditor of the corporation for the ensuing year shall be appointed. The external auditor shall examine, verify and report on the earnings and expenses of the corporation.

Section 2. Fiscal Year - The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

Section 3. Dividends – Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law.

ARTICLE VII

SEAL

Section 1. Form and Inscriptions - The corporate seal shall be determined by the Board of Directors.

ARTICLE VIII

AMENDMENTS

Section 1. These by-laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock; provided, however, that any such delegation of powers to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of stockholders representing a majority of the outstanding capital stock at a regular or special meeting.

IN WITNESS WHEREOF, we, the undersigned stockholders have adopted the foregoing by-laws and hereunto affixed our signatures this ___ day of _____, 2013 at Pasig City. DEC 27-2013 PASIG CITY

(Note: 1. If, filed with Articles of Incorporation, these by-laws should be signed by all incorporators;
2. If filed after incorporation, should be signed by majority of the subscribers and should submit director's certificate for the adoption of the by-laws)

Paulo M. Calugay

Kate Ming Chong

Conrado Ma. Leandro Francisco G. Belisario

Ryan Wesley T. Yapkianwee

Cristopher Gerard G. Belisario

COVER SHEET

S.E.C. Registration Number

Q U A D W A T E R C O R P O R A T I O N

(Company's Full Name)

P R O G R E S O S T . , C O R . C A S A D O R E S S T

P O B L A C I O N E A S T U M I N G A N P A N G A S I N A N

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

KATE MING CHONG
Contact Person

4708588
Company Telephone Number

Month Day
Fiscal Year

FORM TYPE

0 4 | 1 5
Month Day
Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.phmessagesmo@sec.gov.ph

The following document has been received:

Receiving: John Denver De Guzman
Receipt Date and Time: October 29, 2024 03:54:26 PM

Company Information

SEC Registration No.: CS201400082
Company Name: QUADWATER CORPORATION
Industry Classification: E41000
Company Type: Stock Corporation

Document Information

Document ID: OST11029202482939194
Document Type: GENERAL_INFORMATION_SHEET
Document Code: GIS
Period Covered: October 18, 2024
Submission Type: Annual Meeting
Remarks: None

Acceptance of this document is subject to review of forms and contents

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2024

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: QUADWATER CORPORATION	**DATE REGISTERED:** 8/10/2014
BUSINESS/TRADE NAME: QUADWATER CORPORATION	**FISCAL YEAR END:** December 31
SEC REGISTRATION NUMBER: CS201400082	
DATE OF ANNUAL MEETING PER BY-LAWS: April 15	**CORPORATE TAX IDENTIFICATION NUMBER (TIN):** 008-684-535-000
ACTUAL DATE OF ANNUAL MEETING: 18 October 2024	**WEBSITE/URL ADDRESS:** N/A
COMPLETE PRINCIPAL OFFICE ADDRESS: Progreso St. cor Casadores St., Poblacion East, Umingan, Pangasinan	**E-MAIL ADDRESS:** quadcoreacctg@yahoo.com
COMPLETE BUSINESS ADDRESS: Progreso St. cor Casadores St., Poblacion East, Umingan, Pangasinan	**FAX NUMBER:** N/A

OFFICIAL E-MAIL ADDRESS	ALTERNATE E-MAIL ADDRESS	OFFICIAL MOBILE NUMBER	ALTERNATE MOBILE NUMBER
contact@quadcore.com.ph	mark.roxas@quadcore.com.ph	+639377998381	+639178988260

NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: Julie B. Carido	**SEC ACCREDITATION NUMBER (if applicable):**	**TELEPHONE NUMBER(S):** 373-4632
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: Water Supply Distribution	**INDUSTRY CLASSIFICATION:** Services	**GEOGRAPHICAL CODE:** N/A

========== INTERCOMPANY AFFILIATIONS ==========

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
N/A	N/A	N/A
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
Tubig Pilipinas Group, Inc.	CS201421025	F JTKC, 2155 Don Chino Roces Avenue, Makati City

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

Corporate Name: QUADWATER CORPORATION

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) ☐ Yes ☒ No

Please check the appropriate box:

1.

- ☐ a. Banks
- ☐ b. Offshore Banking Units
- ☐ c. Quasi-Banks
- ☐ d. Trust Entities
- ☐ e. Non-Stock Savings and Loan Associations
- ☐ f. Pawnshops
- ☐ g. Foreign Exchage Dealers
- ☐ h. Money Changers
- ☐ i. Remittance Agents
- ☐ j. Electronic Money Issuers
- ☐ k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

- ☐ a. Insurance Companies
- ☐ b. Insurance Agents
- ☐ c. Insurance Brokers
- ☐ d. Professional Reinsurers
- ☐ e. Reinsurance Brokers
- ☐ f. Holding Companies
- ☐ g. Holding Company Systems
- ☐ h. Pre-need Companies
- ☐ i. Mutual Benefit Association
- ☐ j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

- ☐ a. Securities Dealers
- ☐ b. Securities Brokers
- ☐ c. Securities Salesman
- ☐ d. Investment Houses
- ☐ e. Investment Agents and Consultants
- ☐ f. Trading Advisors
- ☐ g. Other entities managing Securities or rendering similar services
- ☐ h. Mutual Funds or Open-end Investment Companies
- ☐ i. Close-end Investment Companies
- ☐ j. Common Trust Funds or Issuers and other similar entities
- ☐ k. Transfer Companies and other similar entities
- ☐ l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
- ☐ m. Entities administering of otherwise dealing in valuable objects
- ☐ n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. ☐ Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. ☐ Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

- ☐ a. acting as a formation agent of juridical persons
- ☐ b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
- ☐ c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
- ☐ d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

- ☐ a. managing of client money, securities or other assets
- ☐ b. management of bank, savings or securities accounts
- ☐ c. organization of contributions for the creation, operation or management of companies
- ☐ d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. ☑ None of the above

Describe nature of business:	Water Supply Distribution

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? ☐ Yes ☒ No

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: QUADWATER CORPORATION

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	500,000	100	50,000,000.00
	TOTAL	500,000	TOTAL P	50,000,000.00

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	6	COMMON	125,000		100.00	12,500,000.00	100.00
		TOTAL	125,000	TOTAL	TOTAL P	12,500,000.00	100.00

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
N/A							
Percentage of Foreign Equity :		TOTAL		TOTAL	TOTAL P		
					TOTAL SUBSCRIBED P		

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	6	COMMON	125,000	100	12,500,000.00	100.00
		TOTAL	125,000	TOTAL P	12,500,000.00	100.00

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
N/A						
0.00 %		TOTAL		TOTAL P		
				TOTAL PAID-UP P	12,500,000.00	100.00

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: QUADWATER CORPORATION

DIRECTORS / OFFICERS

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. **RYAN WESLEY T. YAPKIANWEE** [redacted]	FILIPINO	Y	C	M	Y	President	N/A	[redacted]
2. **CONRADO MA LEANDRO G. BELISARIO** [redacted]	FILIPINO	Y	M	M	Y	Treasurer	N/A	
3. **HOWARD CONRAD T. SY** [redacted]	FILIPINO	N	M	M	Y	N/A	N/A	
4. **CHRISTOPHER GERARD G. BELISARIO** [redacted]	FILIPINO	Y	M	M	Y	N/A	N/A	
5. **ROBERT CHRISTOPHER A. NIEBRES** [redacted]	FILIPINO	N	M	M	Y	N/A	N/A	
6. **ALFREDO PABLO S. MALVAR** [redacted]	FILIPINO	N	N/A	M	N	Corporate Secretary	N/A	
7. **JAQUELINE ROSE SEECHUNG** [redacted]	FILIPINO	N	N/A	F	N	Assistant Corporate Secretary	N/A	
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========			
CORPORATE NAME:	QUADWATER CORPORATION		
TOTAL NUMBER OF STOCKHOLDERS:	6	**NO. OF STOCKHOLDERS WITH 100 OR MORE SH**	3
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:			

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
1 **YAPKIANWEE, RYAN WESLEY T.** [redacted]	Common	93,747	9,374,700.00	75.00%	9,374,700.00	[redacted]
	TOTAL	**93,747**	**9,374,700.00**			
2. **BELISARIO, CONRADO MA LEANDRO** [redacted]	Common	28,125	2,812,500.00	22.50%	2,812,500.00	[redacted]
	TOTAL	**28,125**	**2,812,500.00**			
3. **BELISARIO, CRISTOPHER GERARD G.** [redacted]	Common	3,125	312,500.00	2.50%	312,500.00	[redacted]
	TOTAL	**3,125**	**312,500.00**			
4. **MARIANO, PETER ANGELO G.** [redacted]	Common	1	100.00	0%	100.00	[redacted]
	TOTAL	**1**	**100.00**			
5. **ROBERT CHRISTOPHER A. NIEBRES** [redacted]	Common	1	100.00	0%	100.00	[redacted]
	TOTAL	**1**	**100.00**			
6. **HOWARD CONRAD T. SY** [redacted]	Common	1	100.00	0%	100.00	[redacted]
	TOTAL	**1**	**100.00**			
7.						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			₱12,500,000.00	**100%**	**12,500,000.00**	
TOTAL AMOUNT OF PAID-UP CAPITAL						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	QUADWATER CORPORATION		
TOTAL NUMBER OF STOCKHOLDERS:	6	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	3
TOTAL ASSETS BASED ON LATEST AUDITED FS:			

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	**SHARES SUBSCRIBED**				**AMOUNT PAID (PhP)**	**TAX IDENTIFCATION NUMBER**
	TYPE	**NUMBER**	**AMOUNT (PhP)**	**% OF OWNER-SHIP**		
8.						
	TOTAL					
9.						
	TOTAL					
10.						
	TOTAL					
11.						
	TOTAL					
12.						
	TOTAL					
13.						
	TOTAL					
14.						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL				**0.00%**	**0.00**	
TOTAL AMOUNT OF PAID-UP CAPITAL						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:	QUADWATER CORPORATION		
TOTAL NUMBER OF STOCKHOLDERS:	6	NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:	3
TOTAL ASSETS BASED ON LATEST AUDITED FS:			

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
15.						
	TOTAL					
16.						
	TOTAL					
17.						
	TOTAL					
18.						
	TOTAL					
19.						
	TOTAL					
20.						
	TOTAL					
21. OTHERS (Indicate the number of the remaining stockholders)						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL				0.00%	0.00	
TOTAL AMOUNT OF PAID-UP CAPITAL						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: QUADWATER CORPORATION

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS	N/A	N/A
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	N/A	N/A
1.3 LOANS/ CREDITS/ ADVANCES	N/A	N/A
1.4 GOVERNMENT TREASURY BILLS	N/A	N/A
1.5 OTHERS	N/A	N/A

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION
N/A	N/A	N/A

3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED
N/A	N/A	N/A

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH	N/A	N/A
5.2 STOCK	N/A	N/A
5.3 PROPERTY	N/A	N/A
TOTAL	P	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:

DATE	NO. OF SHARES	AMOUNT
N/A	N/A	N/A

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	B S P	I C
TYPE OF LICENSE/REGN.	N/A	N/A	N/A
DATE ISSUED:	N/A	N/A	N/A
DATE STARTED OPERATIONS:	N/A	N/A	N/A

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT
	4	0	4

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **ALFREDO PABLO S. MALVAR**, Corporate Secretary of **QUADWATER CORPORATION,** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this _____ day of _____, 20 ____ in _____.

OCT 29 2024 Makati City

ALFREDO PABLO S. MALVAR
(Signature over printed name)

SUBSCRIBED AND SWORN TO before me in _____ on _____ by affiant who personally appeared before me and exhibited to me his/her competent evidence of identity consisting of TIN [redacted]

OCT 29 2024

NOTARY PUBLIC

Doc. No. 327;
Page No. 67;
Book No. I;
Series of 2024.

PEVIE JOY G. ARANCES
NOTARY PUBLIC
ROLL NO. 89837
MAKATI CITY, PHILIPPINES

PEVIE JOY G. ARANCES
Notary Public for Makati City
MEER, MEER & MEER
19th Floor, L.V. Locsin Bldg.
6752 Ayala Avenue, Makati City
Comm No. M-242, Until December 31, 2025
PTR No. 10093950, 01/18/24, Makati City
IBP No. 389494, 01/04/24, Quezon City
Roll No.89837
MCLE Compliance No. N/A

BENEFICIAL OWNERSHIP DECLARATION
FOR THE YEAR: 2024

SEC REGISTRATION NUMBER: CS201400082
CORPORATE NAME: QUADWATER CORPORATION

Instructions:

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category	Description
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
E	Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
F	Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
G	Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
H	Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
I	Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III)	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP[1] / % OF VOTING RIGHTS[2]	TYPE OF BENEFICIAL OWNER[3] Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
YAPKIANWEE, RYAN WESLEY T.	[redacted]	Filipino	[redacted]	[redacted]	75%	D	A, B, and D
BELISARIO, CONRADO MA LEANDRO G.		Filipino			22.50%	D	B and D

Note: This page is not for uploading on the SEC iView.

[1] For Stock Corporations.
[2] For Non-Stock Corporations.
[3] For Stock Corporations.

QUADWATER CORPORATION

FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

AND

REPORT OF AN INDEPENDENT AUDITOR

(02) 813-8892 local 235
quadwatercorp@gmail.com
Progreso St. cor. Casadores St., Poblacion East, Umingan, Pangasinan, 2443, PH

Quadwater Corporation

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN"

The management of **QUADWATER CORPORATION** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of **QUADWATER CORPORATION** complete and correct in all material respects. Management likewise affirms that:

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards (i.e. Philippine Financial Reporting Standards for Small Entities, or those applicable to Non-Publicly Accountable Entities) and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

(c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Ryan Wesley T. Yapkianwee
President

Conrado Ma. Leandro Fransico G. Belisario
Treasurer

Signed this 7th day of APRIL 2025.

(02) 813-8892 local 235
quadwatercorp@gmail.com
Progreso St. cor. Casadores St., Poblacion East, Umingan,

E.B.Latumbo
Certified Public Accountant

0977 819 2974
latumbo.errolvincentcpa@gmail.com
Pasig City

CPA Registration No. 0159960
BOA Accreditation No. 8826
Valid until September 30, 2025
BIR No. 07-100597-002-2023
Valid until February 16, 2026

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
QUADWATER CORPORATION
Progreso Street corner Casadores Street
Poblacion East, Umingan, Pangasinan

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statement of **QUADWATER CORPORATION** (the Company), which comprise the statement of financial position as at December 31, 2024, and the statement of income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended, in accordance with Philippine Financial Reporting Standard for Small Entities (PFRS for SE).

Basis

I have conducted my audit in accordance with Philippine Standards on Auditing (PSA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines together with ethical requirements that are relevant to my audit of the financial statements in the Philippines, and I have fulfilled my ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SE, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material mistakes, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA 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 financial statements.

As part of an audit in accordance with PSA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatements of the 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 my 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 Company'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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease or to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

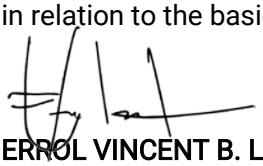
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Other Matter

The financial statement of the Company as at and for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses in the notes to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of QUADWATER CORPORATION The information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



ERROL VINCENT B. LATUMBO
CPA Registration No. 0159960
Tax Identification No. 450-717-253-000
PTR No. 10499294
Issued January 27, 2025, Makati City
BOA Accreditation No. 8826
Valid until September 30, 2025
BIR No.07-100597-002-2023, February 16, 2023
Valid until February 16, 2026

April 15, 2025

E.B.Latumbo
Certified Public Accountant

0977 819 2974
latumbo.errolvincentcpa@gmail.com
Pasig City

CPA Registration No. 0159960
BOA Accreditation No. 8826
Valid until September 30, 2025
BIR No. 07-100597-002-2023
Valid until February 16, 2026

REPORT OF INDEPENDENT AUDITOR TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE BUREAU OF INTERNAL REVENUE

The Stockholders and the Board of Directors
QUADWATER CORPORATION
Progreso Street corner Casadores Street
Poblacion East, Umingan, Pangasinan
Cainta Rizal

I have audited the financial statements of **QUADWATER CORPORATION** (the Company) as at and for the year ended December 31, 2024, on which I have rendered the attached report dated April 15, 2025.

In compliance with Revenue Regulation V-20, I am stating that I am not related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

ERROL VINCENT B. LATUMBO
CPA Registration No. 0159960
Tax Identification No. 450-717-253-000
PTR No. 10499294
Issued January 27, 2025, Makati City
BOA Accreditation No. 8826
Valid until September 30, 2025
BIR No.07-100597-002-2023, February 16, 2023
Valid until February 16, 2026

April 15, 2025

E.B.Latumbo
Certified Public Accountant

0977 819 2974
latumbo.errolvincentcpa@gmail.com
Pasig City

CPA Registration No. 0159960
BOA Accreditation No. 8826
Valid until September 30, 2025
BIR No. 07-100597-002-2023
Valid until February 16, 2026

REPORT OF INDEPENDENT AUDITOR TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
QUADWATER CORPORATION
Progreso Street corner Casadores Street
Poblacion East, Umingan, Pangasinan

I have audited the financial statements of **QUADWATER CORPORATION** (the Company) as at and for the years ended December 31, 2024, on which I have rendered the attached report dated April 15, 2025.

In compliance with Securities Regulation Code Rule 68, as amended, I am stating that the Company has three (3) stockholders owning one hundred (100) or more shares each.

ERROL VINCENT B. LATUMBO
CPA Registration No. 0159960
Tax Identification No. 450-717-253-000
PTR No. 10499294
Issued January 27, 2025, Makati City
BOA Accreditation No. 8826
Valid until September 30, 2025
BIR No.07-100597-002-2023, February 16, 2023
Valid until February 16, 2026

April 15, 2025

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	4	0	0	0	8	2

COMPANY NAME

Q	U	A	D	W	A	T	E	R		C	O	R	P	O	R	A	T	I	O	N

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

B	3		L	O	T	3	0		G	M	A		H	O	U	S	I	N	G		P	R	O	J	E	C	T		B	A	G	B	A	G	1		R	O

S	A	R	I	O		C	A	V	I	T	E

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
contract@quadcore.com.ph	**(02) 373 4632**	**+63937 7998 381**

No. of Stockholders	Annual Meeting (Month / Day)	Calendar Year (Month / Day)
5	**April 15**	**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
Conrado Ma. Leandro G. Belisario	**conradobelisario@yahoo.com**	**(02) 478 1587**	**+63917 890 1007**

CONTACT PERSON'S ADDRESS

3908C Quingua St. Brgy. Pinagkaisahan Makati City

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 shall not excuse the corporation from liability for its deficiencies.*

QUADWATER CORPORATION

STATEMENT OF FINANCIAL POSITION
DECEMBER 21, 2024
(With Comparative Figures for 2023)

		December 31	
	Note	**2024**	2023
ASSETS			
Current Assets			
Cash in banks	3	**₱26,882**	₱23,030
Advances to related parties	4	**97,140**	–
Input VAT		**9,720**	–
Total current assets		**133,742**	23,030
Noncurrent Asset			
Investment in an associate	5	**15,060,572**	15,099,413
TOTAL ASSETS		**₱15,194,314**	₱15,122,443
LIABILITY AND EQUITY			
Noncurrent Liability			
Deposit for future stock subscription	4	**₱40,960,701**	₱40,960,701
Equity			
Capital stock		**12,500,000**	12,500,000
Deficit		**(38,266,387)**	(38,338,258)
		(25,766,387)	(25,838,258)
TOTAL LIABILITY AND EQUITY		**₱15,194,314**	₱15,122,443

See accompanying Notes to the Financial Statements.

QUADWATER CORPORATION

STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Figures for 2023)

	Note	**2024**	2023
OPERATING EXPENSES			
Audit fees		**(₱40,000)**	₱–
Taxes and licenses		**(20,811)**	(5,838)
Transportation and travel		**(10,235)**	(3,900)
Representation expense		**(2,364)**	–
Others		**(10,567)**	(3,434)
		(83,977)	(13,172)
SHARE IN NET INCOME OF ASSOCIATE	5	**155,575**	–
INTEREST INCOME	3	**273**	–
INCOME (LOSS) BEFORE TAX		**71,871**	(13,172)
INCOME TAX EXPENSE	6	**–**	–
NET INCOME (LOSS)		**₱71,871**	(₱13,172)

See accompanying Notes to Financial Statements.

QUADWATER CORPORATION

STATEMENT OF CHANGES EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Figures for 2022)

	2024	2023
CAPITAL STOCK - ₱100 par value		
Authorized – 500,000 shares		
Issued and outstanding – 125,000 shares	**₱12,500,000**	₱12,500,000
RETAINED EARNINGS		
Balance at beginning of year	**(38,338,258)**	(38,325,086)
Net income (loss)	**71,871**	(13,172)
Balance at end of year	**(38,266,387)**	(38,338,258)
	(₱25,766,387)	(₱25,838,258)

See accompanying Notes to the Financial Statements.

QUADWATER CORPORATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Figures for 2023)

		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**₱71,871**	(₱13,172)
Adjustments for:			
Share in net income from an investment in an associate	5	**(155,575)**	–
Interest income	3	**(273)**	–
Operating loss before working capital changes		**(83,977)**	(13,172)
Increase in:			
Advances to related parties	4	**(97,140)**	–
Input VAT		**(9,720)**	–
Net cash used in operations		**(190,837)**	(13,172)
Interest received		**273**	–
Net cash used in operating activities		**(190,564)**	(13,172)
CASH FLOW FROM AN INVESTING ACTIVITY			
Decrease in investment in an associate	5	**194,416**	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposit for future stock subscription		**–**	(2,308,130)
Increase in paid-up capital		**–**	2,343,750
Net cash provided by financing activities		**–**	35,620
NET INCREASE IN CASH		**3,852**	22,448
CASH AT BEGINNING OF PERIOD		**23,030**	582
CASH AT END OF PERIOD		**26,882**	₱23,030

See accompanying Notes to Financial Statements.

QUADCORE CONSTRUCTION & DEVELOPMENT CORP.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. Corporate Information

QUADCORE CONSTRUCTION & DEVELOPMENT CORP. (the Company) as domestic corporation under Philippines laws and was duly registered with the Securities and Exchange Commission - SEC on October 8, 2014.

The Company was organized primarily to engage in the business of constructing, building, maintaining and operating, own or hold by purchase or otherwise, lease, rent, or in any other manner lawfully acquire, by itself, or through a subsidiary or affiliate, pipelines, water treatment, and sewage treatment plants, and facilities for the water and water rights from and to individuals, firms, corporations, municipalities or cities.

Approval of the Financial Statements
The financial statements as at and for the years ended December 31, 2024 and 2023 were approved and authorized for issue by the BOD on April 7, 2025.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance
The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs) issued by the Philippine Financial Reporting Standards Council (FRSC) and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations from IFRIC and SEC provisions.

Measurement Bases
The financial statements are presented in Philippine Peso, the Company's functional currency. All values are in absolute amounts, unless otherwise indicated.

The financial statements of the Company have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of consideration received in exchange for incurring a liability. 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 transaction date.

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

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

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

As at December 31, 2024 and 2023, the Company does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.
As at December 31, 2024 and 2023, the Company's cash in bank is classified under this category.

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

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

As at December 31, 2024 and 2023, the Company's advances from shareholders are classified under this category.

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

business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

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

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

- the Company retains the right to receive cash flows from the financial 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 Company has transferred its right to receive cash flows from the financial 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 Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

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

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying value of

the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

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

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

- Deliver cash or another financial asset to another entity;

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

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

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

Equity
Deficit. Deficit represents the cumulative balance of net loss.

Revenue Recognition
Revenue comprises revenue from rendering of services measured by reference to the fair value of consideration received or receivable by the Company for services rendered, excluding value-added tax (VAT). Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that future economic benefits will flow to the Company; and the costs incurred or to be incurred can be measured reliably. In addition, the following specific recognition criteria must also be met before revenue is recognized:

Other Income. Income from incidental activities or sources is recognized by the Company when it is probable that economic benefits will flow to the Company and the revenue can be measured reliably. Income is measured at the fair value of the consideration received or receivable.

Interest Income. Interest income is recognized as interest accrues, taking into account the effective yield on the asset.

Cost and Expense Recognition
Costs and expenses are recognized in profit and loss upon consumption of goods, utilization of services as at the date the costs and expenses are incurred.

Cost of Services. Cost of services, which mainly pertain to purchases of products, direct labor and overhead directly attributable in the performance of the association, are recognized when incurred.

Operating Expenses. Operating expenses constitute cost of administering the business. These are expensed as incurred.

Related Parties and Related Party Transactions
Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

Income Tax
Current Tax. Current 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 reporting date.

Deferred Tax. Provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from the excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused tax losses from net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax credits from excess MCIT over RCIT and unused tax losses from NOLCO can be utilized. Deferred tax, however, is not recognized when it 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 nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to items directly recognized in other comprehensive income.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Provisions

Provisions, if any, are recognized when the Company 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 Company 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 statement of comprehensive 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 current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when inflows of economic benefits are probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. Cash in banks

This account consists of cash in banks amounting to ₱26,882 and ₱23,030 as at December 31, 2024 and 2023, respectively.

Interest income earned from the bank deposit amounted to ₱342 and nil as at December 31, 2024 and 2023, respectively.

4. Related Party Transactions

The Company has the following transactions and balances with its related parties:

	Amount of Transactions		Outstanding Balance	
	2024	2023	**2024**	2023
Advances to related parties:				
Associate	**97,140**	–	**97,140**	–
Deposit for future stock subscription	**₱–**	₱–	**₱40,960,701**	₱40,960,701
	₱97,140	₱–	**₱41,057,841**	₱40,960,701

Advances to related parties are noninterest-bearing, unsecured and settled in cash upon demand.

Compensation of Key Management Personnel
No compensation to key management personnel was paid in 2024 and 2023.

Compliance with New Revenue Regulations
In 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 19-2020 and 34-2020, prescribing the use of the new BIR Form 1709, *Information Return on Related Party Transactions*, and the required documentary attachments which include but not limited to transfer pricing documentation. The Company is not covered by the requirements and procedures provided by the abovementioned RR.

5. Investment in an Associate

	2024	2023
Acquisition cost	**₱50,749,997**	₱50,749,997
Accumulated equity share		
Balance at beginning of year	**(35,650,584)**	(24,938,883)
Other movements	**(194,416)**	–
Equity share in net income (loss) for the year	**155,575**	(10,711,701)
	(35,689,425)	(35,650,584)
	₱15,060,572	₱15,099,413

6. Income Tax

The Company has no current provision for income tax in 2024 and 2023 due to the Company's net taxable loss position.

As at December 31, 2024, the Company has NOLCO that can be claimed as deduction from future taxable income as shown below:

Year	Balance at Beginning of Year	Incurred	Applied/ Expired	Balance at End of Year	Year of Expiry
2023	₱13,172	₱–	₱–	₱13,172	2026

Deferred tax assets amounting to ₱2,634 arising from NOLCO as at December 31, 2024, since management has assessed that there will be no sufficient future taxable income available to allow the foregoing deferred tax assets to be utilized.

7. Supplementary Information Required by the Bureau of Internal Revenue (BIR)

The information for 2024 required by Revenue Regulations No. 15-2010 is presented below.

Value-added tax
The Company claimed vat from purchases amounting to ₱9,720 as at December 31, 2024.

Withholding Taxes
The Company has no transactions subject to withholding taxes as at December 31, 2024.

Taxes and Licenses

The Company's other local and national taxes consist of business permit registration amounting to ₱20,811. This is recorded under Operating Expenses.

Tax Assessments
The Company has no pending deficiency tax assessment from the BIR as at December 31, 2024.

Tax Cases
The Company has no pending tax case in courts or other regulatory bodies outside of the BIR as at December 31, 2024.

Quadwater Corporation

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN"

The management of **QUADWATER CORPORATION** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of **QUADWATER CORPORATION** complete and correct in all material respects. Management likewise affirms that:

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards (i.e. Philippine Financial Reporting Standards for Small Entities, or those applicable to Non-Publicly Accountable Entities) and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

(c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Ryan Wesley T. Yapkianwee
President

Conrado Ma. Leandro Fransico G. Belisario
Treasurer

Signed this 7th day of APRIL 2025.

(02) 813-8892 local 235
quadwatercorp@gmail.com
Progreso St. cor. Casadores St., Poblacion East, Umingan,

Gmail Quadwater Corporation <quadwatercorporation@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Wed, Apr 30, 2025 at 11:59 AM
To: QUADWATERCORPORATION@gmail.com
Cc: ACCOUNTANT@quadcore.com.ph

Hi QUADWATER CORPORATION,

Valid files

- EAFS008684535AFSTY122024.pdf
- EAFS008684535ITRTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-A6K7FACF08L99957QMZNSMR20CKLEBA87**
Submission Date/Time: **Apr 30, 2025 11:59 AM**
Company TIN: **008-684-535**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

CEF2 A09 BV

Information	**Legal entity name**	**Registered Office**	**Date of incorporation**	**Country of incorporation**	**File number at Chamber of Commerce of the Netherlands**	**FATCA**
	CEF2 A09 BV	Korte Vijverberg 4 2513 AB Den Haag The Netherlands	06 August 2021	Netherlands	83608273	Non-Reporting financial institutions
	Legal entity type	**Management board (statutair bestuurder)**	**Lawyers**	**Auditor**	**Bank**	**CRS**
	Besloten Vennootschap (comparable with Private Limited Liability Company)	Climate Fund Managers B.V. is the sole member of the management board (statutair bestuurder)	Jones Day Concertgebouwplein 20, 1071LN Amsterdam P.O. Box 51204, 1007 EE Amsterdam The Netherlands	The B.V. meets the definition of a small legal entity per the Dutch Civil Code and accordingly it is not required to appoint an auditor	ING Bank N.V. Bijlmerplein 888 1102 MG Amsterdam The Netherlands	Non-Reporting Financial Institution

The B.V. is a Besloten Vennootschap (comparable with a Private Limited Liability Company) established under the laws of the Netherlands and incorporated by the execution of a notarial deed of incorporation. The BV is a 100% subsidiary of Coöperatief CI2 Construction Equity Fund U.A. ("CEF2") .
The organisation of the B.V. is governed by the relevant provisions of Dutch law, its Articles of Association and the CEF2 Members' Agreement.
CEF2 provides technical assistance and capital to finance the construction of projects in the water, sanitation and ocean sectors and related infrastructure to enable project assets to reach an operational stage, subject to and in accordance with the provisions of CEF2s Members Agreement. CEF2s preferred investment structure is to advance funding to its 100% owned Dutch BV subsidiary (the "Project Company"). The Project Company provides equity and loans (generally in USD) to a project in the water, sanitation and ocean sectors ("Project Asset").

Business activities	CEF2's objective is to provide capital to finance the construction of projects in the water, sanitation and ocean sectors and related infrastructure to enable project assets to reach an operational stage in low, lower middle and upper middle income countries, subject to and in accordance with the provisions of the CEF2 Members' Agreement.

Role	**Legal entity name**	**Registered Office**	**Date of incorporation**	**Country of incorporation**	**File number at Chamber of Commerce of the Netherlands**
Board/Daily policy makers	Climate Fund Managers B.V. (previously up until 30 April 2021: Coöperatief Climate Fund Managers U.A.)	Korte Vijverberg 4 2513 AB Den Haag, Netherlands	30 October 2015	Netherlands	64460789

CEF2 is managed by Climate Fund Managers B.V.("the Manager"). The Manager is in terms of the Management Agreement entrusted with the management of CEF2, including sourcing, management and divestment of the investments for CEF2 and maintaining the financial records.

Climate Fund Managers B.V. is the sole member of the Board. The Board has the exclusive authority and responsibility to manage the affairs of the BV and has full authority, in its sole discretion, to bind the BV and to do all things and acts necessary to carry out the purposes of CEF2. Per the Climate Fund Managers B.V. shareholders agreement the Management Board of Climate Fund Managers B.V. represent it. The members of the Management Board of Climate Fund Managers B.V.currently holding office are:

Management Board of Climate Fund Managers B.V.	**Identification Number**	**Residential Address**
Robert Andrew Johnstone	124597754 (UK Passport) M00479536 (SA Passport)	Netherlands: Denneweg 116C, 2514CK te 's-Gravenhage, The Netherlands SA: 18 Eugene Marais Avenue, Constantia 7806, Cape Town, South Africa
Tarun Brahma	BXKL35C30 (NL Passport) Spanish N.I.E.: Z1890452-H)	Eerste Helmersstraat 115 H, 1054DN Amsterdam The Netherlands
Revant Gupta	NV38JHBB7 (NL)	Bocht van Guinea 7, Den Haag, 2515 MA
Alison Wood	144388937 (UK Passport)	Grd FI Flat, 22 Coniger Road, London, SW63TA

Shareholder	The BV is a 100% subsidiary of Coöperatief CI2 Construction Equity Fund U.A. ("CEF2") .					
	Shareholder	**KvK ("CCI") number;**	**Legal entity type**	**Date of incorporation**	**Country of incorporation**	**Registered Office**
	Coöperatief CI2 Construction Equity Fund U.A.	77598636	Cooperative with excluded liability (cooperatie met uitgesloten aansprakelijkheid)	11 March 2020	Netherlands	Korte Vijverberg 4, 2513 AB Den Haag, The Netherlands

Investments	CEF2 provides technical assistance and capital to finance the construction of projects in the water, sanitation and ocean sectors and related infrastructure to enable project assets to reach an operational stage, subject to and in accordance with the provisions of CEF2s Members Agreement. CEF2s preferred investment structure is to advance funding to its 100% owned Dutch BV subsidiary (the "Project Company"). The Project Company provides equity and loans (generally in USD) to a project in the water, sanitation and ocean sectors ("Project Asset"). Refer attached investment register.						
	Project Company	**BV holding In Project Company**	**Other Shareholder(s) in Project company**	**Country of Incorporation**	**Country of Operation**	**CFM Board Members**	**Deal Lead**
	Tubig Pilipinas Group Inc.	15% shareholding	Purewater Corporation, Quadwater Corporatio	Philippines	Philippines	Jeb Victorino	Jeb Victorino

REGISTER

ALS BEDOELD IN ARTIKEL 194 LID 1 VAN BOEK 2 VAN HET BURGERLIJK WETBOEK

van de besloten vennootschap met beperkte aansprakelijkheid:

CEF2 Aog B.V.

naam gewijzigd in :

naam gewijzigd in :

gevestigd te : 's-Gravenhage

wijz. vestigingsplaats :

wijz. vestigingsplaats :

opgericht bij akte op : 6 augustus 2021

verleden voor : een waarnemer van mr. R-J.E. Zwaan

notaris te : 's-Gravenhage

handelsregister nr : 83608273

Statuten gewijzigd:

bij akte op :
verleden voor :
notaris te :

bij akte op :
verleden voor :
notaris te :

bij akte op :
verleden voor :
notaris te :

bij akte op :
verleden voor :
notaris te :

Dit register bevat de gegevens omtrent aandeelhouders, vruchtgebruikers en pandhouders van aandelen, alsmede die van certificaathouders met vergaderrecht. Dit register bevat de gegevens van de vennootschap

*** vanaf de datum van oprichting**

*** vanaf**

* Doorhalen wat niet van toepassing is.

1e druk

Register van de venootschap - folio
ISBN 978 90 13112 27 6 *(losbladig in band)*
ISBN 978 90 13112 28 3 *(losse inhoud)*
ISBN 978 90 13112 24 5 *(vastbladig)*

Register van de venootschap - on line
Zie: www.kluwer.nl/shop

Register of the Company (engelstalig):
ISBN 978 90 13112 29 0 *(losbladig in band)*

Voor bestellingen: www.kluwer.nl/shop

© 2013, Kluwer, Deventer

Niets uit deze uitgave mag worden verveelvoudigd en/of openbaar gemaakt door middel van druk, fotokopie, microfilm of op welke andere wijze ook, zonder voorafgaande schriftelijke toestemming van de uitgever.

No part of this book may be reproduced in any form, by print, photoprint, microfilm or any other means without written permission from the publisher.

INHOUD

Toelichting

Toelichting 5

Verkorte aanduidingen voor bijzonderheden 10

Bijhoudingsverklaringen 11

Gegevens kapitaal

Maatschappelijk kapitaal 13

Geplaatst kapitaal 14

Gestort kapitaal 16

Aandeelhouders e.a.

Gegevens per aandeelhouder 19

Gegevens per certificaathouder 49

Gegevens per vruchtgebruiker/pandhouder 73

Gegevens omtrent een wettelijk pandrecht op aandelen 81

Aantekening van rechten, verplichtingen en beperkingen 85

Voorbeelden

Voorbeelden voor het geval van:

- oprichting 89
- uitgifte na oprichting 89
- wijziging nominale waarde 90
- verkrijging door levering 90
- voortzetting inschrijving op nieuw blad 91
- vervreemding door levering 91
- verkrijging door erfopvolging 92
- verlies aandelen door fusie 92
- vestiging pandrecht 93
- eindigen pandrecht 93
- vestiging vruchtgebruik 94
- eindigen vruchtgebruik 94

Voorbeelden voor uittreksels uit het register 95

Statuten c.a.

Index 97

TOELICHTING

1. Algemeen

1.1. Inhoud van het register van de vennootschap

De besloten vennootschap met beperkte aansprakelijkheid kent slechts aandelen op naam en geen aandeelbewijzen. In verband daarmee schrijft artikel 194[1] het bestuur van de vennootschap voor een register te houden.

Het bestuur (dikwijls genoemd de directie) dient het register regelmatig bij te houden.

In het register dienen de volgende gegevens te worden opgenomen:
- de namen en de adressen van alle aandeelhouders;
- de datum van de verkrijging door de aandeelhouders van hun aandelen en de datum van erkenning of betekening van de rechtshandeling van de verkrijging (zie onderdeel 5 van deze toelichting);
- de namen en adressen van de houders van certificaten van aandelen waaraan vergaderrecht is verbonden;
- de datum waarop het vergaderrecht aan de certificaten van een certificaathouder is verbonden alsook de datum van de erkenning of betekening van de verkrijging (zie onderdeel 2 van deze toelichting);
- de soort of aanduiding van de aandelen (zie onderdeel 4.1 van deze toelichting);
- het bedrag dat op elk aandeel is gestort;
- elk verleend ontslag van aansprakelijkheid voor nog niet gedane stortingen;
- dat een aandeelhouder in een voorkomend geval niet is gebonden aan bepaalde statutaire eisen of verplichtingen (zie onderdeel 8 van deze toelichting);
- de namen en de adressen van hen die een vruchtgebruik of pandrecht op aandelen hebben;
- de datum waarop vruchtgebruikers en pandhouders hun recht hebben verkregen en de datum van erkenning of betekening van die verkrijging (zie onderdeel 5.2 van deze toelichting);
- welke rechten de vruchtgebruiker en de pandhouder toekomen (zie onderdeel 3 van deze toelichting);
- een bij testament ingesteld bewind over aandelen, tenzij door de erflater in het testament anders werd bepaald (artikel 160 lid 2 van Boek 4 van het Burgerlijk Wetboek);
- beslag dat op aandelen is gelegd (artikel 474 c lid 4 en artikel 474 aa lid 1 van het Wetboek van Burgerlijke Rechtsvordering, zie onderdeel 7 van deze toelichting).

De statuten kunnen verdere voorschriften bevatten ten aanzien van de inhoud van het register en de wijze van bijhouden daarvan.

Niet-nakoming van de wettelijke verplichtingen is een strafbaar feit, en wel een overtreding (Wet op de economische delicten art. 1, onder 4° en art. 2 lid 4).

1.2. Inzage in en uittreksels[2] uit het register

Iedere aandeelhouder heeft het recht het register, dat daartoe ten kantore van de vennootschap door het bestuur dient te worden neergelegd, in zijn geheel in te zien.
Hetzelfde geldt voor iedere vruchtgebruiker en pandhouder met vergaderrecht (al dan niet met stemrecht) en voor iedere certificaathouder aan wie het vergaderrecht toekomt.

Op zijn verzoek wordt hem door het bestuur kosteloos een uittreksel uit het register verschaft met betrekking tot zijn rechten op aandelen of certificaten.

Een ieder heeft het recht het register in te zien voor wat betreft de daarin opgenomen gegevens omtrent niet-volgestorte aandelen; een afschrift of uittreksel van deze gegevens wordt door het bestuur verstrekt aan een ieder die daarom verzoekt, ten hoogste tegen kostprijs.
Men zie omtrent niet-volgestorte aandelen ook onderdeel 4.2 van deze toelichting.

1.3. Oproeping tot de algemene vergadering; elektronische oproeping

De oproeping tot de algemene vergadering geschiedt door middel van oproepingsbrieven gericht aan de adressen van de aandeelhouders en overige vergadergerechtigden (zie hierna), zoals deze zijn vermeld in het register van de vennootschap (artikel 223, lid 1).

Aandeelhouders en andere vergadergerechtigden - behoudens andersluidende bepaling in de statuten - kunnen langs elektronische weg tot de algemene vergadering worden opgeroepen.
De wet (artikel 223 lid 2) bepaalt dat de elektronische oproeping geschiedt 'door een langs elektronische weg toegezonden leesbaar en reproduceerbaar bericht'.
De aandeelhouder/vergadergerechtigde moet met deze wijze van oproeping instemmen en voor dit doel een adres aan de vennootschap bekend hebben gemaakt. Een voor dit doel opgegeven elektronisch adres moet worden opgenomen in het register van de vennootschap. Dit register biedt daartoe de mogelijkheid.

1 Verwijzingen naar wetsartikelen in deze toelichting zijn verwijzingen naar artikelen van Boek 2 van het Burgerlijk Wetboek, tenzij anders is vermeld.
2 Voorbeelden voor uittreksels zijn achterin het register opgenomen.

TOELICHTING vervolg

2. Certificering van aandelen; wettelijk pandrecht op aandelen

2.1. Certificering

Aandelen kunnen worden gecertificeerd. Een administratiekantoor, veelal een stichting, verkrijgt aandelen in - fiduciaire - eigendom tegen toekenning aan de oorspronkelijke aandeelhouder van corresponderende certificaten. De certificaten geven jegens het administratiekantoor recht op de opbrengsten van de aandelen.

2.2. Certificaten waaraan vergaderrecht is verbonden

Aan certificaten kan bij (of krachtens) de statuten vergaderrecht worden verbonden.
Indien dit het geval is komen aan de certificaathouders naast het vergaderrecht ook andere rechten toe (zie onderdeel 3.1. van deze toelichting); voorts komt in dat geval aan de certificaathouders gezamenlijk een pandrecht toe op de corresponderende aandelen (artikel 259 van Boek 3 van het Burgerlijk Wetboek).
Van dit pandrecht kan aantekening worden gesteld op de daartoe bestemde bladzijden in dit register.

De levering van een certificaat waaraan vergaderrecht is verbonden behoeft erkenning door de vennootschap of betekening aan de vennootschap, net zoals die van een aandeel (zie onderdeel 5.1 van de toelichting).

2.3. Certificaten, eerder uitgegeven met medewerking van de vennootschap

Certificaten die vóór 1 oktober 2012 zijn uitgegeven met medewerking van de vennootschap behoren bij de eerstvolgende statutenwijziging na die datum te worden gekwalificeerd als certificaten met vergaderrecht.
De desbetreffende certificaathouders kunnen ook vóór die statutaire aanpassing de vennootschap verzoeken hen als vergadergerechtigden in te schrijven in het register. Zij worden door die inschrijving, ook vóór de aanpassing van de statuten beschouwd als houders van certificaten waaraan bij de statuten vergaderrecht is verbonden.

2.4. Registratie óók door het administratiekantoor

De wet schrijft voor dat de namen en adressen van de houders van certificaten waaraan vergaderrecht is verbonden dienen te worden opgenomen in het register van de vennootschap, met vermelding van de datum waarop het vergaderrecht aan hun certificaat is verbonden en de datum van erkenning of betekening. Dit register kan die vermeldingen bevatten. Mochten er niet voldoende bladen voor certificaathouders in dit register zijn, dan kan dit register worden uitgebreid met een register van certificaathouders. Dat register van certificaathouders moet dan beschouwd worden als een onderdeel van het register van de vennootschap – aldus dient er in dit register naar verwezen te worden.

Deze registratie door het bestuur van de vennootschap staat naast - en in beginsel ook geheel los van - de registratie van de certificaathouders door het administratiekantoor. Het administratiekantoor dient immers ook de houders van certificaten waaraan geen vergaderrecht is verbonden in het eigen register op te nemen. Deze laatste registratie vindt altijd plaats in een afzonderlijk register van certificaathouders, dat wordt bijgehouden door het bestuur van de stichting administratiekantoor.
Het Kluwer register van certificaathouders is zowel geschikt voor de registratie door de stichting administratiekantoor als door het bestuur van de vennootschap, als onderdeel van het register van de vennootschap als bedoeld in artikel 194 lid 1.

3. Vruchtgebruik of pandrecht op aandelen

3.1. Rechten van vruchtgebruikers en pandhouders

Het belangrijkste recht dat aan de vruchtgebruiker of de pandhouder kan toekomen is het stemrecht op de aandelen. Als hij het stemrecht heeft komen hem de rechten toe die door de wet zijn toegekend aan houders van certificaten aan wie vergaderrecht toekomt.
Het vergaderrecht houdt in het recht te worden opgeroepen tot de algemene vergadering, het recht die vergadering bij te wonen en daarin het woord te voeren, voorts het recht de opgemaakte jaarrekening van de vennootschap, het jaarverslag en de krachtens artikel 392 lid 1 toe te voegen gegevens in te zien en er kosteloos een afschrift van te ontvangen, alsmede het recht inzage te nemen in en afschrift of uittreksel te ontvangen van de besluiten van de algemene vergadering (artikel 230 lid 4).[1]

Ook kunnen deze rechten toekomen aan de vruchtgebruiker of de pandhouder die geen stemrecht heeft. Dit is het geval als de statuten dit bepalen en ook bij de verkrijging van het vruchtgebruik of het pandrecht niet anders werd bepaald.
De aandeelhouder die het stemrecht niet heeft doordat dit toekomt aan de vruchtgebruiker of de pandhouder, heeft wel het vergaderrecht met de bijbehorende rechten.

1 Zie NOTULENBOEK (Register van aandeelhoudersbesluiten), uitgave Kluwer, Deventer, ISBN 978 90 26833 05 2.

TOELICHTING vervolg

3.2. Inzage in en uittreksels[1] uit het register

Vruchtgebruikers en pandhouders die de rechten hebben die door de wet zijn toegekend aan houders van certificaten met vergaderrecht hebben – net als aandeelhouders - het recht het register in zijn geheel in te zien.

Evenals aan de aandeelhouder wordt aan de vruchtgebruiker en aan de pandhouder op zijn verzoek door het bestuur kosteloos een uittreksel uit het register verstrekt met betrekking tot zijn rechten op aandelen.
Uittreksels uit het register verstrekt aan de vruchtgebruiker, de pandhouder alsook aan de houder van aandelen waarop een recht van vruchtgebruik of een pandrecht is gevestigd, dienen te vermelden aan wie het stemrecht op de desbetreffende aandelen toekomt en aan wie de rechten toekomen die de wet toekent aan houders van certificaten met vergaderrecht (zie onderdeel 3.1 van deze toelichting).

4. Soort of aanduiding van aandelen; niet-volgestorte aandelen

4.1 Soort of aanduiding van aandelen

De aandelen kunnen onderscheiden zijn in verschillende soorten of aanduidingen. Al naar gelang de soort of aanduiding zullen de aan een aandeel verbonden rechten verschillend zijn.

Zo kan het zijn dat aan de aandelen van een bepaalde soort of aanduiding geen stemrecht in de algemene vergadering is verbonden; die aandelen moeten dan in de statuten expliciet als "stemrechtloos" worden aangeduid (artikel 228 lid 5).

Ook kan bij de statuten zijn bepaald dat aan aandelen van een bepaalde soort of aanduiding extra zeggenschapsrechten zijn verbonden ("prioriteitsaandelen") en/of dat daaraan geen recht of slechts een beperkt recht is verbonden tot deling in de winst of reserves (artikel 216 lid 7)

4.2 Niet-volgestorte aandelen

In onderdeel 1.1. van deze toelichting is vermeld welke gegevens in het register moeten worden opgenomen met betrekking tot niet-volgestorte aandelen.

Blijkens het in onderdeel 1.2. van deze toelichting gestelde kan voor wat deze gegevens betreft een ieder inzage nemen in het register. Mocht een aandeelhouder zowel volgestorte als niet-volgestorte aandelen hebben, dan kunnen daarvoor twee afzonderlijke bladzijden worden gebruikt.

5. Verkrijging van aandelen en beperkte rechten daarop

5.1. Uitgifte en levering van aandelen; erkenning

Voor de uitgifte van aandelen na de oprichting van de vennootschap en voor de levering van aandelen is een notariële akte vereist. De akte van levering moet onder meer vermelden op welke wijze de geleverde aandelen door de aandeelhouder die deze overdraagt, zijn verkregen. De notaris aan wie wordt verzocht een akte van levering op te maken, zal overlegging vragen van de stukken waaruit de verkrijging blijkt.
Het vereiste van een notariële akte geldt "pas" sinds 1 januari 1993; bij uitgiften en leveringen van voor die datum is daarom extra aandacht vereist.

Door de notariële akte van levering wordt de verkrijger aandeelhouder. Hij kan echter zijn rechten nog niet uitoefenen. Daarvoor is nodig dat de vennootschap de levering erkent of dat de akte door een deurwaarder aan de vennootschap wordt betekend.
De erkenning geschiedt in de akte dan wel doordat het bestuur van de vennootschap een gedagtekende verklaring plaatst op een door de notaris afgegeven afschrift of uittreksel van de akte van levering.
Als de erkenning niet geschiedt in de akte en men nalaat een afschrift of uittreksel van de akte over te leggen of te doen betekenen, kan de vennootschap uit eigen beweging de levering erkennen door de verkrijger in het register in te schrijven.
Als de vennootschap dit doet, moet zij daarvan aanstonds bij aangetekende brief mededeling doen aan de oude en de nieuwe aandeelhouder. Daarbij verzoekt de vennootschap hun alsnog een afschrift of uittreksel over te leggen. Na ontvangst daarvan wordt vervolgens de erkenningsaantekening op het stuk geplaatst. De datum van de inschrijving in het register blijft echter gelden als de datum van erkenning. Vanaf dat tijdstip kan de nieuwe aandeelhouder zijn rechten uitoefenen.

Wanneer een levering van aandelen heeft plaatsgevonden zonder dienovereenkomstige wijziging in het register kan deze niet worden tegengeworpen aan onder meer degene, bijvoorbeeld de medeaandeelhouder, die te goeder trouw is afgegaan op de, niet gewijzigde, inhoud van het register. Niet bijhouding van het register kan aldus leiden tot nadeel voor degene wiens verkrijging van aandelen niet werd ingeschreven in het register.
Hetzelfde geldt voor niet-ingeschreven beperkte rechten.

1 Voorbeelden voor uittreksels zijn achterin het register opgenomen.

TOELICHTING vervolg

5.2. Vestiging en levering van vruchtgebruik op aandelen; vestiging van pandrecht op aandelen
Ook hiervoor is een notariële akte vereist, alsmede erkenning of betekening als onder 5.1. vermeld. De wet bevat geen bijzondere voorschriften ten aanzien van de inhoud van een aan de vennootschap over te leggen uittreksel van een akte waarbij een vruchtgebruik of pandrecht wordt gevestigd of een vruchtgebruik wordt geleverd.
Uit de aard van de zaak vloeit voort dat zo'n uittreksel ten minste de gegevens vermeldt die in het register van aandeelhouders moeten worden opgenomen.

5.3. Toedeling van aandelen
Voor verdeling van aandelen die behoren tot een gemeenschap is eveneens een notariële akte vereist, alsmede erkenning of betekening als onder 5.1. vermeld.

5.4. Verkrijging van aandelen door erfrecht; wettelijke verdeling
Het Nederlandse erfrecht houdt onder meer in dat in het algemeen door het overlijden de wettelijke verdeling tot stand komt indien de erflater een echtgenoot of geregistreerd partner en een of meer (klein-)kinderen achterlaat. De langstlevende echtgenoot of partner verkrijgt alle vermogensbestanddelen van de erflater door diens overlijden, dus ook aan de erflater toebehorende aandelen. Aanwezige afstammelingen zijn weliswaar ook erfgenamen, doch zij verkrijgen slechts een vordering op de langstlevende.
Bij testament kunnen overigens afwijkingen van of aanvullingen op de wettelijke verdeling gemaakt zijn. Ook kan de wettelijke verdeling bij testament in het geheel buiten toepassing zijn verklaard.
De langstlevende kan voorts de wettelijke verdeling binnen drie maanden na het overlijden ongedaan maken. Als deze dit doet behoren de aandelen alsnog tot een gemeenschap waartoe de langstlevende en de overige erfgenamen gerechtigd zijn. Verkrijging van aandelen door erfrecht kan leiden tot de statutaire verplichting die aandelen te koop aan te bieden aan de mede-aandeelhouders. Zie onderdeel 6 van deze toelichting.

5.5. Testament - ouderlijke boedelverdeling
Een type testament dat vaak werd gemaakt vóór de invoering van het erfrecht zoals dat geldt sinds 1 januari 2003 was de zogenaamde ouderlijke boedelverdeling. Als een aandeelhouder bij zo'n testament zijn aandelen toedeelde aan zijn echtgenoot en/of afstammelingen, verkrijgt/verkrijgen deze door het overlijden van de aandeelhouder diens aandelen. Het testament is de notariële akte van verkrijging. Een nadere notariële akte is niet nodig.
Zie onderdeel 6. van deze toelichting.

6. Blokkeringsregeling

Bij de meeste besloten vennootschappen geldt een regeling ter beperking van de overdraagbaarheid van aandelen. Een dergelijke blokkeringsregeling kan tevens bepalingen bevatten verband houdende met de vererving van aandelen en de toedeling van aandelen uit een gemeenschap.
Ook kunnen de statuten bepalen dat een aandeelhouder in bepaalde gevallen zijn aandelen moet aanbieden en overdragen, bijvoorbeeld bij wijziging in de zeggenschap in een rechtspersoon-aandeelhouder of faillissement van een aandeelhouder.

Men raadplege de wet en de statuten.

Een overdracht van aandelen die plaatsvindt in strijd met of zonder inachtneming van de bepalingen van de blokkeringsregeling is ongeldig.
Niet-nakoming van de verplichting tot aanbieding of overdracht kan leiden tot opschorting van aandeelhoudersrechten.

7. Beslaglegging op aandelen

Beslaglegging op aandelen op naam geschiedt door aanzegging van het beslag bij deurwaardersexploit aan de vennootschap.
Daarvan wordt een namens de vennootschap ondertekende en door de deurwaarder mede ondertekende aantekening geplaatst in het register. Deze aantekening vermeldt de datum en het tijdstip van het beslag, de naam van de beslaglegger en het aantal en zo mogelijk de nummers van de in beslag genomen aandelen.
De aantekening kan worden gesteld op een afzonderlijke bladzijde, naar welke bladzijde kan worden verwezen met de code BESLAG in de ruimte BIJZONDERHEDEN die op elke bladzijde van het register is opgenomen.
Beslag op aandelen leidt in het beginsel tot executoriale verkoop van de aandelen, onverminderd evenwel de bepalingen van de blokkeringsregeling (zie onderdeel 6 van deze toelichting).

TOELICHTING vervolg

8. Nadere uitleg verkorte aanduidingen in de ruimte BIJZONDERHEDEN

Bij de vermelding van een bijzonderheid dient veelal een verwijzing "zie bladzijde ..." te worden opgenomen. Op de desbetreffende bladzijde kunnen nadere gegevens worden vermeld.
Verwezen kan worden naar bladzijden met gegevens van certificaathouders, vruchtgebruikers of pandhouders dan wel naar een bladzijde "AANTEKENING VAN RECHTEN, VERPLICHTINGEN EN BEPERKINGEN", te vinden vóór het tabblad Voorbeelden.

Indien een bijzonderheid is gewijzigd danwel is komen te vervallen, dient dit te worden vermeld, waarbij tevens de ingangsdatum wordt aangetekend.

BESLAG = op deze aandelen is beslag gelegd
Dit kan betreffen ofwel executoriaal ofwel conservatoir beslag. Op de bladzijde "AANTEKENING VAN RECHTEN, VERPLICHTINGEN EN BEPERKINGEN" wordt vermeld om welk soort beslag het gaat, door of namens welke beslaglegger het beslag is gelegd en op welke datum. Een afschrift van het exploit waarmee het beslag aan de vennootschap is betekend kan in het register worden bewaard ter referentie. Zie ook onderdeel 7 van deze toelichting.

BEWIND = deze aandelen staan onder bewind
Dit kan betreffen ofwel een bewind dat is uitgesproken door de rechter ofwel een testamentair bewind. Op de bladzijde "AANTEKENING VAN RECHTEN, VERPLICHTINGEN EN BEPERKINGEN" wordt vermeld om welk soort bewind het gaat en wie bewindvoerder is. Een afschrift van de beschikking of het testament waarin het bewind is gevestigd kan in het register worden bewaard ter referentie.

CERTIF = deze aandelen zijn gecertificeerd en de certificaathouder heeft vergaderrecht
Zie onderdeel 2 van deze toelichting.

NIET VOL = deze aandelen zijn niet volgestort
Zie onderdeel 4.2 van deze toelichting.

NIET GEB = de houder van deze aandelen is niet gebonden aan een statutaire eis of verplichting
De statuten kunnen bepalen dat aandeelhouders gebonden zijn aan bepaalde verplichtingen van verbintenisrechtelijke aard. Daarnaast kunnen de statuten eisen verbinden aan het aandeelhouderschap (kwaliteitseisen). Ook kunnen de statuten bepalen dat een aandeelhouder in bepaalde gevallen zijn aandelen moet aanbieden en overdragen (zie onderdeel 6 van deze toelichting).
Als een dergelijke eis of verplichting wordt ingevoerd bij statutenwijziging, is een aandeelhouder daaraan niet gebonden, tenzij hij met de eis of verplichting heeft ingestemd.
De niet-gebondenheid moet bij de desbetreffende aandeelhouder worden vermeld.

PAND = deze aandelen zijn bezwaard met pandrecht
Zie onderdeel 3 van deze toelichting.

STOP = een recht met betrekking tot deze aandelen is opgeschort
Dit kan betreffen de opschorting van het vergaderrecht, van het recht op uitkeringen of van het stemrecht op de aandelen. Op een bladzijde "AANTEKENING VAN RECHTEN, VERPLICHTINGEN EN BEPERKINGEN" wordt vermeld welk recht is opgeschort, vanaf welke datum en met welke reden. Zie ook onderdelen 4 en 5 van deze toelichting.

VRGBR = deze aandelen zijn bezwaard met vruchtgebruik
Zie onderdeel 3 van deze toelichting.

9. Aantekening van bijzonderheden: opties

Het verdient overweging in het register aantekening te stellen van feiten die, wanneer veronachtzaamd, leiden tot incidenten.
Aldus kan het verstandig zijn een door een aandeelhouder toegekend recht tot verkrijging van zijn aandelen of een deel ervan (optie) in de ruimte Bijzonderheden te vermelden.
De overdracht van de aandelen ingeval van uitoefening van de optie is overigens onderworpen aan de blokkeringsregeling (zie onderdeel 6 van deze toelichting).

TOELICHTING vervolg

VERKORTE AANDUIDINGEN VOOR BIJZONDERHEDEN*

BESLAG = op deze aandelen is beslag gelegd

BEWIND = deze aandelen staan onder bewind

CERTIF = deze aandelen zijn gecertificeerd en aan de certificaathouder komt vergaderrecht toe

NIET VOL = deze aandelen zijn niet volgestort

NIET GEB = de houder van deze aandelen is niet gebonden aan een statutaire eis of verplichting

PAND = deze aandelen zijn bezwaard met pandrecht

STOP = een recht met betrekking tot deze aandelen is opgeschort

VRGBR = deze aandelen zijn bezwaard met vruchtgebruik

Bij vermelding van een bijzonderheid dient steeds de ingangsdatum alsmede de verwijzing "zie bladzijde ..." te worden opgenomen**

* Voor uitleg zie onderdeel 8 van de toelichting.
** Voorbeelden van ingevulde bladzijden zijn achterin het register opgenomen.

BIJHOUDINGSVERKLARINGEN

Dit register is bijgehouden door de hierna te noemen bestuurder; elke aantekening is gewaarmerkt.

datum	naam bestuurder	handtekening	paraaf ter waarmerking

BIJHOUDINGSVERKLARINGEN vervolg

Dit register is bijgehouden door de hierna te noemen bestuurder; elke aantekening is gewaarmerkt.

datum	naam bestuurder	handtekening	paraaf ter waarmerking

MAATSCHAPPELIJK KAPITAAL

indien hier niets is vermeld danwel wanneer het totaal "geen" is, dan heeft de vennootschap geen maatschappelijk kapitaal

Aantal en soort/aanduiding aandelen; nummers der aandelen	**nominaal bedrag per aandeel**	**totaalbedrag (per soort)**	**paraaf ter waarmerking**
munteenheid aandelen*	EUR		
Maatschappelijk kapitaal per	totaal	.....	

Maatschappelijk kapitaal na uitbreiding of vermindering, na wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		
Maatschappelijk kapitaal per	totaal	.....	

Maatschappelijk kapitaal na uitbreiding of vermindering, na wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		
Maatschappelijk kapitaal per	totaal	.....	

Maatschappelijk kapitaal na uitbreiding of vermindering, na wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		
Maatschappelijk kapitaal per	totaal	.....	

* bij een andere munteenheid dan Euro: EUR doorhalen en de drieletter-afkorting van de andere munteenheid vermelden

GEPLAATST KAPITAAL

Aantal en soort/aanduiding aandelen; nummers der aandelen	**nominaal bedrag per aandeel**	**totaalbedrag (per soort)**	**paraaf**
munteenheid aandelen*	~~EUR~~		
10.000 aandelen, nrs. 1 t/m 10.000	USD 1,00	USD 10.000,00	
Geplaatst kapitaal per 6 augustus 2021	totaal	USD 10.000,00	

Geplaatst kapitaal na uitgifte van aandelen, na kapitaalvermindering, na wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		
Geplaatst kapitaal per	totaal		

Geplaatst kapitaal na uitgifte van aandelen, na kapitaalvermindering, na wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		
Geplaatst kapitaal per	totaal		

Geplaatst kapitaal na uitgifte van aandelen, na kapitaalvermindering, na wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		
Geplaatst kapitaal per	totaal		

* bij een andere munteenheid dan Euro: EUR doorhalen en de drieletter-afkorting van de andere munteenheid vermelden

GEPLAATST KAPITAAL vervolg

Aantal en soort/aanduiding aandelen; nummers der aandelen	nominaal bedrag per aandeel	totaalbedrag (per soort)	paraaf

Geplaatst kapitaal na uitgifte van aandelen, na kapitaalvermindering, na wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		
Geplaatst kapitaal per		totaal	

Geplaatst kapitaal na uitgifte van aandelen, na kapitaalvermindering, na wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		
Geplaatst kapitaal per		totaal	

Geplaatst kapitaal na uitgifte van aandelen, na kapitaalvermindering, na wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		
Geplaatst kapitaal per		totaal	

Geplaatst kapitaal na uitgifte van aandelen, na kapitaalvermindering, na wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		
Geplaatst kapitaal per		totaal	

* bij een andere munteenheid dan Euro: EUR doorhalen en de drieletter-afkorting van de andere munteenheid vermelden

GESTORT KAPITAAL

alle geplaatste aandelen zijn volgestort voorzover hieronder niet anders is vermeld

NIET-VOLGESTORTE AANDELEN

Aantal en soort/aanduiding aandelen; nummers der aandelen	**nominaal bedrag per aandeel**	**totaalbedrag per soort/aanduiding**	**paraaf**
munteenheid aandelen*	~~EUR~~		
10.000 aandelen, nrs. 1 t/m 10.000	USD 1,00	USD 0,00	
Gestort kapitaal per 6 augustus 2021	totaal	USD 0,00	

Gestort kapitaal na bijstorting of volstorting, wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		**paraaf**
Gestort kapitaal per	totaal		

Gestort kapitaal na bijstorting of volstorting, wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		**paraaf**
Gestort kapitaal per	totaal		

* bij een andere munteenheid dan Euro: EUR doorhalen en de drieletter-afkorting van de andere munteenheid vermelden

NIET-VOLGESTORTE AANDELEN vervolg

Aantal en soort/aanduiding aandelen; nummers der aandelen	**nominaal bedrag per aandeel**	**totaalbedrag per soort/aanduiding**	**paraaf**

Gestort kapitaal na bijstorting of volstorting, wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		
Gestort kapitaal per	totaal		

Gestort kapitaal na bijstorting of volstorting, wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		**paraaf**
Gestort kapitaal per	totaal		

Gestort kapitaal na bijstorting of volstorting, wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		**paraaf**
Gestort kapitaal per	totaal		

* bij een andere munteenheid dan Euro: EUR doorhalen en de drieletter-afkorting van de andere munteenheid vermelden

NIET-VOLGESTORTE AANDELEN

Aantal en soort/aanduiding aandelen; nummers der aandelen	**nominaal bedrag per aandeel**	**totaalbedrag per soort/aanduiding**	**paraaf**
munteenheid aandelen*	EUR		
Gestort kapitaal per	totaal	.....	.....

Gestort kapitaal na bijstorting of volstorting, wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		**paraaf**
Gestort kapitaal per	totaal	.....	.....

Gestort kapitaal na bijstorting of volstorting, wijziging van het nominale bedrag of de soort van aandelen, dan wel wijziging van de munteenheid.

munteenheid aandelen*	EUR		**paraaf**
Gestort kapitaal per	totaal	.....	.....

* bij een andere munteenheid dan Euro: EUR doorhalen en de drieletter-afkorting van de andere munteenheid vermelden

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam : Coöperatief CI2 Construction Equity Fund U.A.
wijziging naam :
adres : Korte Vijverberg 4, 2513 AB 's-Gravenhage
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging : Uitgifte bij oprichting van de vennootschap, op 6 augustus 2021 verleden voor een waarnemer van mr. R.J.E. Zwaan, notaris te 's-Gravenhage
datum verkrijging : 6 augustus 2021
datum erkenning/betekening* : n.v.t.

betreft de aandelen

aantal en soort/aanduiding : 10.000 aandelen
elk groot nominaal : US$ 1,00
nummers : 1 t/m 10.000
datum inschrijving : 6 augustus 2021

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 20

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* :

datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :

datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 22

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....

datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....

datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 24

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....

datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....

datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 26

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....
datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....
datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 28

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....
datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....
datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 30

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....
datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....
datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 32

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....

datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....

datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 34

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* :

datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :

datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 36

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....

datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....

datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 38

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* :

datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :

datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 40

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 42

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....

datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....

datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 44

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* :

datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :

datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 46

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....
datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum verkrijging/vervreemding* : .....
datum erkenning/betekening* : .....

betreft de aandelen

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

aandelen gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER AANDEELHOUDER

aandeelhouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
datum verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 48

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* :

datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :

datum verkrijging/vervreemding* :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

aandelen gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam : .....

wijziging naam : .....

adres : .....

elektronisch adres : .....

wijziging adres : .....

wijziging elektronisch adres : .....

eerste inschrijving

rechtsfeit van de verkrijging : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde 50

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving

rechtsfeit van de verkrijging :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

certificaten gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 52

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....
datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....
datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving

rechtsfeit van de verkrijging :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

certificaten gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 54

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....
datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....
datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving

rechtsfeit van de verkrijging :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

certificaten gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 56

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving

rechtsfeit van de verkrijging :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

certificaten gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 58

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....
datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....
datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving

rechtsfeit van de verkrijging :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

certificaten gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 60

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving

rechtsfeit van de verkrijging :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

certificaten gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 62

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving

rechtsfeit van de verkrijging :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

certificaten gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 64

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving

rechtsfeit van de verkrijging :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

certificaten gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 66

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving

rechtsfeit van de verkrijging :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

certificaten gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 68

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving

rechtsfeit van de verkrijging :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

certificaten gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 70

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....

datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....

elk groot nominaal : .....

nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER CERTIFICAATHOUDER MET VERGADERRECHT

certificaathouder

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving

rechtsfeit van de verkrijging :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

mutatie**

rechtsfeit verkrijging/vervreemding* :
datum toekenning vergaderrecht :
datum erkenning/betekening* :

betreft de certificaten

aantal en soort/aanduiding :
elk groot nominaal :
nummers :

certificaten gehouden na mutatie

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 72

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....
datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit verkrijging/vervreemding* : .....

datum toekenning vergaderrecht : .....
datum erkenning/betekening* : .....

betreft de certificaten

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

certificaten gehouden na mutatie

aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER VRUCHTGEBRUIKER/PANDHOUDER*

vruchtgebruiker/pandhouder*

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging (van het vruchtgebruik/pandrecht)* :
datum van de verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

rechten van de vruchtgebruiker/pandhouder*

de vruchtgebruiker/pandhouder* heeft:
- het stemrecht
- de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden
- noch het stemrecht, noch de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden

bijzonderheden**

mutatie**

rechtsfeit van de mutatie :
datum van de mutatie :
gevolgen van dit feit :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 74

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit van de mutatie : .....

datum van de mutatie : .....

gevolgen van dit feit : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit van de mutatie : .....

datum van de mutatie : .....

gevolgen van dit feit : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit van de mutatie : .....

datum van de mutatie : .....

gevolgen van dit feit : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER VRUCHTGEBRUIKER/PANDHOUDER*

vruchtgebruiker/pandhouder*

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging (van het vruchtgebruik/pandrecht)* :
datum van de verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

rechten van de vruchtgebruiker/pandhouder*

de vruchtgebruiker/pandhouder* heeft:
- het stemrecht
- de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden
- noch het stemrecht, noch de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden

bijzonderheden**

mutatie**

rechtsfeit van de mutatie :
datum van de mutatie :
gevolgen van dit feit :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 76

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit van de mutatie : .....

datum van de mutatie : .....

gevolgen van dit feit : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit van de mutatie : .....

datum van de mutatie : .....

gevolgen van dit feit : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit van de mutatie : .....

datum van de mutatie : .....

gevolgen van dit feit : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER VRUCHTGEBRUIKER/PANDHOUDER*

vruchtgebruiker/pandhouder*

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging (van het vruchtgebruik/pandrecht)* :
datum van de verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

rechten van de vruchtgebruiker/pandhouder*

de vruchtgebruiker/pandhouder* heeft:
- het stemrecht
- de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden
- noch het stemrecht, noch de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden

bijzonderheden**

mutatie**

rechtsfeit van de mutatie :
datum van de mutatie :
gevolgen van dit feit :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 78

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit van de mutatie : .....

datum van de mutatie : .....

gevolgen van dit feit : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit van de mutatie : .....

datum van de mutatie : .....

gevolgen van dit feit : .....

datum inschrijving : .....

bijzonderheden**

.....

mutatie**

rechtsfeit van de mutatie : .....

datum van de mutatie : .....

gevolgen van dit feit : .....

datum inschrijving : .....

bijzonderheden**

.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS PER VRUCHTGEBRUIKER/PANDHOUDER*

vruchtgebruiker/pandhouder*

paraaf ter waarmerking

naam :
wijziging naam :
adres :
elektronisch adres :
wijziging adres :
wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging :
(van het vruchtgebruik/pandrecht)*
datum van de verkrijging :
datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :
elk groot nominaal :
nummers :
datum inschrijving :

rechten van de vruchtgebruiker/pandhouder*

de vruchtgebruiker/pandhouder* heeft:
- het stemrecht
- de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden
- noch het stemrecht, noch de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden

bijzonderheden**

mutatie**

rechtsfeit van de mutatie :
datum van de mutatie :
gevolgen van dit feit :
datum inschrijving :

bijzonderheden**

vervolg mutaties zie bladzijde 80

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

paraaf ter waarmerking

mutatie**

rechtsfeit van de mutatie : .....
.....
.....
datum van de mutatie : .....
gevolgen van dit feit : .....
.....
.....
.....
datum inschrijving : .....

bijzonderheden**
.....
.....
.....
.....

mutatie**

rechtsfeit van de mutatie : .....
.....
.....
datum van de mutatie : .....
gevolgen van dit feit : .....
.....
.....
.....
datum inschrijving : .....

bijzonderheden**
.....
.....
.....
.....

mutatie**

rechtsfeit van de mutatie : .....
.....
.....
datum van de mutatie : .....
gevolgen van dit feit : .....
.....
.....
.....
datum inschrijving : .....

bijzonderheden**
.....
.....
.....
.....

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS OMTRENT EEN WETTELIJK PANDRECHT OP AANDELEN (artikel 259 Boek 3 van het Burgerlijk Wetboek)

paraaf ter waarmerking

Bij akte van levering op : .....
verleden voor notaris : .....
.....

zijn gecertificeerd de volgende aandelen in het kapitaal van de vennootschap
aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....
.....

Aan de houders van de certificaten van gemelde aandelen is vergaderrecht toegekend bij of krachtens de statuten.

Aan dit pandrecht zijn geen verdere rechten verbonden dan het recht van executie als bedoeld in artikel 259 lid 3 Boek 3 van het Burgerlijk Wetboek.

De namen en de adressen van de certificaathouders aan wie het pandrecht toekomt zijn vermeld in dit register.*

datum inschrijving : .....

bijzonderheden**
.....
.....
.....
.....

Bij akte van levering op : .....
verleden voor notaris : .....
.....

zijn gecertificeerd de volgende aandelen in het kapitaal van de vennootschap
aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....
.....

Aan de houders van de certificaten van gemelde aandelen is vergaderrecht toegekend bij of krachtens de statuten.

Aan dit pandrecht zijn geen verdere rechten verbonden dan het recht van executie als bedoeld in artikel 259 lid 3 Boek 3 van het Burgerlijk Wetboek.

De namen en de adressen van de certificaathouders aan wie het pandrecht toekomt zijn vermeld in dit register.*

datum inschrijving : .....

bijzonderheden**
.....
.....
.....
.....

---

* zie Toelichting, onderdeel 2.2
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS OMTRENT EEN WETTELIJK PANDRECHT OP AANDELEN (artikel 259 Boek 3 van het Burgerlijk Wetboek)

paraaf ter waarmerking

Bij akte van levering op : .....
verleden voor notaris : .....
.....

zijn gecertificeerd de volgende aandelen in het kapitaal van de vennootschap
aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....
.....

Aan de houders van de certificaten van gemelde aandelen is vergaderrecht toegekend bij of krachtens de statuten.

Aan dit pandrecht zijn geen verdere rechten verbonden dan het recht van executie als bedoeld in artikel 259 lid 3 Boek 3 van het Burgerlijk Wetboek.

De namen en de adressen van de certificaathouders aan wie het pandrecht toekomt zijn vermeld in dit register.*

datum inschrijving : .....

bijzonderheden**

.....
.....
.....
.....

Bij akte van levering op : .....
verleden voor notaris : .....
.....

zijn gecertificeerd de volgende aandelen in het kapitaal van de vennootschap
aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....
.....

Aan de houders van de certificaten van gemelde aandelen is vergaderrecht toegekend bij of krachtens de statuten.

Aan dit pandrecht zijn geen verdere rechten verbonden dan het recht van executie als bedoeld in artikel 259 lid 3 Boek 3 van het Burgerlijk Wetboek.

De namen en de adressen van de certificaathouders aan wie het pandrecht toekomt zijn vermeld in dit register.*

datum inschrijving : .....

bijzonderheden**

.....
.....
.....
.....

---

* zie Toelichting, onderdeel 2.2
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS OMTRENT EEN WETTELIJK PANDRECHT OP AANDELEN (artikel 259 Boek 3 van het Burgerlijk Wetboek)

paraaf ter waarmerking

Bij akte van levering op : .....
verleden voor notaris : .....
.....

zijn gecertificeerd de volgende aandelen in het kapitaal van de vennootschap
aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....
.....

Aan de houders van de certificaten van gemelde aandelen is vergaderrecht toegekend bij of krachtens de statuten.

Aan dit pandrecht zijn geen verdere rechten verbonden dan het recht van executie als bedoeld in artikel 259 lid 3 Boek 3 van het Burgerlijk Wetboek.

De namen en de adressen van de certificaathouders aan wie het pandrecht toekomt zijn vermeld in dit register.*

datum inschrijving : .....

bijzonderheden**
.....
.....
.....
.....

Bij akte van levering op : .....
verleden voor notaris : .....
.....

zijn gecertificeerd de volgende aandelen in het kapitaal van de vennootschap
aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....
.....

Aan de houders van de certificaten van gemelde aandelen is vergaderrecht toegekend bij of krachtens de statuten.

Aan dit pandrecht zijn geen verdere rechten verbonden dan het recht van executie als bedoeld in artikel 259 lid 3 Boek 3 van het Burgerlijk Wetboek.

De namen en de adressen van de certificaathouders aan wie het pandrecht toekomt zijn vermeld in dit register.*

datum inschrijving : .....

bijzonderheden**
.....
.....
.....
.....

---

* zie Toelichting, onderdeel 2.2
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

GEGEVENS OMTRENT EEN WETTELIJK PANDRECHT OP AANDELEN (artikel 259 Boek 3 van het Burgerlijk Wetboek)

paraaf ter waarmerking

Bij akte van levering op : .....
verleden voor notaris : .....
.....

zijn gecertificeerd de volgende aandelen in het kapitaal van de vennootschap
aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....
.....

Aan de houders van de certificaten van gemelde aandelen is vergaderrecht toegekend bij of krachtens de statuten.

Aan dit pandrecht zijn geen verdere rechten verbonden dan het recht van executie als bedoeld in artikel 259 lid 3 Boek 3 van het Burgerlijk Wetboek.

De namen en de adressen van de certificaathouders aan wie het pandrecht toekomt zijn vermeld in dit register.*

datum inschrijving : .....

bijzonderheden**
.....
.....
.....
.....

Bij akte van levering op : .....
verleden voor notaris : .....
.....

zijn gecertificeerd de volgende aandelen in het kapitaal van de vennootschap
aantal en soort/aanduiding : .....
elk groot nominaal : .....
nummers : .....
.....

Aan de houders van de certificaten van gemelde aandelen is vergaderrecht toegekend bij of krachtens de statuten.

Aan dit pandrecht zijn geen verdere rechten verbonden dan het recht van executie als bedoeld in artikel 259 lid 3 Boek 3 van het Burgerlijk Wetboek.

De namen en de adressen van de certificaathouders aan wie het pandrecht toekomt zijn vermeld in dit register.*

datum inschrijving : .....

bijzonderheden**
.....
.....
.....
.....

---

* zie Toelichting, onderdeel 2.2
** zie de lijst "verkorte aanduidingen voor bijzonderheden" voorin het register en de voorbeelden achterin het register

AANTEKENING VAN RECHTEN, VERPLICHTINGEN EN BEPERKINGEN*

gerechtigde (aandeelhouder, certificaathouder, vruchtgebruiker, pandhouder)

paraaf ter waarmerking

naam : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

mutatie : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

mutatie : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

* raadpleeg voor de op te nemen gegevens de toelichting; zie ook de voorbeelden achterin dit register.
** doorhalen wat niet van toepassing is

AANTEKENING VAN RECHTEN, VERPLICHTINGEN EN BEPERKINGEN* vervolg

gerechtigde (aandeelhouder, certificaathouder, vruchtgebruiker, pandhouder)

paraaf ter waarmerking

naam : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

mutatie : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

mutatie : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

* raadpleeg voor de op te nemen gegevens de toelichting; zie ook de voorbeelden achterin dit register.
** doorhalen wat niet van toepassing is

AANTEKENING VAN RECHTEN, VERPLICHTINGEN EN BEPERKINGEN* vervolg

gerechtigde (aandeelhouder, certificaathouder, vruchtgebruiker, pandhouder)

paraaf ter waarmerking

naam : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

mutatie : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

mutatie : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

* raadpleeg voor de op te nemen gegevens de toelichting; zie ook de voorbeelden achterin dit register.
** doorhalen wat niet van toepassing is

AANTEKENING VAN RECHTEN, VERPLICHTINGEN EN BEPERKINGEN* vervolg

gerechtigde (aandeelhouder, certificaathouder, vruchtgebruiker, pandhouder)

paraaf ter waarmerking

naam : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

mutatie : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

mutatie : .....

betreft vermelding op bladzijde : .....

Op die bladzijde is onder BIJZONDERHEDEN opgenomen de vermelding:
BESLAG / BEWIND / CERTIF / NIET VOL / NIET GEB / PAND / STOP / VRGBR**

datum : .....

precisering : .....

---

* raadpleeg voor de op te nemen gegevens de toelichting; zie ook de voorbeelden achterin dit register.
** doorhalen wat niet van toepassing is

VOORBEELDEN

aandeelhouder

paraaf ter waarmerking

naam : *B.V. Aandeelhouder*

wijziging naam :

adres : *Registerlaan 5, 4321 AL Deventer*

elektronisch adres :

wijziging adres :

wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging : *uitgifte bij oprichting van de vennootschap*

datum verkrijging : *27 januari (jaartal)*

datum erkenning/betekening* : *niet van toepassing*

betreft de aandelen

aantal en soort/aanduiding : *4000 gewone aandelen en 1 prioriteitsaandeel*

elk groot nominaal : *EUR 100*

nummers : *1 tot en met 4000, respectievelijk P1*

datum inschrijving : *27 januari (jaartal)*

bijzonderheden**

geen

[VOORBEELD OPRICHTING]

mutatie**

rechtsfeit verkrijging/~~vervreemding~~* : *akte van aandelenuitgifte op 13 oktober (jaartal) verleden voor Mr. V.H. notaris te H.*

datum verkrijging/~~vervreemding~~* : *13 oktober (jaartal)*

datum erkenning/betekening* : *niet van toepassing*

betreft de aandelen

aantal en soort/aanduiding : *2000 gewone aandelenen 1 prioriteitsaandeel*

elk groot nominaal : *EUR 100*

nummers : *4001 tot en met 6000, respectievelijk P1 en P2*

aandelen gehouden na mutatie

aantal en soort/aanduiding : *6000 gewone aandelen en 2 prioriteitsaandelen*

elk groot nominaal : *EUR 100*

nummers : *1 tot en met 6000, respectievelijk P1 en P2*

datum inschrijving :

bijzonderheden**

de uitgifte vond plaats krachtens besluit van de algemene vergadering op 28 augustus (jaartal) genomen op voorstel van de vergadering van houders van prioriteitsaandelen

[VOORBEELD UITGIFTE]

vervolg mutaties zie bladzijde 90

* doorhalen wat niet van toepassing is

VOORBEELDEN (1e vervolg)

paraaf ter waarmerking

mutatie**

rechtsfeit ~~verkrijging/vervreemding~~* : *wijziging van de nominale waarde van de gewone aandelen bij de statutenwijziging van 31 december (jaartal)*

datum ~~verkrijging/vervreemding~~* : *31 december (jaartal)*

datum erkenning/betekening* : *niet van toepassing*

betreft de aandelen

aantal en soort/aanduiding : *6000 gewone aandelen en 2 prioriteitsaandelen*

elk groot nominaal : *EUR 100*

nummers : *1 tot en met 600.000 respectievelijk P1 en P2*

aandelen gehouden na mutatie

aantal en soort/aanduiding : *600.000 gewone aandelen en 2 prioriteitsaandelen*

elk groot nominaal : *EUR 1 respectievelijk 600.000 respectievelijk P1 en P2*

nummers : *1 tot en met 600.000 respectievelijk P1 en P2*

datum inschrijving : *31 december (jaartal)*

bijzonderheden**

geen

[VOORBEELD WIJZIGING NOMINALE WAARDE]

mutatie**

rechtsfeit verkrijging/~~vervreemding~~* : *akte van levering op 2 juli (jaartal) verleden voor Mr. A.S., notaris te R. (zie ook bladzijde 21)*

datum verkrijging/~~vervreemding~~* : *2 juli (jaartal)*

datum erkenning/~~betekening~~* : *15 juli (jaartal)*

betreft de aandelen

aantal en soort/aanduiding : *133.333 gewone aandelen*

elk groot nominaal : *EUR 1*

nummers : *866.668 tot en met 1.000.000*

aandelen gehouden na mutatie

aantal en soort/aanduiding : *7333.333 gewone aandelen en 2 prioriteitsaandelen*

elk groot nominaal : *EUR 1 respectievelijk EUR 100*

nummers : *1 t/m 600.000 en 866.668 t/m 1.000.000; P1 en P2*

datum inschrijving : *15 juli (jaartal)*

bijzonderheden**

alle gemelde aandelen zijn verpand, zie aantekening op blad 73

[VOORBEELD VERKRIJGING DOOR LEVERING; VERPANDING]

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

VOORBEELDEN (2e vervolg)

aandeelhouder

paraaf ter waarmerking

naam : *B.V. Aandeelhouder*

wijziging naam :

adres : *Registerlaan 5, 4321 AL Deventer*

elektronisch adres :

wijziging adres :

wijziging elektronisch adres :

eerste inschrijving**

~~rechtsfeit van de verkrijging~~ : *voor eerste inschrijving zie (volgt verwijzing naar de desbetreffende bladzijde); voor wijziging zie "MUTATIE" hieronder*

datum verkrijging :

datum erkenning/betekening* :

betreft de aandelen

aantal en soort/aanduiding :

elk groot nominaal :

nummers :

datum inschrijving :

bijzonderheden**

[VOORBEELD VOORTZETTING INSCHRIJVING OP NIEUW BLAD]

mutatie**

rechtsfeit ~~verkrijging~~/vervreemding* : *akte van levering op 20 december (jaartal) verleden voor Mr. C.S. notaris te N. (zie ook bladzijde 23)*

datum ~~verkrijging~~/vervreemding* : *20 december (jaartal)*

datum erkenning/~~betekening~~* : *22 december (jaartal)*

betreft de aandelen

aantal en soort/aanduiding : *733.333 gewone aandelen en 2 prioriteitsaandelen*

elk groot nominaal : *EUR 1 respectievelijk EUR 100*

nummers : *1 tot en met 600.000, 866.668 tot en met 1.000.000; P1 en P2*

aandelen gehouden na mutatie

aantal en soort/aanduiding : *geen*

elk groot nominaal : -

nummers : -

datum inschrijving : *22 december (jaartal)*

bijzonderheden**

het pandrecht op de aandelen is vervallen door voldoening van al het verschuldigde (zie aantekening op bladzijde 73)

[VOORBEELD VERVREEMDING DOOR LEVERING]

vervolg mutaties zie bladzijde 92

* doorhalen wat niet van toepassing is

VOORBEELDEN (3e vervolg)

paraaf ter waarmerking

mutatie**

rechtsfeit verkrijging/~~vervreemding~~* : *erfopvolging blijkens verklaring van erfrecht afgegeven door mr. A.B. notaris te R. (zie ook bladzijde 27)*

datum verkrijging/~~vervreemding~~* : *18 september (jaartal)*
datum erkenning/betekening* : *niet van toepassing*

betreft de aandelen

aantal en soort/aanduiding : *66.667 gewone aandelen*
elk groot nominaal : *EUR 1*
nummers : *800.001 tot en met 866.667*

aandelen gehouden na mutatie

aantal en soort/aanduiding : *66.667 gewone aandelen*
elk groot nominaal : *EUR 1*
nummers : *800.001 tot en met 866.667*

datum inschrijving : *14 oktober (jaartal)*

bijzonderheden**

ingevolge de statuten van de vennootschap dienen de aandelen te worden aangeboden aan de mede-aandeelhouders

[VOORBEELD VERKRIJGING DOOR ERFOPVOLGING]

mutatie**

rechtsfeit ~~verkrijging/vervreemding~~* : *fusie als gevolg waarvan de vennootschap zal ophouden te bestaan, krachtens akte op 31 december (jaartal) verleden voor mr. M.K. notaris te N.*

datum ~~verkrijging/vervreemding~~* : *1 januari (jaartal)*
datum erkenning/~~betekening~~* : *niet van toepassing*

betreft de aandelen

aantal en soort/aanduiding : *66.667 gewone aandelen*
elk groot nominaal : *EUR 1*
nummers : *800.001 tot en met 866.667*

aandelen gehouden na mutatie

aantal en soort/aanduiding : *geen*
elk groot nominaal : *-*
nummers : *-*

datum inschrijving : *31 december (jaartal)*

bijzonderheden**

zie voor de bij de fusie door de aandeelhouder te verkrijgen aandelen het register van aandeelhouders van de verkrijgende vennootschap, X B.V. gevestigd te Y

[VOORBEELD VERLIES AANDELEN DOOR FUSIE]

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

VOORBEELDEN (4e vervolg)

~~vruchtgebruiker~~/pandhouder*

paraaf ter waarmerking

naam : *ABC Bank N.V.*

wijziging naam :

adres : *Kluisweg 2, 3456 SV Rotterdam*

elektronisch adres : *afdeling@abcbank.nl*

wijziging adres :

wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging (van het ~~vruchtgebruik~~/pandrecht)* : *akte vestiging pandrecht op 7 augustus (jaartal) verleden voor mr R.R. notaris te R.*

datum van de verkrijging : *7 augustus (jaartal)*

datum erkenning~~/betekening~~* : *7 augustus (jaartal)*

betreft de aandelen

aantal en soort/aanduiding : *733.333 (gewone aandelen en 2 prioriteitsaandelen)*

elk groot nominaal : *EUR 1 respectievelijk EUR 100*

nummers : *1 t/m 600.000 en 866.668 t/m 1.000.000; P1 en P2*

datum inschrijving : *7 augustus (jaartal)*

rechten van de ~~vruchtgebruiker~~/pandhouder*

de ~~vruchtgebruiker~~/pandhouder* heeft:

- ~~het stemrecht~~
- ~~de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden~~
- noch het stemrecht, noch de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden

bijzonderheden**

voor gegevens aandeelhouder zie bladzijde ...

[VOORBEELD VESTIGING PANDRECHT]

(1e vervolg van deze invulinstructie)

mutatie**

rechtsfeit van de mutatie : *voldoening van de schuld tot zekerheid waarvoor het pandrecht strekte, blijkens een akte van vervallenverklaring verleden voor mr. J.R., notaris te R.*

datum van de mutatie : *13 maart (jaartal)*

gevolgen van dit feit : *eindigen van het pandrecht*

datum inschrijving : *13 maart (jaartal)*

bijzonderheden**

zie aantekening onder "BIJZONDERHEDEN" op bladzijde ...

[VOORBEELD EINDIGEN PANDRECHT]

(2e vervolg voorbeeld invulinstructie)

vervolg mutaties zie bladzijde 94

* doorhalen wat niet van toepassing is

VOORBEELDEN (5e vervolg)

vruchtgebruiker/~~pandhouder~~*

paraaf ter waarmerking

naam : *B.E.P. Gerechtigde*

wijziging naam :

adres : *Fruitlaan 1, 2345 EV Voorburg*

elektronisch adres : *ger@bep.nl*

wijziging adres :

wijziging elektronisch adres :

eerste inschrijving**

rechtsfeit van de verkrijging (van het vruchtgebruik/~~pandrecht~~)* : *akte van afgifte legaat op 13 juni (jaartal) verleden voor Mr. M.T. notaris te R*

datum van de verkrijging : *13 juni (jaartal)*

datum erkenning/~~betekening~~* : *14 juni (jaartal)*

betreft de aandelen

aantal en soort/aanduiding : *1000 gewone aandelen*

elk groot nominaal : *EUR 1000*

nummers : *1 t/m 1000*

datum inschrijving : *14 juni (jaartal)*

rechten van de vruchtgebruiker/~~pandhouder~~*

de vruchtgebruiker/~~pandhouder~~* heeft:

- het stemrecht
- de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden
- ~~noch het stemrecht, noch de rechten die de wet toekent aan houders van certificaten van aandelen waaraan vergaderrecht is verbonden~~

bijzonderheden**

[VOORBEELD VESTIGING VRUCHTGEBRUIK]

1) de vruchtgebruiker is een persoon aan wie ingevolge wet en statuten de aandelen vrijelijk kunnen worden overgedragen

2) zie bladzijde 29 (aandeelhouder)

mutatie**

rechtsfeit van de mutatie : *overlijden van de vruchtgebruiker op 15 juli (jaartal)*

datum van de mutatie : *15 juli (jaartal)*

gevolgen van dit feit : *eindigen van het vruchtgebruik op 1000 gewone aandelen elk groot nominaal EUR 100, genummerd 1 t/m 1000*

datum inschrijving : *13 oktober (jaartal)*

bijzonderheden**

[VOORBEELD EINDIGEN VRUCHTGEBRUIK]

zie bladzijde 29 (aandeelhouder)

vervolg mutaties zie bladzijde .....

* doorhalen wat niet van toepassing is

UITTREKSEL UIT HET REGISTER VAN AANDEELHOUDERS

Voorbeeld voor een uittreksel (algemeen)*

van de besloten vennootschap met beperkte aansprakelijkheid

.....

gevestigd te : .....

handelsregister nr : .....

Het bestuur verklaart, dat per heden/op .....

* in het register van aandeelhouders van de vennootschap staat ingeschreven:

naam en voorletters : .....

woonplaats en adres : .....

als houder van aantal en soort/aanduiding : ..... aandelen***

genummerd : .....

elk groot nominaal : .....

al welke aandelen zijn volgestort/ : .....

op welke aandelen is gestort als volgt** .....

en welke aandelen op .....

zijn verkregen als volgt : .....

Het register bevat ten aanzien van deze aandelen geen vermelding van een vruchtgebruik of pandrecht.

DIT UITTREKSEL IS NIET VERHANDELBAAR

uitgegeven voor uittreksel

plaats : .....

datum : .....

handtekening(en) .....

* zie ook het uittreksel op de achterzijde van dit blad
** doorhalen wat niet van toepassing is
*** de aandeelhouder kan verlangen dat hem een uittreksel wordt verstrekt voor één of een aantal van zijn aandelen

UITTREKSEL UIT HET REGISTER

Voorbeeld voor een uittreksel

af te geven aan een vruchtgebruiker of pandhouder van aandelen,
dan wel aan een houder van aandelen waarop een vruchtgebruik gevestigd is.*

van de besloten vennootschap met beperkte aansprakelijkheid

gevestigd te : .....

handelsregister nr : .....

Het bestuur verklaart, dat per heden/op .....

** in het register van de vennootschap staat ingeschreven:

naam en voorletters : .....

woonplaats en adres : .....

**als vruchtgebruiker/pandhouder .....

van aantal en soort/aanduiding : ..... aandelen*** :

als houder van aantal en soort/aanduiding : ..... aandelen* :

waarop een vruchtgebruik/pandrecht is gevestigd,

genummerd : .....

elk groot nominaal : .....

al welke aandelen zijn volgestort/ .....

op welke aandelen is gestort als volgt** : .....

en welk vruchtgebruik/welk pandrecht/ .....

welke aandelen** op .....

is/zijn** verkregen als volgt : .....

Blijkens vermelding in het register komen aan de vruchtgebruiker/pandhouder** toe:
** het stemrecht
** de rechten die de wet toekent aan houders van certificaten van aandelen met vergaderrecht
** noch het stemrecht, noch de rechten die de wet toekent aan houders van certificaten van aandelen met vergaderrecht.
Aan de houder van de met vruchtgebruik/pandrecht** belaste aandelen komen, indien het stemrecht op de aandelen toekomt aan de vruchtgebruiker/pandhouder**, toe de vorenbedoelde rechten van certificaathouders.

DIT UITTREKSEL IS NIET VERHANDELBAAR

uitgegeven voor uittreksel

plaats : .....

datum : .....

handtekening(en) .....

* zie ook de Toelichting
** doorhalen wat niet van toepassing is
*** de vruchtgebruiker, de pandhouder, de houder van aandelen belast met een vruchtgebruik of pandrecht kan verlangen, dat hem een uittreksel wordt verstrekt voor één of een aantal van de aandelen waarvan hij het vruchtgebruik of pandrecht heeft, onderscheidenlijk waarvan hij de houder is

INDEX

naam aandeelhouder, vruchtgebruiker, pandhouder, certificaathouder	bladzijde

INDEX

naam aandeelhouder, vruchtgebruiker, pandhouder, certificaathouder	bladzijde

DE KLUWER-REGISTERS een complete reeks

NOTULENBOEK (REGISTER VAN AANDEELHOUDERSBESLUITEN)

De directie van elke N.V. en B.V. moet aantekening houden van alle besluiten die door de aandeelhouders zijn genomen (artikel 120 lid 4 en 230 lid 4 Boek 2 Burgerlijk Wetboek).
Het NOTULENBOEK geeft een toelichting op gemelde wettelijke bepalingen en bevat vele voorbeelden van de formulering van besluiten. In het NOTULENBOEK kunnen notulen, aandeelhoudersbesluiten en andere stukken worden bewaard.

REGISTER VAN CERTIFICAATHOUDERS

Het register dient in het bijzonder voor de registratie van de certificaathouders door het administratiekantoor. De uitgebreide toelichting is een onontbeerlijk hulpmiddel voor elke (kandidaat-)notaris die in zijn praktijk met - certificering van aandelen te maken heeft.

REGISTER VAN DE VENNOOTSCHAP

Het register van aandeelhouders dient te worden gehouden door de directie van elke B.V. en van elke N.V. die aandelen op naam heeft. Een uitgebreide **set voorbeelden** maakt het correct stellen van aantekeningen in het register mogelijk.

REGISTER VAN AANDEELHOUDERS VOOR DE N.V.

Het register van aandeelhouders dient te worden gehouden door de directie van elke N.V. die aandelen op naam heeft. Een uitgebreide **set voorbeelden** maakt het correct stellen van aantekeningen in het register mogelijk.

REGISTER OF THE COMPANY (Register of the private company with limited liability)

REGISTER OF SHAREHOLDERS OF THE NV

Bestel uw Registers zonder verzendkosten op **www.kluwer.nl**. Ga voor meer informatie over en het bestellen van de Kluwer-Registers naar **www.kluwer.nl** (en zoek op *register*). U betaalt geen verzend- en administratiekosten wanneer u via onze site bestelt!

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. CS201210314
COMPANY TIN 008-297-271

CERTIFICATE OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Articles of Incorporation and By-Laws of

COAL ASIA HOLDINGS INCORPORATED

were duly approved by the Commission on this date upon the issuance of this Certificate of Incorporation in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg.68), and copies of said Articles and By-Laws are hereto attached.

This Certificate grants juridical personality to the corporation but does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

As a registered corporation, it shall submit annually to this Commission the reports indicated at the back of this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 11th day of June, Twenty Twelve.

pru_1secexpress 09:25:09 AM 08/24/2020

BENITO A. CATARAN
Director
Company Registration and Monitoring Department

For SEC use only:
J06940 (PSIC AS reserved)

Securities and Exchange Commission PHILIPPINES

CERTIFIED TRUE COPY 1
Page 1 Of 17 pages AUG 26 2020
Verified by: M. ESTRELLA Date Issued:

COVER SHEET

5-30-12 dmt 4pm

Mr. Anco 4:00

S.E.C. Registration Number

COAL ASIA HOLDINGS INCORPORATED

(Company's Full Name)

3RD FLOOR JTKC CENTER 2155 CHINO ROCES AVE. MAKATI CITY

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

JAIME ANG
Contact Person

818-6772
Company Telephone Number

Month Day

FORM TYPE

Month Day

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

5
Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

pru_1secexpress

09:25:09 AM 08/24/2020

- It appears that John Tan is not a stockholder of Jitco.
- undertaking to submit proof of transfer of ownership.

Securities and Exchange Commission PHILIPPINES

CERTIFIED TRUE COPY 1
Page 2 of 17 pages AUG 26 2020
Verified by: M. ESTRELLA Date Issued:

20

6-4-12

Republic of the Philippines
DEPARTMENT OF FINANCE
SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, 1554

PAYMENT ASSESSMENT FORM No. 05312012-891583

DATE	RESPONSIBILITY CENTER (DEPARTMENT)
05/31/2012	CRMD

PAYOR: COAL ASIA HOLDINGS INCORPORATED
MAKATI CITY

	NATURE OF COLLECTION	ACCOUNT CODE	AMOUNT
	REGISTRATION	606	10,000,000.00
	LRF (A0823)	131	100,010.00
	BY-LAWS	606	500.00
	TOTAL AMOUNT TO BE PAID		Php 10,100,510.00

Assessed by:
ESS

Machine Validation:

CS2012 10314

Securities and Exchange Commission PHILIPPINES

ORS 0734281 May 31, 2012 11:44AM SEC No: 2
Bahagdanganan Php 10,100,510.00

pru_1secexpress 09:25:09 AM 08/24/2020

CERTIFIED TRUE COPY 1
Page 3 Of 17 pages
AUG 26 2020
Verified by: M. ESTRELLA Date Issued:

COVER SHEET

S.E.C. Registration Number

COAL ASIA HOLDINGS INCORPORATED

(Company's Full Name)

3RD FLOOR JTKC CENTER 2155 CHINO ROCES AVE. MAKATI CITY

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

JAIME ANG	818-6772
Contact Person	Company Telephone Number

Month	Day	FORM TYPE	Month	Day

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign
5		

To be accomplished by SEC Personnel concerned

File Number — LCU

Document I.D. — Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

pru_1secexpress 09:25:10 AM 08/24/2020

Securities and Exchange Commission PHILIPPINES

CERTIFIED TRUE COPY
Page 4 of 17 pages
Verified by: M. ESTRELLA Date Issued: AUG 26 2020

5-31-12

ARTICLES OF INCORPORATION

OF

COAL ASIA HOLDINGS INCORPORATED

KNOW ALL MEN BY THESE PRESENTS:

The undersigned incorporators, all of legal age and majority of whom are residents of the Philippines , have this day voluntarily agreed to form a stock corporation under the laws of the Philippines..

THAT WE HEREBY CERTIFY THAT:

FIRST: The name of this corporation shall be:

COAL ASIA HOLDINGS INCORPORATED

SECOND: A. The primary purpose of this corporation is:

1. To engage in the business of a holding company; to buy and hold shares of other companies, whether common, preferred, treasury, founders or other kinds of shares, either by subscribing to the unissued shares of the capital stock in public or private offerings or by purchasing the shares of other stockholders by way of assignment in private sale; to invest in the stock or equity of other companies; to acquire rights in the stock of other companies by way of pledge, chattel mortgage or assignment ; to sell,dispose, assign, pledge, or convey any or all of its shareholdings in other companies in favor of qualified persons by way of private sale, assignment or other forms of private conveyance, all in accordance with the Corporation Code, the Securities Act and other applicable laws and regulations;

2. To vote its shareholdings in other companies and exercise all the rights of a shareholder under the Corporation Code and applicable laws;

3. To do other acts and things, necessary, desirable or appropriate for the attainment of the foregoing purposes;

B. The secondary purpose of the corporation is to acquire, maintain and

Securities and Exchange Commission

pru_1secexpress 09:25:10 AM 08/24/2020

CERTIFIED TRUE COPY
Page 5 of 17 pages
Issued by: M. ESTRELLA Date Issued: AUG 26 2020

dispose of properties necessary to keep the company in operation to perform other acts and things secondary or incidental to the primary purpose of the corporation.

C. The corporation shall have all the express power of a corporation as provided for under Section 36 of the Corporation Code of the Philippines.

THIRD: That the place where the principal office of the corporation is to be established or located is at 3rd Floor, JTKC Centre, 2155 Pasong Tamo, Makati City.

FOURTH: That the term for which said corporation is to exist is **fifty (50) years** from and after the date of incorporation.

FIFTH: That the names, nationalities and residences of the incorporators of the corporation are as follows:

	Name	Nationality	Address
1.	DEXTER Y. TIU	Filipino	3rd Floor JTKC Centre, 2155 Pasong Tamo, Makati City
2.	JAIME T. ANG	Filipino	214 E. Rodriguez St., Addition Hills, San Juan City
3	ALEXANDER Y. TIU	Filipino	130 Amorsolo Mansion, 130 Amorsolo St., Legaspi Village, Makati City
4.	GERTIM G. CHUAHIONG	Filipino	31 Guava St., Malabon City
5.	ERIC Y. ROXAS	Filipino	26 Castrillo St., Corinthian Gardens, Quezon City

SIXTH: That the number of directors of said corporation shall be FIVE (5) and that the names, nationalities and residences of the directors who are to serve until their successors are elected and qualified as provided by the by-laws are as follows:

	Name	Nationality	Address
1.	DEXTER Y. TIU	Filipino	3rd Floor JTKC Centre, 2155 Pasong Tamo, Makati City
2.	JAIME T. ANG	Filipino	214 E. Rodriguez St. Addition Hills, San Juan City
3	ALEXANDER Y. TIU	Filipino	130 Amorsolo Mansion, 130 Amorsolo St., Legaspi Village, Makati City
4.	GERTIM G. CHUAHIONG	Filipino	31 Guava St., Malabon City
5.	ERIC Y. ROXAS	Filipino	26 Castrillo St., Corinthian Gardens, Quezon City

pru_1secexpress
09:25:10 AM 08/24/2020

Securities and Exchange Commission
PHILIPPINES
CERTIFIED TRUE COPY
Page 4 of 17 pages
AUG 26 2020
Verified by: M. ESTRELLA Date Issued:

SEVENTH: That the authorized capital stock of said corporation is **FIVE BILLION PESOS (₱5,000,000,000.00)**, Philippine Currency, and said capital stock is divided into **FIVE BILLION (5,000,000,000)** shares of stock with a par value of **ONE PESO (₱1.00)** each.

EIGHTH: That at least twenty five percent (25%) of the authorized capital stock has been subscribed and at least twenty five (25%) of the total subscription has been paid in shares of stocks as follows:

Name	Nationality	No. of Shares Subscribed	Amount Subscribed	Amount Paid-Up
Dexter Y. Tiu	Filipino	640,000,000	P 640,000,000.00	P 640,000,000.00
Jaime T. Ang	Filipino	640,000,000	640,000,000.00	640,000,000.00
Alexander Y. Tiu	Filipino	640,000,000	640,000,000.00	640,000,000.00
Gertim G. Chuahiong	Filipino	640,000,000	640,000,000.00	640,000,000.00
Eric Y. Roxas	Filipino	640,000,000	640,000,000.00	640,000,000.00
	Total	3,200,000,000	P 3,200,000,000.00	P 3,200,000,000.00

NINTH: That no transfer of stock or interest which would reduce the stock ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of corporation and this restriction shall be indicated in the stock certificates issued by the corporation.

Furthermore , no transfer of stock in favor of parties other than existing stockholders shall be registered in the books of the corporation unless the same is first tendered to the corporation or other existing stockholders under the same terms and conditions, the same other to the effective for a period not exceeding thirty (30) days from such tender.

TENTH: That **ERIC Y. ROXAS** has been elected by the subscribers as Treasurer of the corporation to act as such until his successor is duly elected and shall have qualified in accordance with the by-laws; and that, as such Treasurer, he has been authorized to receive for the corporation, and to issue in its name receipts for all subscriptions paid in by the subscribers.

ELEVENTH: That the corporation manifests its willingness to change its corporate name in the event another person, firm or entity has acquired a prior right to use the said firm name or one deceptively or confusingly similar to it.

Securities and Exchange Commission PHILIPPINES

pru_1secexpress 09:25:11 AM 08/24/2020

CERTIFIED TRUE COPY 1
Page 7 Of 17 pages
Verified by: M. ESTRELLA Date Issued: AUG 26 2020

PSE No. 2020-0824-0001

IN WITNESS WHEREOF, we have hereunto set our hands, this _____ day of _____ at _____.

DEXTER Y. TIU
TIN#106-218-920

JAIME T. ANG
TIN#108-881-845

ALEXANDER Y. TIU.
TIN#106-218-904

GERTIM G. CHUAHIONG
TIN#100-810-789

ERIC Y. ROXAS
TIN#106-207-301

Signed in the presence of:

Securities and Exchange Commission PHILIPPINES

pru_1secexpress 09:25:11 AM 08/24/2020

CERTIFIED TRUE COPY 1
Page 3 of 17 pages AUG 2 6 2020
Verified by: ESTRELLA Date Issued:

ACKNOWLEDGMENT

Republic of the Philippines)
) S.S.

City of Makati

BEFORE ME, a Notary Public in and for the City of Makati City this _____ day of MAY 28 2012 personally appeared:

Name	ID Name & No.
DEXTER Y. TIU	TIN #106-218-920
JAIME T. ANG	TIN #108-881-845
ALEXANDER Y. TIU	TIN #106-218-904
GERTIM G. CHUAHIONG	TIN #100-810-789
ERIC Y. ROXAS	TIN #106-207-301

they has satisfactorily proven to me their identity through their respective ID's, and that they are the same person who executed and voluntarily signed the foregoing Articles of Incorporation which they acknowledged before me as their free and voluntary act and deed.

The foregoing Articles of Incorporation consisting of four (4) pages including the page on which this acknowledgement is written, has been signed on the left margin of each and every page by the parties and the witnesses.

WITNESS MY HAND AND SEAL, this _____ day of MAY 28 2012 in the City of _____.
City of Makati

Doc.. No. 79;
Page No. 16;
Book No. IX;
Series of 2012.

ATTY. DWIGHT M. GALARRITA
NOTARY PUBLIC
COMM. EXPIRES ON Dec. 31, 2013
PTR No. 3181610 /01-05-2013 / MAKATI CITY
IBP No. 849317/01-18-2012 / QUEZON CITY
MCLE COMPLIANCE No. III-0018940
ROLL NO. 42425

Securities and Exchange Commission PHILIPPINES

pru_1secexpress 09:25:11 AM 08/24/2020

CERTIFIED TRUE COPY 1
Page 9 of 17 pages
Verified by: E. ESTRELLA Date Issued: AUG 26 2020

TREASURER'S AFFIDAVIT

Republic of the Philippines)
City of MAKATI CITY)

I, ERIC Y. ROXAS , being duly sworn, depose and say:

That I have been elected by the subscribers of **COAL ASIA HOLDINGS INCORPORATED** as Treasurer-in-Trust thereof, to act as such until my successor has been duly elected and qualified in accordance with the by-laws of the corporation, and that as such Treasurer, I hereby certify under oath that I received the 87,500,000 shares of stock of TITAN MINING AND ENERGY CORPORATION in exchange and as full payment for the subscribed 3,200,000,000 shares of stock.

ERIC Y. ROXAS
Treasurer-in- Trust

SIGNED, SUBSCRIBED AND SWORN TO BEFORE ME this _____ day of MAY 2 8 2012 by the affiant who is personally known to me and exhibiting to me his CTC # _____ issued in _____, a competent evidence of identity as defined by Section 12 of the Rules of Notarial Practice.

Doc. No. 22;
Page No. 06;
Book No. 69;
Series of 2012.

ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APPOINTMENT NO. M-618
UNTIL DECEMBER 31, 2012
ROLL OF ATTORNEY 48348
MCLE COMPLIANCE NO. II-0028579
IBP NO. 706762 - LIFETIME MEMBER
PTR NO. 0009231 JAN. 2, 2012

Securities and Exchange Commission PHILIPPINES

pru_1secexpress 09:25:11 AM 08/24/2020

CERTIFIED TRUE COPY
Page 10 Of 17 pages
Verified by: M. ESTRELLA Date Issued: AUG 26 2020

BY – LAWS

OF

COAL ASIA HOLDINGS INCORPORATED

ARTICLE I

SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES

Section 1. Subscriptions- Subscribers to the capital stock of the corporation shall pay the value of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

Section 2. The stockholder shall be entitled to one or more certificates for fully paid stock subscription in his name in the books of the corporation. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificate shall be signed by the President, countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal.

Section 3. Transfer of Shares - Subject to the restrictions, terms and conditions contained in the Articles of Incorporation , shares may be transferred, sold , assigned or pledged by delivery of the certificates duly indorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the corporation only upon record thereof in the books of the corporation. The Secretary shall cancel the stock certificates and issue new certificates to the transferee.

No share of stock against which the corporation holds unpaid claim shall be transferable in the books of the corporation.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

Section 4. Lost Certificates – In case any stock certificate is lost, stolen, or destroyed, an new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Annual /Regular Meetings – The annual/ regular meetings of stockholders shall be held at the principal office on April 30 of each year, if a legal holiday, then on the day following.

pru_1secexpress 09:25:11 AM 08/24/2020

Securities Exchange Commission PHILIPPINES

CERTIFIED TRUE COPY 1
Page 4 of 17 pages AUG 26 2020
Verified by: M. ESTRELLA Date Issued:

Section 2. Special Meeting - The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock, (b) President.

Section 3. Place of Meeting – Stockholders meetings, whether regular or special, shall be held in the principal office of the corporation or at any place designated by the Board of Directors in the city or municipality where the principal office of the corporation is located.

Section 4. Notice of Meeting - Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at his last known address. The notice shall state the place, date, and hour of the meeting, and the purpose or purposes for which the meeting is called. When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Section 5. Quorum - Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

Section 6. Conduct of Meeting - Meeting of the stockholders shall be presided over by the President, or in his absence, by a chairman to be chosen by the stockholders. The Secretary, shall act as Secretary of every meeting, but if not present, the Chairman of the meeting shall appoint a secretary of the meeting.

Section 7. Manner of Voting - At all meetings of stockholders, a stockholder may vote in person or by proxy. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting or by their personal presence at the meeting.

Securities and Exchange Commission PHILIPPINES

Section 8. Closing of Transfer of Books or Fixing of Record Date - For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, the Board of Directors may provide that the stock and transfer books be closed for ten (10) working days immediately preceding such meeting.

ARTICLE III

BOARD OF DIRECTORS

pru_1secexpress 09:25:11 AM 08/24/2020

Section 1. Powers of the Board - Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled

CERTIFIED TRUE COPY
Page 12 of 17 pages
Verified by: M. ESTRELLA Date Issued: AUG 26 2020

and held by the Board of Directors to be elected by and from among the stockholders. Without prejudice to such powers as may be granted by law, the Board of Directors shall also have the following powers:

a. From time to time, to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation' s business and affairs;
b. To purchase, received, take or otherwise acquire for and in the name of the corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;
c. To invest the funds of the corporation in other corporations or for purposes other than those for which the corporation was organized, subject to such stockholders' approval as may be required by law;
d. To incur such indebtedness as the Board may deem necessary, to issue evidence of indebtedness including without limitation, notes, deeds of trust, bonds, debentures, or securities, subject to such stockholders approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the corporation;
e. To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and directors of the corporation;
f. To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officer are either plaintiffs or defendants in connection with the business of the corporation;
g. To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business of the corporation to any standing or special committee or to any officer or agent and to appoint any person to be agent of the corporation with such powers and upon such terms as may be deemed fit;
h. To implement these by-laws and to act on any matter not covered by these by-laws, provided such matter does not require the approval or consent of the stockholders under the Corporation Code.

Section 2. Election and Term - The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

Section 3. Vacancies - Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at any special meeting of the stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office. The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further notice, or at any regular or at any special meeting of stockholders called for the purpose, after giving notice as prescribed in these by-laws.

Section 4. Meetings - Regular meetings of the Board of Directors shall be held once a month on such dates and at places, as may be called by the Chairman of the Board, or upon the request of a majority of the Directors.

pru_1secexpress - 09:25:11 AM 08/24/2020

CERTIFIED TRUE COPY
Page 17 of 17 pages
AUG 26 2020
Issued by: M. ESTRELLA Date Issued:

Section 5. Notice -Notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting shall be communicated by the Secretary to each director personally, or by telephone, telegram, or by written message. A director may waive this requirement, either expressly or impliedly.

Section 6. Quorum - A majority of the number of directors, as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board.

Section 7. Conduct of the Meetings - Meetings of the Board of Directors shall be presided over by Chairman of the Board, or in his absence, by any other director chosen by the Board. The Secretary, shall act as secretary of every meeting, if not present, the Chairman of the meeting, shall appoint a secretary of the meeting.

Section 8. Compensation - By-resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

ARTICLE IV

OFFICERS

Section 1. Election/ Appointment - Immediately after their election of the Board of Directors shall formally organize by electing the President, the Vice-President, the Treasurer, and the Secretary at said meeting.

The Board may, from time to time, determine to be necessary or proper appoint such after officers as it may any two (2) or more positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or Secretary at the same time.

Section 2. President - The President shall be the Chief Executive Officer of the corporation and shall exercise the following functions:

a. To preside at the meetings of the stockholders;
b. To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, compensation; including those for executive training, development and
c. To supervise and manage the business affairs of the corporation upon the direction of the Board of Directors;
d. To implement the administrative and operational policies of the corporation under his supervision and control;
e. To appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;
f. To oversee the preparation of the budgets and the statements of accounts of the corporation;
g. To represent the corporation at all functions and proceedings;

Philippine Stock Exchange Commission PHILIPPINES
09:25:11 AM 08/24/2020
CERTIFIED TRUE COPY
Page 14 of 17 pages
Verified by: M. ESTRELLA Date Issued: AUG 26 2020

h. To execute on behalf of the corporation all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board of Directors;
i. To make reports to the Board of Directors and stockholders;
j. To sign certificates of stock;
k. To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

Section 4. The Vice-President – He shall, if qualified, act as President in the absence of the latter. He shall have such other powers and duties as may from time to time be assigned to him by the Board of Directors or by the President.

Section 5. The Secretary - The Secretary must be a resident and a citizen of the Philippines. He shall have the following specific powers and duties;

a. To record the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;
b. To keep record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;
c. To keep the corporate seal and affix it to all papers and documents requiring a seal, requiring the same;
d. And to attest by his signature all corporate documents to attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;
e. To certify to such corporate acts, counter-sign corporate documents or certificates, and make reports and statements as may be required of him by law or by government rules and regulations;
f. To act as inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine questions, in connection with the right to vote, count and tabulate all votes, determine the result, and do such acts as are proper to conduct the election;
g. To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.

Section 6. The Treasurer -The Treasurer of the corporation shall have the following duties;

a. To keep full and accurate accounts of receipts and disbursements in the books of the corporation;
b. To have custody of, and be responsible for, all the funds, securities and bonds of the corporation;
c. To deposit in the name and to the credit of the corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the corporation which may come under his control;
d. To render an annual statements showing the financial condition of the corporation and such other financial reports as the Board of Directors, or the President may, from time to time require;
e. To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;
f. To exercise such powers and perform such duties and functions as may be assigned to him by the President.

Securities and Exchange Commission

CERTIFIED TRUE COPY 1
Page 15 of 17 pages AUG 26 2020
Verified by: M. ESTRELLA Date Issued:

Section 7. Term of Office – The term of office of all officers shall be one year and until their successors are duly elected and qualified.

Section 8. Vacancies –If any position of the officers becomes vacant by reason of death , resignation, disqualification or for any other cause, the Board of Directors, by majority vote may elect a successor who shall hold office for the unexpired term.

Section 9. Compensation – The officers shall receive such remuneration as the Board of Directors may determine. A director shall not be precluded from serving the corporation in any other capacity as an officer, agent or otherwise and receiving compensation therefor.

ARTICLE V
OFFICES

Section 1. The principal office of the corporation shall be located at the place stated in Article III of the Articles of Incorporation. The corporation may have such other branch offices, either within or outside the Philippines as the Board of Directors may designate.

ARTICLE VI
AUDIT OF BOOKS, FISCAL YEAR AND DIVIDENDS

Section 1. External Auditor - At the regular stockholders' meeting , the external auditor of the corporation for the ensuing year shall be appointed. The external auditor shall examine, verify and report on the earnings, and expenses of the corporation.

Section 2. Fiscal Year –The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

Section 3. Dividends –Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law.

Securities and Exchange Commission PHILIPPINES

ARTICLE VII
SEAL

Section 1. Form and Inscriptions –The corporate seal shall be determined by the Board of Directors.

pru_1secexpress 09:25:11 AM 08/24/2020

CERTIFIED TRUE COPY
Page 16 of 17 pages
Verified by: M. ESTRELLA Date Issued: AUG 26 2020

ARTICLE VIII

AMENDMENTS

Section 1. These by-laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock; provided, however, that any such delegation of powers to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of stockholders representing a majority of the outstanding capital stock at a regular or special meeting.

IN WITNESS WHEREOF, we, the undersigned stockholders have adopted the foregoing by-laws and hereunto affixed our signatures this ___ day of _____, 2012 at Makati, City, Philippines.

DEXTER Y. TIU

JAIME U. ANG

ALEXANDER Y. TIU

GERTIM G. CHUAHIONG

ERIC V. ROXAS

Securities and Exchange Commission
PHILIPPINES

pru_1secexpress 09:25:12 AM 08/24/2020

CERTIFIED TRUE COPY
Page 17 of 17 pages
AUG 26 2020

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
The SEC Headquarters
7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City, 1209, Metro Manila

COMPANY REG. NO. CS201210314

CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended Articles of Incorporation of the

COAL ASIA HOLDINGS INCORPORATED

(Amending Articles II Primary and Secondary Purpose and VII thereof)

copy annexed, adopted on July 1, 2024 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 15 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019, and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing/lending company and time shares/club shares/membership certificates issuers or selling agents thereof; nor to operate a fiat money to virtual currency exchange. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at The SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1209, Metro Manila, Philippines, this 18th day of February, Twenty Twenty Five.

DANIEL P. GABUYO
Assistant Director
SO Order 1188 Series of 2018

WS/bds

ONCOLL PAYMENT SLIP

ONCOLL PAYMENT SLIP

LANDBANK

This is your receipt when machine validated.

Please check the appropriate mode of payment.
☐ CASH ☐ CHECK ☐ DEBIT FROM ACCOUNT

DATE: 2/13/25

MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER: 3752 2220 44

MERCHANT / AGENCY NAME: Securities and Exchange Commission

Reference Number 1: 20250212-1224843

Printed Name and Signature of Payor / Depositor / Representative: Maria Irene G. Chan

Reference Number 2: Coal Asia Holdings Incorporated

Reference Number 3 (Numeric):

Amount: 3,000

Validation: 13FEB2025 11:29:36 000156 2KLI Reg Pymt Coll
BRANCH NAME 0178
INSTITUTION NAME Securities and Exchange Comm
CLRNG ACCT NO 3752222044
PAYMENT ASSESSMENT FORM 20250212122484 39
NAME OF PAYOR COAL ASIA HO
AMOUNT PHP 3,000.00
40.00

ONCOLL PAYMENT SLIP

This is your receipt when machine validated.

Please check the appropriate mode of payment.
☐ CASH ☐ CHECK ☐ DEBIT FROM ACCOUNT

DATE: 2/13/25

MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER: 3752 2220 60

MERCHANT / AGENCY NAME: Securities and Exchange Commission

Reference Number 1: 20250212-1224843 9

Printed Name and Signature of Payor / Depositor / Representative: Maria Irene G. Chan

Reference Number 2: Coal Asia Holdings Incorporated

Reference Number 3 (Numeric):

Amount: 60

Validation: 13FEB2025 11:31:09 000159 2KLI SRBN Reg Pymt Coll
BRANCH NAME 0178
INSTITUTION NAME Securities and Exchange Comm
CLRNG ACCT NO 3752222060
PAYMENT ASSESSMENT FORM 20250212122484 39
NAME OF PAYOR COAL ASIA HO
AMOUNT PHP 60.00

ONCOLL PAYMENT SLIP

UNCOLL PAYMENT SLIP

LANDBANK

This is your receipt when machine validated.

Please check the appropriate mode of payment.
☐ CASH ☐ CHECK ☑ DEBIT FROM ACCOUNT

DATE: 2/13/25

MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER: 3402 2319 20

MERCHANT / AGENCY NAME: Securities and Exchange Commission

Reference Number 1: 20250212-1224843 9

Printed Name and Signature of Payor / Depositor / Representative: Maria Irene G. Chan

Reference Number 2: Coal Asia Holdings Incorporated

Reference Number 3 (Numeric):

Amount: 30

Validation: 13FEB2025 11:31:46 000161 2KLI Reg Pymt Coll
BRANCH NAME 0178
INSTITUTION NAME Sec Head Office
CLRNG ACCT NO 3402231920
PAYMENT ASSESSMENT FORM 20250212122484 39
COMPANY NAME COAL ASIA HO
AMOUNT PHP 30.00
0.00

SECURITIES AND EXCHANGE COMMISSION ... RECEIVED ... 2-18-25 2-10-25

Machine Validation:

VALID UNTIL: MARCH 29, 2025

Republic of the Philippines

DEPARTMENT OF FINANCE
SECURITIES AND EXCHANGE COMMISSION
The SEC Headquarters
7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City, 1209

PAYMENT ASSESSMENT FORM

No. 20250212-12248439

DATE	RESPONSIBILITY CENTER
02/12/2025	CRMD
PAYOR: COAL ASIA HOLDINGS INCORPORATED QC	

	NATURE OF COLLECTION	QUANTITY	ACCOUNT CODE	AMOUNT
	Amended Articles of Incorporation		4020102000 (606)	1,000.00
	Amendment of the Articles of Incorporation-reclassification /declassification / conversion of shares/change of par Value		4020102000 (606)	2,000.00
	Legal Research Fee (A0823)		2020105000 (131)	30.00
	Documentary Stamp Tax	2	4010401000 (4010401)	60.00
	----NOTHING FOLLOWS----			
TOTAL AMOUNT TO BE PAID				**Php 3,090.00**

Assessed by: wpsantos	**Amount in words:** THREE THOUSAND NINETY PESOS AND 00/100
Remarks:	

PAYMENT OPTIONS

1. Online payment thru eSPAYSEC at
   - https://espaysec.sec.gov.ph
2. Over the Counter Payments at any LandBank branch nationwide **from 8:30 am up to 3:00 pm only**

BREAKDOWN SUMMARY

FUND ACCOUNT	AMOUNT	ACCOUNT #
SEC RCC Current Account	3,000.00	3752-2220-44
SEC BIR - DST	60.00	3752-2220-60
SEC BTR Account - LRF	30.00	3402-2319-20
TOTAL	Php 3,090.00	

NOTES:

A. The Payment Assessment Form (PAF) is valid until MARCH 29, 2025.

B. Accepted modes of payment at Landbank branches:
   1. Cash 2. Manager's/Cashier's Check payable to the Securities and Exchange Commission

C. For check payment, please prepare separate Manager's checks per fund account as indicated on the breakdown summary.

D. For over the counter payment at LandBank:
1. **Print 2 copies of PAF, 1 Client Copy, 1 LandBank copy**
2. **Accomplish the onColl Payment slip per fund account as indicated on the breakdown summary.**
   Use the correct Fund Account and Account No. and provide the below information:
   - **Reference Number 1 - PAF No.**
   - **Reference Number 2 - Name of Payor appearing on the PAF**
3. **Present OnColl Payment Slip, together with the PAF, to the LandBank Teller**

E. You may generate the electronic official receipt (eOR) by visiting https://espaysec.sec.gov.ph/eor
   - Payment thru ESPAYSEC – eOR available upon payment
   - LandBank OTC - eOR available within two (2) business days after the payment

F. ANY ALTERATIONS WILL INVALIDATE THIS FORM

VALID UNTIL: MARCH 29, 2025

ONCOLL PAYMENT SLIP

ONCOLL PAYMENT SLIP

LANDBANK

This is your receipt when machine validated.

Please check the appropriate mode of payment.
☐ CASH ☐ CHECK ☐ DEBIT FROM ACCOUNT

DATE: 2/13/25

MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER: 3752 2220 44

MERCHANT / AGENCY NAME: Securities and Exchange Commission

Reference Number 1: 20250212-1224843 9

Printed Name and Signature of Payor / Depositor / Representative: Maria Irene G. Chan

Reference Number 2: Coal Asia Holdings Incorporated

Reference Number 3 (Numeric): /

Amount: 3,000

Validation: 13FEB2025 11:29:36 000156 2KLI Reg Pymt Coll
BRANCH NAME 0178
INSTITUTION NAME Securities and Exchange Com
CLRNG ACCT NO 3752222044
PAYMENT ASSESSMENT FORM 20250212122248439
NAME OF PAYOR COAL ASIA HO
AMOUNT PHP 3,000.00

40.00

ONCOLL PAYMENT SLIP

This is your receipt when machine validated.

Please check the appropriate mode of payment.
☐ CASH ☐ CHECK ☐ DEBIT FROM ACCOUNT

DATE: 2/13/25

MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER: 3752 2220 60

MERCHANT / AGENCY NAME: Securities and Exchange Commission

Reference Number 1: 20250212-1224843 9

Printed Name and Signature of Payor / Depositor / Representative: Maria Irene G. Chan

Reference Number 2: Coal Asia Holdings Incorporated

Reference Number 3 (Numeric):

Amount: 60

Validation: 13FEB2025 11:31:09 000159 2KLI 9R8N Reg Pymt Coll
BRANCH NAME 0178
INSTITUTION NAME Securities and Exchange Com
CLRNG ACCT NO 3752222060
PAYMENT ASSESSMENT FORM 20250212122248439
NAME OF PAYOR COAL ASIA HO
AMOUNT PHP 60.00

ONCOLL PAYMENT SLIP

ONCOLL PAYMENT SLIP

LANDBANK

This is your receipt when machine validated.

Please check the appropriate mode of payment.
☐ CASH ☐ CHECK ☐ DEBIT FROM ACCOUNT

DATE: 2/13/25

MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER: 3402 2319 20

MERCHANT / AGENCY NAME: Securities and Exchange Commission

Reference Number 1: 20250212-1224843 9

Printed Name and Signature of Payor / Depositor / Representative: Maria Irene G. Chan

Reference Number 2: Coal Asia Holdings Incorporated

Reference Number 3 (Numeric):

Amount: 30

Validation: 13FEB2025 11:31:46 000161 2KLI Reg Pymt Coll
BRANCH NAME 0178
INSTITUTION NAME Sec Head Office
CLRNG ACCT NO 3402231920
PAYMENT ASSESSMENT FORM 20250212122248439
COMPANY NAME COAL ASIA HO
AMOUNT PHP 30.00

0.00

COVER SHEET

for Applications at

COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application

AMENDMENT

SEC Registration Number

CS201210314

Former Company Name

COAL ASIA HOLDINGS INCORPORATED

AMENDED TO:

New Company Name

Principal Office (No./Street/Barangay/City/Town)Province)

3RD FLOOR JTKC CENTER

2155 DON CHINO ROCES

ZIP CODE: 1230

COMPANY INFORMATION

Company Email Address	Company's Telephone Number/s	Mobile Number

CONTACT PERSON INFORMATION

*The designated person **MUST** be a Director/Trustee/Partner/Officer/Resident Agent of the Corporation*

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Rolando P. Domingo	rolando.domingo@pureenergy.com.ph	8813-8892 to 97	09178301613

Contact Person's Address

3F JTKC Centre 2155 Chino Roces Avenue Pio del Pilar Makati City

---

To be accomplished by CRMD Personnel

	Date	Signature
Assigned Processor		

Document I.D.

Received by **Corporate Filing and Records Division (CFRD)**

Forwarded to:

- ☐ Corporate and Partnership Registration Division
- ☐ Green Lane Unit
- ☐ Financial Analysis and Audit Division
- ☐ Licensing Unit
- ☐ Compliance Monitoring Division

AMENDED ARTICLES OF INCORPORATION

OF

COAL ASIA HOLDINGS INCORPORATED

KNOW ALL MEN BY THESE PRESENTS:

The undersigned incorporators, all of legal age, and majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Philippines.

THAT WE HEREBY CERTIFY THAT:

FIRST: The name of this corporation shall be:

COAL ASIA HOLDINGS INCORPORATED

SECOND: A. The primary purpose of this corporation is:

To act as a holding company which will invest in corporations engaged in the business of generating energy derived from coal, fossil, fuel, geothermal, nuclear including the use of small modular reactors (SMRs), natural gas, hydroelectric new and renewable energy including but not limited to utility scale ground solar farms, floating solar farms and rooftop solar power, wind farms for onshore and offshore, biomass and biogas power systems, and energy generation and other viable sources of power, for lighting and power purposes and whole selling the electric power to any corporation, public electric utilities and electric cooperatives and for carrying on of all necessary and convenient buildings, structures, machinery, sub-stations, transmission lines, poles, wires and other things and devices, and to acquire and hold water and flowage rights and to acquire, lease, hold, occupy or use land rights of way and easement therein without however engaging as an investment company under the Investment Act or a finance company or as a dealer in securities or stocks or as a real estate development company or as a bank or financial institution but only holding the foregoing assets for purely investment purposes.

2. To purchase, acquire and take over all or any part of the rights, assets, business and property of any person, partnership, corporation or association and to undertake and assume the liabilities and obligations of such persons, partnership, corporation or association whose rights, assets, business or property may be purchased, acquired or taken over;

3. To enter into any arrangement for sharing profits, union of interests, joint venture, reciprocal concession or otherwise, with any person or company engaging in or about to engage in any business or transaction which the Corporation is authorized to carry on or engage in any business or transaction that may directly or indirectly benefit the Corporation;

4. To purchase or otherwise acquire, obtain an interest in, own, hold, pledge, mortgage, assign, deposit, create trusts, exchange, sell and otherwise dispose of, alone or in syndicates or otherwise in conjunction with others; and generally deal in and with all or any of the following: all kinds warrants, options, voting trust certificates, trust certificate, bonds, mortgages, debentures, trust receipts, notes and other certificates, obligations, association, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign, and evidences of any interest therein or in respect thereto; to acquire purchase, sell or otherwise dispose of any securities or other obligation of the Corporation, provided that the Corporation shall not engage in stock brokerage business.

5. To engage in the business of manufacturing, processing, assembling, and/or fabricating and exporting, importing, buying, acquiring, holding, selling or otherwise disposing of and dealing in goods, wares, supplies, materials, articles, merchandise, commodities, properties of every kind, class and description, whether natural or artificial which may become articles of commerce, and in connection therewith, to act as indentor, principal or agent, manufacturer's representative, commission merchant, merchandise broker, factor, consignment agent or in any other representative capacity for foreign and domestic juridical entities or natural persons.

6. To purchase, own, sell, assign, negotiate, mortgage, pledge or otherwise dispose of accounts receivable, notes receivable, checks, drafts, negotiable instruments, letters of credit and other evidences of indebtedness or other obligations for the payment of money owed by any person, partnership, corporation or association, or to undertake, under such terms and conditions as the Corporation may deem fit, the collection of such accounts receivable, notes receivable, checks, drafts, negotiable instruments, letters of credit and other evidences of indebtedness or other obligations for the payment of money.

7. To act as manufacturer's representatives, indentors, commission merchants, commercial brokers or agents, or in any other representative capacity, for natural and juridical persons, whether domestic or foreign.

8. To act as managers, managing agents of administrators of corporations, partnerships, or persons, with respect to their businesses or properties and to undertake, carry on, assist or participate in the management, reorganization or liquidation of corporations, partnerships, and other forms of business firms and entities.

B. The secondary purpose of the corporation is to:

SECONDARY PURPOSE

1. *To engage in buying, selling, brokering, marketing or aggregating electricity to end-users; to provide power generation, electricity trading and electricity supply services to distribution utilities and other entities, including but not limited to, electric cooperatives to install, build, own, lease, maintain or operate power generation facilities, using fossil fuel, natural gas, or renewable energy; and to engage in any and all acts which may be necessary, or convenient, in the furtherance of such power generation services to develop, construct, own, lease and operate electricity generation and/or distribution, and/or hydropower plants or related businesses; to engage in build-operate-transfer arrangements with the government, its branches, agencies and instrumentalities, and any non- government entity; act as consultants, contractors or principals in the business of developing, constructing, operating, repairing and maintaining of hydropower plants and systems and other power-generating or converting stations and in the manufacture, operation and repair of associated mechanical and electrical equipment; to carry on the general business of manufacture, generation, and/or transmission of electric power in accordance with existing laws, rules and regulations; and to carry on all business necessary or incident to all the foregoing; to purchase, acquire, own, lease, sell and convey real properties such as lands, buildings, factories, and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, including the importation of plants, machineries, equipment, and any and all implements necessary, desirable and required for the corporation's power generation, distribution, transmission systems and other matters related to but not confined to energy related businesses; to engage, operate and maintain water and electric facilities or make the necessary undertakings for the distribution of such facilities to consumers, and in relation thereto, engage in other allied services and business necessary for the conduct and maintenance of the above project; to engage in the business of agriculture, plantations of any kind, farms, indoor farming, aquaculture, and akin industries and activities; Watershed conservation, forestry, and all other allied industries and activities; to engage in the business of generating of electricity and distribution of the same through waste energy with agricultural waste and commercial/residential and waste, and all other waste to energy power system.*

9. To purchase or otherwise acquire, assemble, install, construct, equip, repair, remodel, maintain, operate, hold, own, lease, rent, mortgage, charge, sell, convey or otherwise dispose of, any and all kinds of gas, works, mills, factories, installations, plants, shops, laboratories, terminals, office buildings, and other buildings and structures, roads, railroads, cars, railroad and equipment, garages, motor and road equipment, aircraft and aircraft equipment, aviation fields, water works, reservoirs, dams, canals, waterways, bridges, ports, docks, piers, wharves, marine equipment and any and all kinds of machinery, apparatus, instruments, fixtures and appliance.

10. To acquire by purchase, lease, contract, concession or otherwise any and all real estate, lands, land patents, options, grants, concessions, franchises, water and other rights, privileges, easements, estates, interests and properties of every kind and description whatsoever; or any other business in which the corporation may lawfully engage, and to own, hold, operate, improve, develop, reorganize, manage, grant, lease, sell, exchange or otherwise dispose of all, the whole or any part thereof; to purchase, drill for or otherwise by purchase, lease, or otherwise and to erect, construct, enlarge, own, hold, maintain, use and operate water works; and water systems for supplying water and water power for any and all uses and purposes.

11. To engage in the hotel, resorts, gaming, casino, entertainment and akin industries and business activities; to provide travelers with shelter, and similar services and goods, offering on a commercial basis things that are customarily furnished within households but unavailable to people on a journey away from home.

12. To engage in general construction business including the constructing, enlarging, repairing, or engaging in any work upon buildings, houses & condominium, roads, plants, bridges, piers, waterworks, railroads & other structures except locally funded public works and defense related structures.

13. To engage in the business of bulk water supply, water distribution, water treatment, septage and/or supply which involves the construction, manufacturing, supplying, operating and maintaining equipment, facilities and sewage system, and supply of chemicals that may be used for water treatment or supply such as but not limited to purification, desalination, reverse osmosis and wastewater treatment.
(As amended during the Annual Stockholders' Meeting and Organizational Board Meeting both held on 1 July 2024)

AND IN FURTHERANCE OF THE FOREGOING PURPOSES-

1. To acquire or obtain from any governmental authority or authorities, national or municipal or from any corporation, company, entity or person, such charters, franchises, licenses, permits, patents, trademarks, trade secrets, inventions, copyrights, or other rights and privileges which may be conducive to or necessary or desirable for the attainment of any of the objects and purposes of the Corporation.

2. To purchase, acquire, hold, lease, sell, and convey such real and personal properties which are necessary for the conduct of the corporate business.

3. To borrow or raise money necessary to meet the financial requirements of the Corporation by the issuance of bonds, promissory notes and evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the Corporation, or to issue, pursuant to law, shares of its capital stock, debentures, bonds, warrants, notes or other evidence of indebtedness in payment of or exchange for properties or rights acquired by the Corporation or for money borrowed in the prosecution of its business.

4. To deal in and with the properties of the Corporation in such manner as may from time to time be considered necessary for the advancement of the business interests of the Corporation and to sell, dispose of or transfer the business, goodwill, properties and undertaking of the Corporation or any part thereof for such consideration and under such terms as it shall see fit to accept under the circumstances.

5. To purchase, acquire, hold, sell, dispose of or otherwise deal in and with shares, bonds, and other securities created by any company having objectives or purposes altogether or in part similar to those of the Corporation, and while the owner or holder thereof to exercise all the rights and incidents of ownership, including the right to vote the same, to receive, collect and dispose of the interests, dividends and income therefrom.

6. To do and perform all acts and things necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any one or more of the objects herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the corporation, including the exercise of the powers, authorities and attributes conferred upon corporation organized under the laws of the Philippines in general and upon domestic corporations of like nature in particular.

The foregoing clauses shall each be construed as purposes and powers and the matters expressed in each clause or any part of any clause shall in no wise be limited by reference to or inference from any other clause or any other part of the same clause but shall be regarded as independent purposes and powers, and the enumeration of specified purpose and powers shall not be construed to limit or restrict in any manner the meaning of the general purposes and powers of the Corporation, nor shall the expression of one thing be deemed to exclude another, although it be of like nature, not expressed. Likewise, the purposes and powers specified herein shall not be regarded in any manner as a limitation of the powers granted or allowed to and exercisable by the Corporation under the New Corporation Code and other applicable statutes of the Republic of the Philippines.

THIRD: That the place where the principal office of the corporation is to be established or located is at 3rd Floor, JTKC Centre, 2155 Pasong Tamo, Makati City.

FOURTH: That the term for which said corporation is to exist is fifty (50) years from and after date of incorporation.

FIFTH: That the names, nationalities and residences of the incorporators of the corporation are as follows:

Name	Nationality	Address
1. DEXTER Y. TIU	Filipino	3rd JTKC Centre, 2155 Pasong Tamo, Makati City
2. JAIME T. ANG	Filipino	214 E. Rodriguez St., Addition Hills, San Juan City
3. ALEXANDER Y. TIU	Filipino	130 Amorsolo Mansion, 130 Amorsolo St., Legaspi Village, Makati City
4. GERTIM G. CHUAHIONG	Filipino	31 Guava St., Malabon City
5. ERIC Y. ROXAS	Filipino	26 Castrillo St., Corinthian Gardens, Quezon City

SIXTH: That the number of directors of said corporation shall be seven(7) [3] and that the names, nationalities and residences of the directors who are to serve until their successors are elected and qualified as provided by the By-Laws are as follows:

Name	Nationality	Address
1. DEXTER Y. TIU	Filipino	3rd JTKC Centre, 2155 Pasong Tamo, Makati City
2. JAIME T. ANG	Filipino	214 E. Rodriguez St., Addition Hills, San Juan City
3. ALEXANDER Y. TIU	Filipino	130 Amorsolo Mansion, 130 Amorsolo St., Legaspi Village, Makati City
4. GERTIM G. CHUAHIONG	Filipino	31 Guava St., Malabon City
5. ERIC Y. ROXAS	Filipino	26 Castrillo St., Corinthian Gardens, Quezon City

[3] As amended and approved during the separate meetings of the Board of Directors and stockholders both held on 18 June 2012.

SEVENTH: **That the authorized capital stock of said corporation is FIVE BILLION PESOS (P5,000,000,000.00), Philippine Currency, and said capital stock is divided into *FIFTY BILLION (50,000,000,000) shares of stock with a par value of TEN CENTAVOS (P0.10)* each.** (As amended during the Annual Stockholders' Meeting and Organizational Board Meeting both held on 1 July 2024, whereat a quorum was present and voting, by 100% of the stockholders representing at least 2/3 of the outstanding capital stock and voting and by majority of the Board of Directors)

No stockholder shall have a right to purchase or subscribe to any additional share of the capital stock of the corporation whether such shares of capital stock are now or hereafter authorized, whether or not such stock is convertible into or exchangeable for any stock of the Corporation or of any other class, and whether out of the number of shares authorized by the Articles of Incorporation of the Corporation as originally filed, or by any amendment thereof, or out of shares of the capital stock of any class of the Corporation acquired by it after the issue thereof; nor shall any holder of any such stock of any class, as such holder, have any right to purchase or subscribe for any obligation which the Corporation may issue or sell that shall be convertible into, or exchangeable for, any shares of the capital stock of any class of the Corporation or to which shall be attached or appertain any warrant or warrants or any instrument or instruments that shall confer upon the owner of such obligation, warrant or instrument the right to subscribe for, or to purchase from the Corporation, any shares of its capital stock of any class.

The Board of Directors may, from time to time, grant stock options, issue warrants or enter into stock purchase reciprocal investments, private placements, joint ventures, or similar agreements for purposes necessary or desirable for the corporation and allocate, issue, sell or otherwise transfer, convey or dispose of shares of stock of the corporation of a class or classes and to such persons or entities to be determined by the Board, including, but not limited, to employees, officers and directors of the corporation.

These provisions shall be printed in all stock certificates of the corporation. [4]

EIGHTH: That at least twenty five percent (25%) of the authorized capital stock has been subscribed and at least twenty five percent (25%) of the total subscription has been paid in shares of stock as follows:

Name	Nationality	No. of Shares Subscribed	Amount Subscribed (Php)	Amount Paid-up Php
DEXTER Y. TIU	Filipino	640,000,000	640,000,000.00	640,000,000.00
JAIME T. ANG	Filipino	640,000,000	640,000,000.00	640,000,000.00
ALEXANDER Y. TIU	Filipino	640,000,000	640,000,000.00	640,000,000.00
GERTIM G. CHUAHIONG	Filipino	640,000,000	640,000,000.00	640,000,000.00
ERIC Y. ROXAS	Filipino	640,000,000	640,000,000.00	640,000,000.00
	Total	3,200,000,000	3,200,000,000.00	3,200,000,000.00

NINTH: That no transfer of stock or interest which would reduce the stock ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the corporation and this restriction shall be indicated in the stock certificates issued by the corporation.

---

[4] As amended and approved during the separate meetings of the Board of Directors and Stockholders both held on 18 June 2012

TENTH: That ERIC Y. ROXAS has been elected by the subscribers as Treasurer of the corporation to act as such until his successor is duly elected and shall have qualified in accordance with the By-laws; and that, as such Treasurer, has been authorized to receive for the corporation, and to issue in its name receipts for all subscriptions paid in by the subscribers.

ELEVENTH: That the corporation manifests its willingness to change its corporate name in the event another person, firm or entity has acquired a prior right to use the said firm name or one deceptively or confusingly similar to it.

IN WITNESS WHEREOF, we have hereunto set our hands, this ___ day of _____at Makati City.

DEXTER Y. TIU
TIN 106-218-920
Original signed

JAIME T. ANG
TIN 108-881-845
Original signed

ALEXANDER Y. TIU
TIN 106-218-904
Original signed

GERTIM G. CHUAHIONG
TIN 100-810-789
Original signed

ERIC Y. ROXAS
TIN 106-207-301
Original signed

SIGNED IN THE PRESENCE OF :

_____ _____

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
) S.S.

BEFORE ME, a Notary Public in and for the City of Makati this 28 May 2012, personally appeared:

DEXTER Y. TIU	106-218-920
JAIME T. ANG	108-881-845
ALEXANDER Y. TIU	106-218-904
GERTIM G. CHUAHIONG	100-810-789
ERIC Y. ROXAS	106-207-301

they have satisfactorily proven to me their identity through their respective IDs, and that they are the same persons who executed and voluntarily signed the foregoing Articles of Incorporation which they acknowledged before me as their free and voluntary act and deed.

The foregoing Articles of Incorporation consisting of four (4) pages including the page on which this acknowledgement is written, has been signed on the left margin of each and every page by the parties and the witnesses.

WITNESS MY HAND AND SEAL, this 28 May 2012 in the City of Makati.

Doc. No. 79;
Page No. 16;
Book No. X;
Series of 2012.

(SGD.)ATTY. DWIGHT M. GALLARITA
NOTARY PUBLIC
COMM EXPIRES ON Dec 31, 2012
PTR No. 4181610/02-05-2012/MAKATI CITY
IBP No. 185939/01-18-2012/QUEZON CITY
MCLE COMPLIANCE No. 111-0018940
ROLL NO. 42425

Except locally funded works in defense related structures

REPUBLIC OF THE PHILIPPINES)
) S. S.

DIRECTORS' CERTIFICATE

[RE CHANGE IN PAR VALUE AND AMENDMENT OF PURPOSES]

We, the undersigned majority members of the Board of Directors and the Chairman and Corporate Secretary of **COAL ASIA HOLDINGS INCORPORATED** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at the 3rd Floor, JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, Philippines, hereby certify that:

1. At the Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors both held on 1 July 2024 at the principal office, during which a quorum of directors and stockholders representing at least 2/3 of the outstanding capital stock was present and acting throughout - **the amendment of the Articles of Incorporation, specifically Articles SECOND and SEVENTH on the Primary and Secondary Purposes and Reduction of the par value respectively, was unanimously approved, ratified and confirmed by the majority members of the Board and the Stockholders present, thus**:

"RESOLVED, that the Stockholders of COAL ASIA HOLDINGS INCORPORATED (the 'Corporation') hereby approve the following:

(i) change in the par value of shares of common shares from 'Php 1.00' to 'Php 0.10';

(ii) change the primary and secondary purposes for which the Corporation was formed;

and for this purpose, the Second and Seventh Articles of the Corporation's Articles of Incorporation are hereby amended to read as follows:

"SECOND: A. That the primary purpose of this Corporation is:

x x x

To act as a holding company which will invest in corporations engaged in the business of generating energy derived from coal, fossil, fuel, geothermal, nuclear including the use of small modular reactors (SMRs), natural gas, hydroelectric new and renewable energy including but not limited to utility scale ground solar farms, floating solar farms and rooftop solar power, wind farms for onshore and offshore, biomass and biogas power systems, and energy generation and other viable sources of power, for lighting and power purposes and whole selling the electric power to any corporation, public electric utilities and electric cooperatives and for carrying on of all necessary and convenient buildings, structures, machinery, sub-stations, transmission lines, poles,

wires and other things and devices, and to acquire and hold water and flowage rights and to acquire, lease, hold, occupy or use land rights of way and easement therein without however engaging as an investment company under the Investment Act or a finance company or as a dealer in securities or stocks or as a real estate development company or as a bank or financial institution but only holding the foregoing assets for purely investment purposes;

SECONDARY PURPOSE

1. *To engage in buying, selling, brokering, marketing or aggregating electricity to end -users; to provide power generation, electricity trading and electricity supply services to distribution utilities and other entities, including but not limited to, electric cooperatives to install, build, own, lease, maintain or operate power generation facilities, using fossil fuel, natural gas, or renewable energy; and to engage in any and all acts which may be necessary, or convenient, in the furtherance of such power generation services to develop, construct, own, lease and operate electricity generation and/or distribution, and/or hydropower plants or related businesses; to engage in build-operate-transfer arrangements with the government, its branches, agencies and instrumentalities, and any non- government entity; act as consultants, contractors or principals in the business of developing, constructing, operating, repairing and maintaining of hydropower plants and systems and other power- generating or converting stations and in the manufacture, operation and repair of associated mechanical and electrical equipment; to carry on the general business of manufacture, generation, and/or transmission of electric power in accordance with existing laws, rules and regulations; and to carry on all business necessary or incident to all the foregoing; to purchase, acquire, own, lease, sell and convey real properties such as lands, buildings, factories, and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, including the importation of plants, machineries, equipment, and any and all implements necessary, desirable and required for the corporation's power generation, distribution, transmission systems and other matters related to but not confined to energy related businesses; to engage, operate and maintain water and electric facilities or make the necessary undertakings for the distribution of such facilities to consumers, and in relation thereto, engage in other allied services and business necessary for the conduct and maintenance of the above project; to engage in the business of agriculture, plantations of any kind, farms, indoor farming, aquaculture, and akin industries and activities; Watershed conservation, forestry, and all other allied industries and activities; to engage in the business of generating of electricity and distribution of the same through waste energy with agricultural waste and commercial/residential and waste, and all other waste to energy power system.*

2. *To purchase, acquire and take over all or any part of the rights, assets, business and property of any person, partnership, corporation or association and to undertake and assume the liabilities and obligations of such persons, partnership, corporation or*

association whose rights, assets, business or property may be purchased, acquired or taken over;

x x x

11. To engage in the hotel, resorts, gaming, casino, entertainment and akin industries and business activities; to provide travelers with shelter, and similar services and goods, offering on a commercial basis things that are customarily furnished within households but unavailable to people on a journey away from home.

12. To engage in general construction business including the constructing, enlarging, repairing, or engaging in any work upon buildings, houses & condominium, roads, plants, bridges, piers, waterworks, railroads & other structures except locally funded public works and defense related structures.

13. To engage in the business of bulk water supply, water distribution, water treatment, septage and/or supply which involves the construction, manufacturing, supplying, operating and maintaining equipment, facilities and sewage system, and supply of chemicals that may be used for water treatment or supply such as but not limited to purification, desalination, reverse osmosis and wastewater treatment.

x x x

SEVENTH: That the authorized capital stock of said corporation is FIVE BILLION PESOS (P5,000,000,000.00), Philippine Currency, and said capital stock is ***divided into FIFTY BILLION (50,000,000,000) shares of stock with a par value of TEN CENTAVOS (P0.10) each."***

CERTIFIED CORRECT:

HARALD R. TOMINTZ
Director

JOHNSON A. SANHI, JR.
Director

ERIC PETER Y. ROXAS
Director

DEXTER Y. TIU
Director

ARISTIDES S. ARMAS
Independent Director

ATTEST:

HARALD R. TOMINTZ
Chairman

ANN MARGARET K. LORENZO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this FEB 05 2025 day of _____ 2025, affiants exhibiting to me competent proofs of identity, to wit:

NAME	COMPETENT EVIDENCE OF IDENTITY
Harald R. Tomintz	TIN 123-069-283
Johnson A. Sanhi, Jr.	TIN 105-618-140
Dexter Y. Tiu	TIN 106-218-920
Eric Peter Y. Roxas	TIN 106-207-301
Aristides S. Armas	TIN 105-802-254
Ann Margaret K. Lorenzo	TIN 274-323-370

and after having found the signatures therein to be authentic and by virtue of said signature do hereby attest that they avow under penalty of law that the contents of the foregoing are true and correct.

Doc. No. 368;
Page No. 74;
Book No. IV;
Series of 2025.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-118 until Dec. 31, 2026
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 470066 / 10-02-2024 / Pasig City
PTR No. 10465768 / 01-02-2025 / Makati City
MCLE Compliance No. VII-0020869/April 14, 202

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S. S.

CERTIFICATE OF CHANGE/REDUCTION IN PAR VALUE

[COAL ASIA HOLDINGS INCORPORATED]

We, the undersigned majority members of the Board of Directors and the Chairman and Corporate Secretary of **COAL ASIA HOLDINGS INCORPORATED** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at the 3rd Floor, JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, Philippines, hereby certify that:

1. At the Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors both held on 1 July 2024 at the principal office, during which a quorum consisting of 3,200,000,000 shares out of the total outstanding shares of 4,000,000,004 shares was present and acting throughout - the amendment of the Articles of Incorporation, specifically Article SECOND and SEVENTH on the Primary and Secondary Purposes and Authorized Capital Stock, respectively, was unanimously approved, ratified and confirmed by the majority members of the Board and the Stockholders, thus:

1.1 The amendment of Article SEVENTH consisted of the change in the par value from One Peso (P1.00) to Ten Centavos (P0.10) per share of the authorized capital stock of PESOS: FIVE BILLION (P5,000,000,000.00) thereby resulting in a ten-for-one split or FIFTY BILLION (50,000,000,000) common shares, with an outstanding capital stock of FORTY BILLION AND FORTY (40,000,000,040) SHARES OF STOCK from the original 4,000,000,004, thus:

	SHARES	PERCENTAGE	NO. OF STOCKHOLDERS
C - Corporate			
FILIPINO	14,188,381,220	35.4710	2
OTHERS	164,477,600	0.4112	1
I - Individual			
FILIPINO	25,647,141,220	64.1179	21
	==========	==========	==========
	40,000,000,040	100%	24

2. No bonded indebtedness of the Corporation was created, incurred or increased.

3. The actual indebtedness of the Corporation as of the date of the meeting was P84,897,668.00

4. The requirements of Section 37 of the Revised Corporation Code of the Philippines have been complied with.

HARALD. R. TOMINTZ
Director

JOHNSON A. SANHI, JR.
Director

ERIC PETER Y. ROXAS
Director

DEXTER Y. TIU
Director

ARISTIDES S. ARMAS
Independent Director

Certified by:

HARALD R. TOMINTZ
Chairman

ANN MARGARET K. LORENZO
Corporate Secretary

26 JUL 2024

SUBSCRIBED AND SWORN to before me this ____ day of _____ 2024, affiants exhibiting to me competent proofs of identity, to wit:

NAME	COMPETENT EVIDENCE OF IDENTITY
Harald R. Tomintz	TIN 123-069-283
Johnson A. Sanhi, Jr.	TIN 105-618-140
Dexter Y. Tiu	TIN 106-218-920
Eric Peter Y. Roxas	TIN 106-207-301
Aristides S. Armas	TIN 105-802-254
Ann Margaret K. Lorenzo	TIN 274-323-370

and after having found the signatures therein to be authentic and by virtue of said signature do hereby attest that they avow under penalty of law that the contents of the foregoing are true and correct.

Doc. No. 117
Page No. 99
Book No. 19
Series of 2024.

ATTY JOSHUA P. LAPUZ
NOTARY PUBLIC FOR MAKATI CITY
UNTIL 12/31/24
APPOINTMENT NO. M-[illegible]/2023 2024
(IBP LIFE) NO. 04887
PTR OR NO 9-69523/01-03-24/ MAKATI CITY
MCLE NO VIII-0016370/04 26 24 UNTIL 04 14-28
G/F FEDMAN SUITES, 199 SALCEDO ST.
LEGASPI VILLAGE MAKATI CITY

Republic of the Philippines)
MAKATI CITY) S.S.

SECRETARY'S CERTIFICATE

I, ANN MARGARET K. LORENZO, legal age, a Filipino, and with office address at 2704 East Tower, Tektite Towers, Exchange Road, Ortigas Center, 1605 Pasig City, Philippines, after having been sworn to in accordance with law hereby depose and state that:

I am the duly elected and qualified Corporate Secretary of COAL ASIA HOLDINGS INCORPORATED (the "Corporation" for brevity), a corporation duly registered with the Commission and in good standing, with principal office at 3F JTKC Centre, 2155 Don Chino Roces Ave., Makati City, Philippines.

To the best of my knowledge, from the date of approval of the amendment by the Board of Directors in a meeting held on July 1, 2024 and the Stockholders in a meeting held on July 1, 2024 up to the date of filing of the application for amendment of Articles of Incorporation, no action or proceeding has been filed or is pending before any Court involving an intra-corporate dispute and/or any claim by any person or group against the board of directors, individual director and/or major corporate officer/s of the Corporation as its duly elected and/or appointed director or officer or vice versa.

IN WITNESS WHEREOF, I hereby signed this __day of FEB 05 2025 2025 at MAKATI CITY.

ANN MARGARET K. LORENZO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this ____ day of FEB 05 2025 2025 in MAKATI CITY affiant/s exhibited to me his/her Identification Documents/Government issued ID/s as follows:

Name	Evidence of Identity	Issued at/On
Ann Margaret K. Lorenzo	TIN 274-323-370	

and after having found the signature therein to be authentic and by virtue of said signature do hereby attest that she avows under penalty of law that the contents of the foregoing are true and correct.

NOTARY PUBLIC

Doc. No. 346;
Page No. 71;
Book No. IV;
Series of 2025.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-118 until Dec. 31, 2026
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 470006 / 10-02-2024 / Pasig City
PTR No. 10465768 / 01-02-2025 / Makati City
MCLE Compliance No. VII-0020869/April 14, 202[illegible]

Securities and Exchange Commission PHILIPPINES

BAGONG PILIPINAS

CORPORATE GOVERNANCE AND FINANCE DEPARTMENT

MONITORING SLIP

NAME OF CORP.	**Coal Asia Holdings, Inc.**	**SEC**	CS201210314
PURPOSE:	CG Clearance		
DEPARTMENT:	**Corporate Governance and Finance Department**		
Date Received: 15 January 2025	Date Released: 15 January 2025	Processed/Verified by: D.M.L.BAOEC	

REMARKS:

We interpose no objection to the subject company's request for certificate of good standing insofar as the matters under the CGFD are concerned. However, this is without prejudice to the prerogative of this Department to act later against the subject entity, if warranted, to ensure full compliance with the provision of the Securities Regulation Code, its implementing rules and regulations, and other pertinent laws, rules and regulations, as may be necessary applicable under circumstances.

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S. S.

COAL ASIA HOLDINGS, INC.

(List of Stockholders and their shareholdings, before and after the change in par value approved during the joint meeting of the Board of Directors and Stockholders on 1 July 2024)

Stockholder	Nationality	Before the Change in Par Value			After the Change in Par Value		
		Par Before **'Php 1.00'**			Par After **'Php 0.10'**		
		No. of Shares	Amount Subscribed	Amount Paid	No. of Shares	Amount Subscribed	Amount Paid
PCD NOMINEE CORP.	FILIPINO	1,418,813,122	1,418,813,122.00	1,418,813,122.00	14,188,131,220	1,418,813,122.00	1,418,813,122.00
PCD NOMINEE CORP.	NON-FILIPINO	16,352,760	16,352,760.00	16,352,760.00	163,527,600	16,352,760.00	16,352,760.00
STERLING BANK OF ASIA – TRUST GROUP FAO ERIC Y. ROXAS	FILIPINO	640,000,000	640,000,000.00	640,000,000.00	6,400,000,000	640,000,000.00	640,000,000.00
STERLING BANK OF ASIA–TRUST GROU FAO GERTIM G. CHUAHIONG	FILIPINO	640,000,000	640,000,000.00	640,000,000.00	6,400,000,000	640,000,000.00	640,000,000.00
STERLING BANK OF ASIA–TRUST GROUP FAO ALEXANDER Y. TIU	FILIPINO	640,000,000	640,000,000.00	640,000,000.00	6,400,000,000	640,000,000.00	640,000,000.00
STERLING BANK OF ASIA–TRUST GROUP FAO DEXTER Y. TIU	FILIPINO	640,000,000	640,000,000.00	640,000,000.00	6,400,000,000	640,000,000.00	640,000,000.00
YAN, LUCIO W. &/OR CLARA Y.	FILIPINO	4,000,000	4,000,000.00	4,000,000.00	40,000,000	4,000,000.00	4,000,000.00
TACUB, PACIFICO B.	FILIPINO	400,000	400,000.00	400,000.00	4,000,000	400,000.00	400,000.00
REGINA CAPITAL DEVT CORP.-000351	FILIPINO	120,000	120,000.00	120,000.00	1,200,000	120,000.00	120,000.00
SUCALDITO, ENRIQUE L.	FILIPINO	100,000	100,000.00	100,000.00	1,000,000	100,000.00	100,000.00
MENDOZA, ROSELLER A.	FILIPINO	65,000	65,000.00	65,000.00	650,000	65,000.00	65,000.00
COMIA JR., JUAN D.	FILIPINO	50,000	50,000.00	50,000.00	500,000	50,000.00	50,000.00
PUNO, ORPHA C.	FILIPINO	22,000	22,000.00	22,000.00	220,000	22,000.00	22,000.00
YOUNG, BARTHOLOMEW DYBUNCIO	FILIPINO	20,000	20,000.00	20,000.00	200,000	20,000.00	20,000.00
ASUNCION, ALEXANDER G.	FILIPINO	15,000	15,000.00	15,000.00	150,000	15,000.00	15,000.00
MARANA, CENON BIENVENIDO C.	FILIPINO	13,500	13,500.00	13,500.00	135,000	13,500.00	13,500.00
MARANA, MARIE JANE C.	FILIPINO	13,500	13,500.00	13,500.00	135,000	13,500.00	13,500.00
RAYOS DEL SOL, OSCAR M.	FILIPINO	10,000	10,000.00	10,000.00	100,000	10,000.00	10,000.00
MARIANO, MARIA ANA B.	FILIPINO	2,000	2,000.00	2,000.00	20,000	2,000.00	2,000.00
LIMGENCO, DONDI RON R.	FILIPINO	1,111	1,111.00	1,111.00	11,110	1,111.00	1,111.00
GILI JR. GUILLERMO F.	FILIPINO	1,000	1,000.00	1,000.00	10,000	1,000.00	1,000.00
BES, RONALD S.	FILIPINO	1,000	1,000.00	1,000.00	10,000	1,000.00	1,000.00
FALCOTELO, MATTHEW HENRI H.	FILIPINO	10	10.00	10.00	100	10.00	10.00
BAUTISTA, JOSELITO T.	FILIPINO	1	1.00	1.00	10	1.00	1.00
		4,000,000,004	4,000,000,004.00	4,000,000,004.00	40,000,000,040	4,000,000,004.00	4,000,000,004.00

No change in the percentage of ownership of stockholders before and after the change of par value.

CERTIFIED TRUE AND CORRECT:

ANN MARGARET K. LORENZO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this FEB 05 2025 day of _____ 2025 declarant exhibiting to me her TIN 274-323-370.

Doc. No. 30;
Page No. 7;
Book No. V;
Series of 2025.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-118 until Dec. 31, 2026
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 470003 / 10-02-2024 / Pasig City
PTR No. 10465768 / 01-02-2025 / Makati City
MCLE Compliance No. VII-0020869/April 14, 202

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: AARON PAGKATIPUNAN
Receipt Date and Time: December 23, 2025 04:10:15 PM

Company Information

SEC Registration No.: CS201210314
Company Name: COAL ASIA HOLDINGS INCORPORATED
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST11223202583856627
Document Type: GENERAL_INFORMATION_SHEET
Document Code: GIS
Period Covered: December 04, 2025
Submission Type: Annual Meeting
Remarks: None

Acceptance of this document is subject to review of forms and contents

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2025

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED BY THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS.

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: **COAL ASIA HOLDINGS INCORPORATED**	DATE REGISTERED: June 11, 2012
BUSINESS/TRADE NAME: N/A	FISCAL YEAR END: 31-Dec
SEC REGISTRATION NUMBER: CS201210314	
DATE OF ANNUAL MEETING PER BY-LAWS: Every 30th day of April	CORPORATE TAX IDENTIFICATION NUMBER (TIN): 008-297-271
ACTUAL DATE OF ANNUAL MEETING: December 04, 2025	WEBSITE/URL ADDRESS: www.coalasiaholdings.com
COMPLETE PRINCIPAL OFFICE ADDRESS: 3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City	E-MAIL ADDRESS: rosanna.desiderio@pureenergy.com.ph
COMPLETE BUSINESS ADDRESS: 3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City	FAX NUMBER: N/A

NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: Reyes Tacandong & Co. /Cedric M. Caterio		SEC ACCREDITATION NUMBER (if applicable): 1752-A Group A	TELEPHONE NUMBER(S): 8813-8892
OFFICIAL E-MAIL ADDRESS: rolando.domingo@pureenergy.com.ph	ALTERNATE E-MAIL ADDRESS: rosanna.desiderio@pureenergy.com.ph	OFFICIAL MOBILE NUMBER: 0917-830-1613	ALTERNATE MOBILE NUMBER: 0917-596-0910
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: To engage in the business of a holding company, etc.		INDUSTRY CLASSIFICATION:	GEOGRAPHICAL CODE: 137602000

========== INTERCOMPANY AFFILIATIONS ==========

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
N/A		
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
Titan Mining & Energy Corporation	CS200817734	3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:

COAL ASIA HOLDINGS INCORPORATED

A. **Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365)** ○ Yes ◉ No

Please check the appropriate box:

1.

- ☐ a. Banks
- ☐ b. Offshore Banking Units
- ☐ c. Quasi-Banks
- ☐ d. Trust Entities
- ☐ e. Non-Stock Savings and Loan Associations
- ☐ f. Pawnshops
- ☐ g. Foreign Exchage Dealers
- ☐ h. Money Changers
- ☐ i. Remittance Agents
- ☐ j. Electronic Money Issuers
- ☐ k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

- ☐ a. Insurance Companies
- ☐ b. Insurance Agents
- ☐ c. Insurance Brokers
- ☐ d. Professional Reinsurers
- ☐ e. Reinsurance Brokers
- ☐ f. Holding Companies
- ☐ g. Holding Company Systems
- ☐ h. Pre-need Companies
- ☐ i. Mutual Benefit Association
- ☐ j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

- ☐ a. Securities Dealers
- ☐ b. Securities Brokers
- ☐ c. Securities Salesman
- ☐ d. Investment Houses
- ☐ e. Investment Agents and Consultants
- ☐ f. Trading Advisors
- ☐ g. Other entities managing Securities or rendering similar services
- ☐ h. Mutual Funds or Open-end Investment Companies
- ☐ i. Close-end Investment Companies
- ☐ j. Common Trust Funds or Issuers and other similar entities
- ☐ k. Transfer Companies and other similar entities
- ☐ l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
- ☐ m. Entities administering of otherwise dealing in valuable objects
- ☐ n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. ☐ Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. ☐ Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

- ☐ a. acting as a formation agent of juridical persons
- ☐ b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
- ☐ c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
- ☐ d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

- ☐ a. managing of client money, securities or other assets
- ☐ b. management of bank, savings or securities accounts
- ☐ c. organization of contributions for the creation, operation or management of companies
- ☐ d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. ☑ None of the above

Describe nature of business: To engage in the business of a holding company

B. **Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS?** ○ Yes ◉ No

GENERAL INFORMATION SHEET
STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: **COAL ASIA HOLDINGS INCORPORATED**

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) No. of shares X Par/Stated Value)
	Common	50,000,000,000	0.10	5,000,000,000.00
				-
	TOTAL	**50,000,000,000**	**TOTAL P**	**5,000,000,000.00**

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	19	Common	38,143,467,306	N/A	0.10	3,814,346,730.60	95.36%
		TOTAL	**38,143,467,306**			**3,814,346,730.60**	**95.36%**

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	1	Common	1,856,532,734	N/A	0.10	185,653,273.40	4.64%
Percentage of Foreign Equity :		**TOTAL**	**1,856,532,734**			**185,653,273.40**	**4.64%**
					TOTAL SUBSCRIBED P	**4,000,000,004.00**	**100.00%**

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	19	Common	38,143,467,306	0.10	3,814,346,730.60	95.36%
		TOTAL	**38,143,467,306**		**3,814,346,730.60**	**95.36%**

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	1	Common	1,856,532,734	0.10	185,653,273.40	4.64%
		TOTAL	**1,856,532,734**		**185,653,273.40**	**4.64%**
				TOTAL PAID-UP P	**4,000,000,004.00**	**100.00%**

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET
STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: **COAL ASIA HOLDINGS INCORPORATED**

DIRECTORS / OFFICERS

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. HARALD R. TOMINTZ 134 Valero Street, San Lorenzo Village, Makati City	Austrian	N	C	M	Y	Chairman	N/A	123-069-283
2. JOHNSON A. SANHI, JR. 1439 Ibarra Street, Sampaloc, Manila	Filipino	N	M	M	Y	President & Chief Operating Officer	N/A	105-618-140
3. DEXTER Y. TIU 37 Urdaneta Avenue, Makati City	Filipino	Y	M	M	Y	Treasurer	N/A	106-218-920
4. ERIC PETER Y. ROXAS 26 Castillo Street, Corinthians Gardens, Quezon City	Filipino	Y	M	M	Y	Corporate Secretary	RA/M	106-207-301
5. JUAN KEVIN G. BELMONTE 27 Cruzada Street, Urdaneta Village, Makati City	Filipino	N	I	M	Y	N/A	CG/M	102-081-718
6. ARISTIDES S. ARMAS 3261 Bansalangin Street, United Parañaque Subdivision, Parañaque City	Filipino	N	I	M	Y	N/A	RA/C, CG/M	105-802-254
7. ARSENIO M. BARTOLOME III Amber Place, 67 Bayani Road, Fort Bonifacio, Taguig City, Metro Manila 1630	Filipino	N	I	M	Y	N/A	CG/C, RA/M	110-179-356
8. ROLANDO P. DOMINGO 10 Eagle Street, St. Francis Village, Meycauyan City, Bulacan	Filipino	N	N	M	N	Chief Financial Officer	N/A	105-777-482
9. ROSANNA T. DESIDERIO 5 D. Lopez Jaena Street, Tañong, Marikina City	Filipino	N	N	F	Y	Accounting Manager/Investor Relations Officer/ Compliance Officer	N/A	111-575-187
10.								
11.								
12.								
13.								
14.								
15.								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: **COAL ASIA HOLDINGS INCORPORATED**

TOTAL NUMBER OF STOCKHOLDERS:	20	NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:	19

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: **2,327,765,720**

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
1. Please see attached Annex "A"			-			
	TOTAL	-	-			
2.			-			
	TOTAL	-	-			
3.			-			
	TOTAL	-	-			
4.			-			
	TOTAL	-	-			
5.			-			
	TOTAL	-	-			
6.			-			
	TOTAL	-	-			
7.			-			
	TOTAL	-	-			
8.			-			
	TOTAL	-	-			
9.			-			
	TOTAL	-	-			
10.			-			
	TOTAL	-	-			
TOTAL SHARES & AMOUNT SUBSCRIBED		-	-			
			TOTAL AMOUNT OF PAID-UP CAPITAL		-	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: **COAL ASIA HOLDINGS INCORPORATED**

TOTAL NUMBER OF STOCKHOLDERS:	20	NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:	19

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: **2,327,765,720**

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
11.						
	TOTAL					
12.						
	TOTAL					
13.						
	TOTAL					
14.						
	TOTAL					
15.						
	TOTAL					
16.						
	TOTAL					
17.						
	TOTAL					
18.						
	TOTAL					
19.						
	TOTAL					
20.						
	TOTAL					
TOTAL SHARES & AMOUNT SUBSCRIBED						
			TOTAL AMOUNT OF PAID-UP CAPITAL			

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: **COAL ASIA HOLDINGS INCORPORATED**

TOTAL NUMBER OF STOCKHOLDERS:	20	NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:	19

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: **2,327,765,720**

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
21. **OTHERS (Indicate the number of the remaining stockholders)**						
	TOTAL					
22.						
	TOTAL					
23.						
	TOTAL					
24.						
	TOTAL					
25.						
	TOTAL					
26.						
	TOTAL					
27.						
	TOTAL					
28.						
	TOTAL					
29.						
	TOTAL					
30.						
	TOTAL					
TOTAL SHARES & AMOUNT SUBSCRIBED						
			TOTAL AMOUNT OF PAID-UP CAPITAL			

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET
STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: **COAL ASIA HOLDINGS INCORPORATED**

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS	3,200,000,000.00	Share swap upon incorporation
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	N/A	
1.3 LOANS/ CREDITS/ ADVANCES	N/A	
1.4 GOVERNMENT TREASURY BILLS	N/A	
1.5 OTHERS	N/A	

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION
N/A		

3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED
N/A		

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR: N/A

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR: N/A

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH	N/A	
5.2 STOCK	N/A	
5.3 PROPERTY	N/A	
TOTAL		

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD: N/A

DATE	NO. OF SHARES	AMOUNT
Total		

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY: N/A

NAME OF AGENCY:	SEC	B S P	I C
TYPE OF LICENSE/REGN.	Permit to Sell		
DATE ISSUED:	8-Oct-12		
DATE STARTED OPERATIONS:	Jun-12		

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT
N/A	6	0	6

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **ERIC PETER Y. ROXAS**, Corporate Secretary of **COAL ASIA HOLDINGS INCORPORATED**, declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the Corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (Section 177, RA No. 11232).

Done this DEC 23 2025 day of December 2025 in Makati City.

ERIC PETER Y. ROXAS
(Signature over printed name)

SUBSCRIBED AND SWORN TO before me in Pasig City MAKATI CITY on this DEC 23 2025 day of March 2025, affiant exhibiting to me his Philippine Passport No. P7132841B issued on 07 July 2021 at DFA Manila which expires on 06 July 2031 as competent evidence of her identity

Doc. No. 371;
Book No. 76;
Book No. 21;
Series of 2025.

ATTY. ADONAY JAN R. ASLARONA
Notary Public
Until December 31, 2026
IBP O.R. No. 364489/10-22-2023/Pampanga
Appointment No. M-030 (2025-2026)
Roll of Attorney No. 84603
MCLE Compliance No. VIII-0033436
PTR No. 10468948/1-06-2025/Makati City
Unit 1009 Philippine AXA Life Centre, Sen. Gil Puyat Avenue Corner Tindalo Street, Makati City 1286

BENEFICIAL OWNERSHIP DECLARATION

SEC REGISTRATION NUMBER:	**CS201210314**
CORPORATE NAME:	**COAL ASIA HOLDINGS INCORPORATED**

Instructions:

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This defination covers the natural person(s) who actualy own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category	Description
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
E	Natural person(s) whose directions, instructions,or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
F	Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
G	Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
H	Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
I	Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or simlar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior mangement position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III)	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP[1] / % OF VOTING RIGHTS[2]	TYPE OF BENEFICIAL OWNER[3] Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
Sanhi, Johnson, A., Jr.	1439 Ibarra Street, Sampaloc, Manila	Filipino	7/21/1964	105-618-140	0.00%	D	I - President and Chief Operating Officer of Coal Asia Holdings, Inc.

Note: This page is not for uploading on the SEC iView.

[1] For Stock Corporations.

[2] For Non-Stock Corporations.

[3] For Stock Corporations.

COAL ASIA HOLDINGS INCORPORATED

ANNEX "A"

LIST OF STOCKHOLDERS

As of 12/22/2025

NAME	SHARES ISSUED & OUTSTANDING
PCD NOMINEE CORPORATION - OTHERS	1,856,532,734
PCD NOMINEE CORPORATION -FILIPINO	38,095,126,086
REGINA CAPITAL DEV. CORP. 000351	1,200,000
CORPORATION	**39,952,858,820**
ASUNCION, ALEXANDER G.	150,000
BAUTISTA, JOSELITO T.	10
BES, RONALD S.	10,000
COMIA JR., JUAN D.	500,000
FALCOTELO, MATTHEW HENRI H.	100
GILI JR., GUILLERMO F.	10,000
LIMGENCO, DONDI RON R.	11,110
MARANA, MARIE JANE D.	135,000
MARANA,JR., CENON BIENVENIDO D.	135,000
MARIANO, MARIA ANA B.	20,000
MENDOZA, ROSELLER A.	650,000
PUNO, ORPHA C.	220,000
RAYOS DEL SOL, OSCAR M.	100,000
SUCALDITO, ENRIQUE L.	1,000,000
TACUB, PACIFICO B.	4,000,000
YAN, LUCIO W. &/OR CLARA Y. YAN	40,000,000
YOUNG, BARTHOLOMEW DYBUNCIO	200,000
INDIVIDUAL	**47,141,220**
GRAND TOTAL	**40,000,000,040**

COAL ASIA HOLDINGS INCORPORATED

ANNEX "A"

LIST OF STOCKHOLDERS

As of 12/22/2025

NAME	SHARES ISSUED & OUTSTANDING
Total Stockholders	**20**

TOTAL SHARES SUMMARY

	TOTAL SHARES ISSUED AND OUTSTANDING
FILIPINO	38,143,467,306
FOREIGN	1,856,532,734
TOTAL	40,000,000,040

Philippine Depository & Trust Corp.
OUTSTANDING BALANCES FOR A SPECIFIC COMPANY - ADHOC
Company Code - COAL00000000 & Company Name - COAL ASIA HOLDINGS INCORPORATED

Selection Criteria :
Security ID From : COAL00000000 To : COAL00000000 Input Date : 01/15/2026

BPNAME	ADDRESS	HOLDINGS
A & A SECURITIES, INC.	Rm. 1906 Ayala Ave. Condominium 6776 Ayala Ave., Makati City	94,770,000.00
A & A SECURITIES, INC.	Rm. 1906 Ayala Ave. Condominium 6776 Ayala Ave., Makati City	2,920,000.00
A. T. DE CASTRO SECURITIES CORP.	UNIT 1107, 11TH FLOOR, PSE TOWER 5TH AVENUE CORNER 28TH STREET, BONIFACIO GLOBAL CITY TAGUIG CITY 1634	14,730,000.00
AAA SOUTHEAST EQUITIES, INCORPORATED	Ground Floor, Fortune Life Building #162 Legaspi St., Legaspi Village Makati City	41,190,000.00
AB CAPITAL SECURITIES, INC.	8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City	4,070,000.00
AB CAPITAL SECURITIES, INC.	8/F Phinma Plaza 39 Plaza Drive, Rockwell Center Makati City	106,544,530.00
ABACUS SECURITIES CORPORATION	Unit 2904-A East Tower, PSE Centre Exchange Road, Ortigas Center Pasig City	640,995,990.00
ABACUS SECURITIES CORPORATION	Unit 2904-A East Tower, PSE Centre Exchange Road, Ortigas Center Pasig City	82.00
ALAKOR SECURITIES CORPORATION	9/F Quad Alpha Centrum, 125 Pioneer St. Mandaluyong City	170,000.00
ALPHA SECURITIES CORP.	UNIT 3003, ONE CORPORATE CENTRE, 30TH FLOOR, JULIA VARGAS STREET, COR MERALCO AVENUE STREET, ORTIGAS CENTER, PASIG CITY	7,800,000.00
ANSALDO, GODINEZ & CO., INC.	340 Nueva St., Binondo Manila	72,500,000.00
ANSALDO, GODINEZ & CO., INC.	340 Nueva St., Binondo Manila	91,690,000.00
AP SECURITIES INCORPORATED	Suites 2002/2004, The Peak, 107 Alfaro St., Salcedo Village, Makati City	1,668,800,000.00

AP SECURITIES INCORPORATED	Suites 2002/2004, The Peak, 107 Alfaro St., Salcedo Village, Makati City	1,739,310,000.00
APEX PHILIPPINES EQUITIES CORPORATION	Unit 902, Antel Corporate Center, No. 139 Valero St., Salcedo Vill., Makati City	350,000.00
ARMSTRONG SECURITIES, INC.	Unit 2205-A, 22/F PSE Centre Exchange Road, Ortigas Centre, Pasig City	5,000,000.00
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	24/F Galleria Corporate Center EDSA corner Ortigas Avenue, Pasig City	550,000.00
ASIASEC EQUITIES, INC.	8/F Chatham House 116 Valero cor. V.A. Rufino Sts Salcedo Village, Makati City 1227	5,250,000.00
ASTRA SECURITIES CORPORATION	Units 1204-1205 Ayala Tower One Ayala Ave. cor. Paseo de Roxas Makati City	17,500,000.00
AURORA SECURITIES, INC.	UNIT 2405A WEST TOWER PHILIPPINE STOCK EXCHANGE CENTRE ORTIGAS, PASIG CITY	2,400,000.00
AURORA SECURITIES, INC.	UNIT 2405A WEST TOWER PHILIPPINE STOCK EXCHANGE CENTRE ORTIGAS, PASIG CITY	113,130,000.00
BA SECURITIES, INC.	Rm 401-403 CLMC Bldg, 256-259 EDSA Greenhills Mandaluyong City	14,000,000.00
BDO SECURITIES CORPORATION	27/F Tower I & Exchange Plaza Ayala Ave., Makati City	135,358,149.00
BDO SECURITIES CORPORATION	27/F Tower I & Exchange Plaza Ayala Ave., Makati City	50,000.00
BELSON SECURITIES, INC.	4th Floor Belson House 271 Edsa, Mandaluyong City	10,800,000.00
BELSON SECURITIES, INC.	4th Floor Belson House 271 Edsa, Mandaluyong City	151,430,000.00
BELSON SECURITIES, INC.	4th Floor Belson House 271 Edsa, Mandaluyong City	1,000,000.00

BERNAD SECURITIES, INC.	3/F 1033 M.H. del Pilar St. Ermita, Manila	9,800,000.00
BPI SECURITIES CORPORATION	11F AYALA NORTH EXCHANGE TOWER 1 6796 AYALA AVENUE CORNER SALCEDO AND AMORSOLO STS. SAN LORENZO, MAKATI CITY PHILIPPINES 1229	6,850,000.00
BPI SECURITIES CORPORATION	11F AYALA NORTH EXCHANGE TOWER 1 6796 AYALA AVENUE CORNER SALCEDO AND AMORSOLO STS. SAN LORENZO, MAKATI CITY PHILIPPINES 1229	455,496,331.00
CABALLES GO SECURITIES INC	16/F Robinsons Equitable Tower, ADB Avenue cor. Poveda St. Ortigas Center Pasig City	2,054,000.00
CAMPOS, LANUZA & COMPANY, INC.	2002B PSEC EAST TOWER ECHANGE RD ORTIGAS CENTER PASIG CITY 1605	181,580,000.00
CAMPOS, LANUZA & COMPANY, INC.	2002B PSEC EAST TOWER ECHANGE RD ORTIGAS CENTER PASIG CITY 1605	2,540,000.00
CAMPOS, LANUZA & COMPANY, INC.	2002B PSEC EAST TOWER ECHANGE RD ORTIGAS CENTER PASIG CITY 1605	200,000.00
CENTURY SECURITIES CORPORATION	1105 Galleria Corporate Center Ortigas Ave., Quezon City	6,400,000.00
CHINA BANK SECURITIES CORPORATION	Unit 6f, 6th Floor 8101 Pearl Plaza, Pearl Drive Ortigas Center, Pasig City	43,304,990.00
CLSA PHILIPPINES, INC.	Trafalgar Plaza, Unit 17-D, 105 H.V. dela Costa St., Salcedo Vill., Makati City	5,000,000.00
CNN SECURITIES, INC.	UNIT 2305-B 23/F ORIENT SQUARE BLDG., F. ORTIGAS, JR. ROAD, ORTIGAS CENTRE, PASIG CITY, 1605	31,910,000.00
COHERCO SECURITIES, INC.	8TH FLOOR HERCO CENTER, 114 BENAVIDEZ STREET LEGASPI VILLAGE, MAKATI CITY	2,000,000.00
COL Financial Group, Inc.	2401-B EAST TOWER, PSE CENTER, EXCHANGE ROAD, ORTIGAS CENTER 1605 PASIG CITY	1,963,853,124.00
COL Financial Group, Inc.	2401-B EAST TOWER, PSE CENTER, EXCHANGE ROAD, ORTIGAS CENTER 1605 PASIG CITY	40,710,000.00

CTS GLOBAL EQUITY GROUP, INC.	Rm. 2701-B Tektite Tower Center Exchange Rd, Pasig City	1,000,000.00
CUALOPING SECURITIES CORPORATION	UNIT 061 LEVEL 3, AYALA MALLS CIRCUIT, HIPPODROMO STREET, CIRCUIT MAKATI, BRGY. CARMONA, MAKATI CITY 1209, PHILIPPINES	100,000.00
DA MARKET SECURITIES, INC.	UNIT 1105 PSE TOWER 5TH AVENUE COR 28TH ST BONIFACIO GLOBAL CITY TAGUIG CITY PHILIPPINES	11,200,000.00
DAVID GO SECURITIES CORP.	UNIT 2702D EAST TOWER, PHILIPPINE STOCK EXCHANGE CENTRE, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY	102,350,000.00
DIVERSIFIED SECURITIES, INC.	5/F PDCP Bank Centre, Herrera cor. Alfaro Sts., Salcedo Village, Makati City	10,850,000.00
DRAGONFI SECURITIES, INC.	Unit 1007, 10/F Ayala Triangle Tower I, Ayala Avenue, Makati City	23,134,410.00
DRAGONFI SECURITIES, INC.	Unit 1007, 10/F Ayala Triangle Tower I, Ayala Avenue, Makati City	134.00
DW CAPITAL INC.	UNIT 1610-1611 TOWER ONE & EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY 1226	140,000.00
E. CHUA CHIACO SECURITIES, INC.	113 Renta St., Binondo, Manila	65,650,000.00
E. CHUA CHIACO SECURITIES, INC.	113 Renta St., Binondo, Manila	500,000.00
EAGLE EQUITIES, INC.	779 HARVARD ST WACKWACK VILLAGE MANDALUYONG CITY	400,000.00
EAGLE EQUITIES, INC.	779 HARVARD ST WACKWACK VILLAGE MANDALUYONG CITY	28,839,700,000.00
EASTERN SECURITIES DEVELOPMENT CORPORATION	1701 Tytana Ctr. Bldg, Binondo, Manila	8,000,000.00
EASTERN SECURITIES DEVELOPMENT CORPORATION	1701 Tytana Ctr. Bldg, Binondo, Manila	124,810,000.00

EQUITIWORLD SECURITIES, INC.	807-809 Philippine Stock Exchange Ayala Tower 1, Ayala Avenue Makati City	6,500,000.00
EVERGREEN STOCK BROKERAGE & SEC., INC.	Suite 606 - 607, 6th Floor, Tower One Phil. Stock Exchange Plaza, Ayala Triangle, Ayala Ave. Makati City	80,803,750.00
EVERGREEN STOCK BROKERAGE & SEC., INC.	Suite 606 - 607, 6th Floor, Tower One Phil. Stock Exchange Plaza, Ayala Triangle, Ayala Ave. Makati City	7,500,000.00
F. YAP SECURITIES, INC.	17TH FLOOR LEPANTO BUILDING 8747 PASEO DE ROXAS, MAKATI CITY	4,090,000.00
F. YAP SECURITIES, INC.	17TH FLOOR LEPANTO BUILDING 8747 PASEO DE ROXAS, MAKATI CITY	1,000,000.00
F. YAP SECURITIES, INC.	17TH FLOOR LEPANTO BUILDING 8747 PASEO DE ROXAS, MAKATI CITY	190,000.00
FIDELITY SECURITIES, INC.	2103-B PSE Centre, Exchange Road, Ortigas, Pasig City	23,080,030.00
FIRST METRO SECURITIES BROKERAGE CORP.	Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	2,210,000.00
FIRST METRO SECURITIES BROKERAGE CORP.	Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	180,219,000.00
FIRST METRO SECURITIES BROKERAGE CORP.	Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	441,273,120.00
FIRST METRO SECURITIES BROKERAGE CORP.	Unit 1515, 15/F Ayala Tower One Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	1,000,000.00
FIRST ORIENT SECURITIES, INC.	UNIT 1709 17TH FLOOR PHILIPPINE STOCK EXCHANGE TOWER 5TH AVENUE CORNER 28TH STREET BONIFACIO GLOBAL CITY, TAGUIG CITY	50,000.00
FIRST ORIENT SECURITIES, INC.	UNIT 1709 17TH FLOOR PHILIPPINE STOCK EXCHANGE TOWER 5TH AVENUE CORNER 28TH STREET BONIFACIO GLOBAL CITY, TAGUIG CITY	12,570,000.00
G.D. TAN & COMPANY, INC.	Unit 2203-A East Tower, PSE Center Exchange Road, Ortigas Center, Pasig City	19,000,000.00

G.D. TAN & COMPANY, INC.	Unit 2203-A East Tower, PSE Center Exchange Road, Ortigas Center, Pasig City	7,450,000.00
GLOBALINKS SECURITIES & STOCKS, INC.	# 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City	12,737,390.00
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	4-B Vernida I Condominium, 120 Amorsolo St., Legaspi Village, Makati City	19,500,000.00
GOLDSTAR SECURITIES, INC.	2201-B East Tower, PSE Centre Exchange Rd, Ortigas Center Pasig City	8,930,000.00
GOLDSTAR SECURITIES, INC.	2201-B East Tower, PSE Centre Exchange Rd, Ortigas Center Pasig City	200,000.00
GUILD SECURITIES, INC.	Unit 1215 Tower One & Exchange Plaza Ayala Ave., Makati City	11,896,000.00
H. E. BENNETT SECURITIES, INC.	Rm. 1704 World Trade Exchange Bldg., 215 Juan Luna St., Binondo, Manila	5,400,000.00
I. ACKERMAN & CO., INC.	Suite 705, Tower I Bldg. PSE Plaza, Ayala Triangle Ayala Ave., Makati City	5,000,000.00
I. ACKERMAN & CO., INC.	Suite 705, Tower I Bldg. PSE Plaza, Ayala Triangle Ayala Ave., Makati City	400,000.00
I. B. GIMENEZ SECURITIES, INC.	3/F NEW ROSARIO ORTIGAS ARCADE, NO. 42, ORTIGAS EXTENSION, ROSARIO, PASIG CITY	580,000.00
IGC SECURITIES INC.	Suite 1006, Tower I & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City	14,810,000.00
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	UNIT 1108 PSE TOWER 5TH AVENUE CORNER 28TH STREET BONIFACIO GLOBAL CITY	4,890,000.00
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	UNIT 1108 PSE TOWER 5TH AVENUE CORNER 28TH STREET BONIFACIO GLOBAL CITY	170,000.00
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	UNIT 1108 PSE TOWER 5TH AVENUE CORNER 28TH STREET BONIFACIO GLOBAL CITY	4,500,000.00

INTRA-INVEST SECURITIES, INC.	11/F ACT Tower, 135 Sen. Gil Puyat Ave., Salcedo Vill., Makati City	2,030,000.00
INVESTORS SECURITIES, INC,	Unit 604-605 Tower One & Exchange Plaza Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	26,116,300.00
INVESTORS SECURITIES, INC,	Unit 604-605 Tower One & Exchange Plaza Ayala Triangle, Ayala Ave. cor Paseo de Roxas Makati City	16,350,000.00
JAKA SECURITIES CORP.	Unit 814, Ayala Tower I Ayala Ave., Makati City	20,000.00
JSG SECURITIES, INC.	4th Floor, A&T Building, 244 Escolta Street, Binondo, Manila	3,500,000.00
LANDBANK SECURITIES, INC.	Suite 1612, 16/F Ayala Tower I Exchange Plaza, Ayala Ave. cor. Paseo de Roxas Makati City	2,000,000.00
LANDBANK SECURITIES, INC.	Suite 1612, 16/F Ayala Tower I Exchange Plaza, Ayala Ave. cor. Paseo de Roxas Makati City	20,900,000.00
LARRGO SECURITIES CO., INC.	Rm. 202 2/F Rufino Building, Ayala Avenue, Makati City	18,200,000.00
LITONJUA SECURITIES, INC.	No. 444 T.M. Kalaw Ermita, Manila	2,000,000.00
LUCKY SECURITIES, INC.	Unit 1402-B PSE Center Exchange Road, Ortigas Center Pasig City	160,000,000.00
LUYS SECURITIES COMPANY, INC.	28/F LKG Tower 6801 Ayala Ave. Makati City	5,200,000.00
LUYS SECURITIES COMPANY, INC.	28/F LKG Tower 6801 Ayala Ave. Makati City	4,820,000.00
MANDARIN SECURITIES CORPORATION	28/F LKG Tower 6801 Ayala Ave. Makati City	1,800,000.00
MAYBANK SECURITIES, INC.	17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City	270,000.00

MAYBANK SECURITIES, INC.	17/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue Makati City	950,000.00
MBTC - TRUST BANKING GROUP	5/F Metrobank Plaza Sen. Gil J. Puyat Ave. Makati City	2,000,000.00
MDR SECURITIES, INC.	UNIT 1608 PHILIPPINE STOCK EXCHANGE TOWER 28TH ST. COR. 5TH BONIFACIO GLOBAL CITY TAGUIG CITY	600,000.00
MERCANTILE SECURITIES CORP.	UNIT 1102 THE PSE TOWER, ONE BONIFACIO HIGH STREET, 5TH AVENUE CORNER 28TH STREET, BONIFACIO GLOBAL CITY, FORT BONIFACIO, TAGUIG CITY	17,800,000.00
MERCANTILE SECURITIES CORP.	UNIT 1102 THE PSE TOWER, ONE BONIFACIO HIGH STREET, 5TH AVENUE CORNER 28TH STREET, BONIFACIO GLOBAL CITY, FORT BONIFACIO, TAGUIG CITY	86,750,000.00
MERIDIAN SECURITIES, INC.	Suite 2702B&C Tektite Tower I Ortigas Centre, Pasig City	100,000.00
MERIDIAN SECURITIES, INC.	Suite 2702B&C Tektite Tower I Ortigas Centre, Pasig City	5,130,000.00
META CAPITAL SECURITIES INC	UNIT 1606B EAST TOWER, PSE CENTER, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY 1605	4,500,000.00
MOUNT PEAK SECURITIES, INC.	#748 C.K. Bldg., Juan Luna St., Binondo, Manila	1,480,000.00
NEW WORLD SECURITIES CO., INC.	UNIT 2608 WORLD TRADE EXCHANGE BLDG. 215 JUAN LUNA ST. BINONDO, MANILA 1006	10,550,000.00
OPTIMUM SECURITIES CORPORATION	No. 11 E. O. Bldg., United St. cor. 2nd St. Bo. Kapitolyo, Pasig City	14,600,000.00
PAN ASIA SECURITIES CORP.	UNIT L2L20-09 PHILIPPINE STOCK EXCHANGE TOWER, 5TH AVE., COR. 28TH STREET, BONIFACIO GLOBAL CITY	22,000,000.00
PAN ASIA SECURITIES CORP.	UNIT L2L20-09 PHILIPPINE STOCK EXCHANGE TOWER, 5TH AVE., COR. 28TH STREET, BONIFACIO GLOBAL CITY	10,550,000.00
PAPA SECURITIES CORPORATION	GROUND FLOOR, ACE BUILDING, DE LA ROSA CORNER RADA ST., LEGASPI VILLAGE, MAKATI CITY	8,000,000.00

PAPA SECURITIES CORPORATION	GROUND FLOOR, ACE BUILDING, DE LA ROSA CORNER RADA ST., LEGASPI VILLAGE, MAKATI CITY	50,680,000.00
PHILIPPINE EQUITY PARTNERS, INC.	Unit 19C Citibank Tower Citibank Plaza 8741 Paseo de Roxas Makati City	19,100,000.00
PHILSTOCKS FINANCIAL INC	Unit 1101 Orient Square Building Emerald Avenue Ortigas Center, Pasig City	370,100.00
PHILSTOCKS FINANCIAL INC	Unit 1101 Orient Square Building Emerald Avenue Ortigas Center, Pasig City	36,397,840.00
PHILSTOCKS FINANCIAL INC	Unit 1101 Orient Square Building Emerald Avenue Ortigas Center, Pasig City	73,499,270.00
PNB SECURITIES, INC.	3/F PNB Financial Center Roxas Blvd., Pasay City	103,800,000.00
PREMIUM SECURITIES, INC.	UNIT L2L11-14 PHILIPPINE STOCK EXCHANGE BLDG., 5TH AVE. COR. 28TH ST., ONE BONIFACIO HIGH STREET, BONIFACIO GLOBAL CITY	61,270,000.00
PREMIUM SECURITIES, INC.	UNIT L2L11-14 PHILIPPINE STOCK EXCHANGE BLDG., 5TH AVE. COR. 28TH ST., ONE BONIFACIO HIGH STREET, BONIFACIO GLOBAL CITY	2,600,000.00
QUALITY INVESTMENTS & SECURITIES CORPORATION	Suite 1602 Tytana Plaza Oriente St, Binondo Manila	1,440,000.00
QUALITY INVESTMENTS & SECURITIES CORPORATION	Suite 1602 Tytana Plaza Oriente St, Binondo Manila	4,000,000.00
QUALITY INVESTMENTS & SECURITIES CORPORATION	Suite 1602 Tytana Plaza Oriente St, Binondo Manila	66,840,000.00
QUALITY INVESTMENTS & SECURITIES CORPORATION	Suite 1602 Tytana Plaza Oriente St, Binondo Manila	1,000,000.00
QUALITY INVESTMENTS & SECURITIES CORPORATION	Suite 1602 Tytana Plaza Oriente St, Binondo Manila	1,000,000.00
QUALITY INVESTMENTS & SECURITIES CORPORATION	Suite 1602 Tytana Plaza Oriente St, Binondo Manila	3,640,000.00

R & L INVESTMENTS, INC.	675 Lee St., Mandaluyong City	382,610.00
R. COYIUTO SECURITIES, INC.	5/F Corinthian Plaza, Paseo de Roxas, Legaspi Village Makati City	2,827,500.00
R. COYIUTO SECURITIES, INC.	5/F Corinthian Plaza, Paseo de Roxas, Legaspi Village Makati City	121,377,500.00
R. COYIUTO SECURITIES, INC.	5/F Corinthian Plaza, Paseo de Roxas, Legaspi Village Makati City	495,000.00
R. NUBLA SECURITIES, INC.	UNIT 3 4TH FLOOR A CBK BUILDING 495 QUINTIN PAREDES ST BARANGAY 289 BINONDO MANILA	136,150,000.00
R. S. LIM & CO., INC.	1509 Galvani Street San Isidro, Makati City	7,450,000.00
RCBC SECURITIES, INC.	Unit 1008 Tower I & Exchange Plaza Ayala Avenue, Makati City	28,451,120.00
RCBC SECURITIES, INC.	Unit 1008 Tower I & Exchange Plaza Ayala Avenue, Makati City	200,000.00
REGINA CAPITAL DEVELOPMENT CORPORATION	UNIT 1809-1810 PSE TOWER 5TH AVENUE COR 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	9,100,000.00
REGINA CAPITAL DEVELOPMENT CORPORATION	UNIT 1809-1810 PSE TOWER 5TH AVENUE COR 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	64,270,000.00
RTG & COMPANY, INC.	UNIT 602 TOWER ONE AND EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY	4,350,000.00
RTG & COMPANY, INC.	UNIT 602 TOWER ONE AND EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY	1,000,000.00
S.J. ROXAS & CO., INC.	1412 PSE TOWER 5TH AVENUE COR. 28TH STREET, BONIFACIO GLOBAL CITY, TAGUIG CITY	3,000,000.00
S.J. ROXAS & CO., INC.	1412 PSE TOWER 5TH AVENUE COR. 28TH STREET, BONIFACIO GLOBAL CITY, TAGUIG CITY	3,450,000.00

SALISBURY SECURITIES CORPORATION	SALISBURY BKT SECURITIES CORP U1214 PSE TOWER ONE AND EXCHANGE PLAZA AYALA AVENUE MAKATI CITY	11,360,000.00
SARANGANI SECURITIES, INC.	UNIT 2 D1 VERNIDA I CONDOMINIUM 120 AMORSOLO ST., LEGASPI VILLAGE MAKATI CITY	700,000.00
SB EQUITIES,INC.	7TH FLOOR, SECURITY BANK BLDG., 6776 AYALA AVE., MAKATI CITY	83,450,000.00
SB EQUITIES,INC.	7TH FLOOR, SECURITY BANK BLDG., 6776 AYALA AVE., MAKATI CITY	500,000.00
SECURITIES SPECIALISTS, INC.	8/F LTA BLDG 118 PEREA ST LEGASPI VILLAGE MAKATI CITY 1226	20,000.00
SEEDBOX SECURITIES, INC.	4/F TWIN CITIES CONDOMINIUM, LEGAZPI VILLAGE, MAKATI CITY	31,000,000.00
SINCERE SECURITIES CORPORATION	1203-A EAST TOWER, PSE BUILDING, EXCHANGE ROAD, ORTIGAS CENTER, SAN ANTONIO, PASIG CITY	13,000,000.00
SINCERE SECURITIES CORPORATION	1203-A EAST TOWER, PSE BUILDING, EXCHANGE ROAD, ORTIGAS CENTER, SAN ANTONIO, PASIG CITY	14,100,000.00
SOLAR SECURITIES, INC.	Unit 3002-A East Tower, Phil. Stock Exchange Centre, Exchange Road, Ortigas Complex, Pasig City	25,760,000.00
STANDARD CHARTERED BANK	6756 Ayala Avenue Makati City	25,450,000.00
STANDARD CHARTERED BANK	6756 Ayala Avenue Makati City	10,000,000.00
STANDARD SECURITIES CORPORATION	#34 Jefferson St., GHW, San Juan Metro Manila	26,430,000.00
STERLING BANK OF ASIA TRUST GROUP	3/F STERLING BANK CORPORATE CENTER, ORTIGAS AVENUE, SAN JUAN CITY	4,000,000.00
STRATEGIC EQUITIES CORP.	Unit 610-611 PSE Plaza, Tower I, Ayala Triangle, Ayala Ave., Makati City	25,030,000.00

SUMMIT SECURITIES, INC.	UNIT 2102-B, 21ST FLOOR, EAST TEKTITE TOWER PHIL. STOCK EXCHANGE CENTER, EXCHANGE ROAD ORTIGAS CENTER, PASIG CITY	28,200,000.00
SunSecurities, Inc.	UNIT 1604 EAST TEKTITE TOWER CENTRE, PHIL. STOCK EXCHANGE CENTRE EXCHANGE ROAD, BRGY. SAN ANTONIO, ORTIGAS CENTER, PASIG CITY	5,460,000.00
TANSENGCO & CO., INC.	U-2308 World Trade Exchange Condominium 215 Juan Luna St., Binondo, Manila	83,200,000.00
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	5TH FL. PSE TOWER, 5TH AVE. COR. 28TH ST. BGC, TAGUIG CITY	32,350,000.00
TIMSON SECURITIES, INC.	UNIT 3310 ROBINSON'S EQUITABLE TOWER ADB AVE. CORNER POVEDA, ORTIGAS	22,300,000.00
TOWER SECURITIES, INC.	1802-C TEKTITE TOWER 1, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY	13,100,000.00
TOWER SECURITIES, INC.	1802-C TEKTITE TOWER 1, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY	18,300,000.00
TRITON SECURITIES CORP.	26/F LKG Tower, 6801 Ayala Avenue Makati City	2,000,000.00
TRITON SECURITIES CORP.	26/F LKG Tower, 6801 Ayala Avenue Makati City	6,310,000.00
UNICAPITAL SECURITIES INC.	4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City	1,250,000.00
UNICAPITAL SECURITIES INC.	4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City	26,890,550.00
UNICAPITAL SECURITIES INC.	4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi Vill., Makati City	10,000.00
UPCC SECURITIES CORP.	UNIT 1202 TOWER ONE AND EXCHANGE PLAZA AYALA AVENUE, MAKATI CITY	12,950,000.00
VENTURE SECURITIES, INC.	4F STI HOLDINGS CENTER 6764 AYALA AVENUE MAKATI CITY	5,980,000.00

WEALTH SECURITIES, INC.	15TH FLOOR PSE TOWER 5TH AVENUE CORNER 28TH ST. BONIFACIO GLOBAL CITY TAGUIG CITY	178,910,000.00
WESTLINK GLOBAL EQUITIES, INC.	6/F Philippine Stock Exchange Plaza Ayala Avenue, Makati City	7,700,000.00
WESTLINK GLOBAL EQUITIES, INC.	6/F Philippine Stock Exchange Plaza Ayala Avenue, Makati City	50,000,000.00
WESTLINK GLOBAL EQUITIES, INC.	6/F Philippine Stock Exchange Plaza Ayala Avenue, Makati City	4,200,000.00
WONG SECURITIES CORPORATION	1402-B A. Mabini St., cor. Sta. Monica St., Ermita, Manila	1,500,000.00
YAO & ZIALCITA, INC.	Yao & Zialcita, Inc., 5G Vernida I Condominium, 120 Amorsolo St., Legaspi Village, Makati City	1,000,000.00
YAO & ZIALCITA, INC.	Yao & Zialcita, Inc., 5G Vernida I Condominium, 120 Amorsolo St., Legaspi Village, Makati City	165,100,000.00
	Total Holdings:	**39,951,658,820.00**

If no written notice of any error or correction is received by PDTC within five (5) calendar days from receipt hereof, you shall be deemed to have accepted the accuracy and completeness of the details indicated in this report.
This document is computer generated and requires no signature.

COVER SHEET

C	S	2	0	1	2	1	0	3	1	4

SEC Registration Number

C	O	A	L		A	S	I	A		H	O	L	D	I	N	G	S	,		I	N	C	.								

(Company's Full Name)

2	N	D		F	L	O	O	R		J	T	K	C		C	E	N	T	E	R	,		2	1	5	5				
D	O	N		C	H	I	N	O		R	O	C	E	S		A	V	E	,	.											
M	A	K	A	T	I		C	I	T	Y																					

ANN MARGARET K. LORENZO	632-0905
	Company Telephone Number

1	2		3	1				
Month		Day			Month		Day	
Fiscal Year					Annual Meeting			

	M	A	N	U	A	L		O	N		C	O	R	P	O	R	A	T	E		G	O	V	E	R	N	A	N	C	E	
Form Type																															

Secondary License Type, if applicable

Department Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

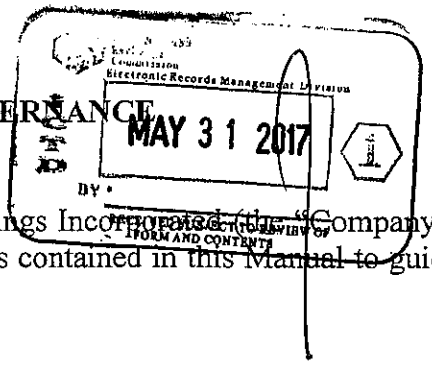
STAMPS

Remarks = pls. use black ink for scanning purposes

COAL ASIA HOLDINGS INCORPORATED

REVISED MANUAL ON CORPORATE GOVERNANCE

Adopted 31 May 2017



MANUAL ON CORPORATE GOVERNANCE

The Board of Directors and Management of Coal Asia Holdings Incorporated (the "Company") hereby commit themselves to the principles and best practices contained in this Manual to guide the attainment of the corporate goals.

PART I

OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Management, employees, and shareholders believe that good corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

PART II

COMPLIANCE SYSTEM

The Compliance System shall ensure that the corporate principles and best practices shall at all times be maintained for the attainment of the corporate goals and objectives. To this end, the corporate governance principles and guidelines contained in this Manual must be adhered to by all concerned, starting with the Board of Directors, the Board Committees, the Corporate Officers and the Auditors, to be monitored by the Compliance Officer.

A. Compliance Officer

1. The Board shall designate a Compliance Officer who shall report directly to the Chairman of the Board. The Compliance Officer should not be a member of the Board and should have adequate stature and authority in the Company to ensure that the Company complies with good corporate governance practices. The Compliance Officer shall be required to annually attend training on corporate governance.

2. The Compliance Officer shall be primarily responsible for monitoring and ensuring adherence to the provisions of this Manual.

3. The Compliance Officer shall perform the following duties:

    a. Identify, monitor and control compliance by the Company with the Code and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent repetition of the violation;

b. Establish an evaluation system to determine, monitor and measure compliance with the provisions and requirements of this Manual, report the same to the Board for adoption and approval;

c. Ensure that the Evaluation System and the features thereof are properly disclosed in the company's annual report to the SEC;

d. Identify and monitor compliance with the rules and regulations of regulatory agencies, and take appropriate corrective measures to address all regulatory issues and concern;

e. Appear before or make representations with the Securities and Exchange Commission (SEC) upon summons on similar matters that need to be clarified by the same; and

f. Issue a certification every January 30th of the year on the extent of the Company's compliance with this Manual for the completed year, explaining the reason/s of the latter's deviation from the same.

4. The Compliance Officer shall have direct reporting responsibilities to the Chairman of the Board.

5. The appointment of the Compliance Officer shall be immediately disclosed to the SEC.

6. All correspondence relative to his functions as such shall be addressed to said Compliance Officer.

B. Board of Directors

1. The Board is responsible for fostering the long-term success of the Company and securing its sustained competitiveness and profitability in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Company, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities to ensure a high standard of best practice for the Company, its stockholders and other stakeholders.

2. The members of the Board shall be elected at each annual meeting of the stockholders in accordance with the By-Laws, and shall hold office until the next annual meeting or until their successors shall have been duly elected and qualified. The number of directors shall be seven (7), or such other number as shall be provided in the Articles of Incorporation.

3. The Board shall have a policy on board diversity (i.e. gender, age, ethnicity, culture, skills, competence, knowledge, etc.). The Board should always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and

responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

4. The Board shall be composed of a majority of non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances. The non-executive directors of the Board may concurrently serve as directors of a maximum of five (5) publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company. A director should notify the Board before accepting a directorship in another publicly-listed company.

5. At least three (3) or such number as to constitute one-third (1/3) of the Board, whichever is higher, must be independent. The Board shall designate a lead director among the independent directors if the Chairman of the Board is not independent or if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.

6. In the proper discharge of its functions, the Board shall hold regular meetings to review the operations and financial performance of the Company and to consider matters brought before it for approval. Where required by the SEC or by existing laws and regulations, at least one independent director shall be present in all Board meetings. However, the holding of meetings shall be valid even without the attendance of any one of the independent directors if their failure to attend is for any justifiable cause.

   During the meetings, the Board shall assess the Company's performance, position and prospects based on Management's account thereof, which shall be presented in a balanced and understandable manner. Special meetings of the Board may also be called in accordance with the provisions of the By-Laws. Independent views during Board meetings shall be given due consideration. Minutes of such meetings shall be properly taken and filed.

7. The Board's non-executive directors (NEDs) shall have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the Company. The meetings shall be chaired by the lead independent director.

8. The Board is primarily accountable to the stockholders. It shall provide them with a balanced and comprehensive assessment of the Company's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

9. The Board shall have the following duties, functions and responsibilities, in addition to those specified in the prevailing laws and regulations and the Company's By-Laws:

a. Determine and establish the Company's purpose, mission and vision, objectives, policies and procedures, and the strategies and means to carry out its objectives and attain its goals;

b. Establish minimum internal control mechanisms for monitoring and overseeing management performance;

c. Implement a process of selection to ensure a mix of competent directors and specify minimum qualifications and disqualifications for these positions who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies;

d. Establish a system of periodic training of directors and key officers, including an orientation program for first-time directors and officers and relevant annual continuing training for all such directors and key officers. All newly-elected members of the Board of Directors and newly-appointed officers shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute, provided that they have not previously attended such seminar. Such seminar for newly-elected directors and newly-appointed officers should last for at least eight (8) hours, with the following topics sufficiently covered therein: Revised Code of Corporate Governance, ASEAN Corporate Governance Scorecard and SEC Annual Corporate Governance Report, board responsibilities, illegal activities of corporations/directors/officers, insider trading, protection of minority shareholders, short swing transactions, liabilities of directors, confidentiality, conflict of interest, related party transactions, case studies, and financial reporting and audit. Newly-elected directors and key officers who have previously attended such seminar, re-elected directors, and re-appointed officers shall be required to annually attend a corporate governance training seminar lasting for at least four (4) hours.

e. Appoint competent, professional, honest and highly-motivated management officers;

f. Align the remuneration of key officers and board members with the long-term interest of the Company. In determining compensation, the Board shall ensure that remuneration is commensurate to the responsibilities of the relevant officer and that the pay-out schedule is sensitive to risk outcomes over a multi-year horizon.

g. Ensure and adopt an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholders' value, which shall include adopting a policy on the retirement age for them as part of management succession and to promote dynamism in the Company;

h. Provide sound strategic policies and guidelines to the Company on major capital expenditures and establish programs that can sustain the Company's long-term viability and strength;

i. Periodically evaluate and monitor the implementation of its strategic policies and programs, business plans, operating budgets, including the Management's overall performance;

j. Ensure that the Company complies with all relevant laws, regulations and codes of best business practices;

k. Identify the Company's stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program;

l. Promote cooperation between the stakeholders and the Company in creating wealth, growth and sustainability by establishing clear policies and programs to provide a mechanism on their fair treatment and protection;

m. Identify the sectors in the community in which the Company operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them;

n. Adopt a transparent framework and process that allow stakeholders to communicate with the Company and to obtain redress for the violation of their rights;

o. Adopt a system of check and balance within the Board, conduct a regular review of the effectiveness of such system to ensure the integrity of the decision-making and reporting processes at all times and perform a continuing review of the Company's internal control system in order to maintain its adequacy and effectiveness;

p. Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operational and financial viability;

q. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions and other unusual or infrequently occurring transactions between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board;

r. Constitute the Committees in this manual when necessary or when required by law, and appoint the members thereof in keeping with the principles of good corporate governance and in accordance with the provisions of this Manual;

s. Provide the stockholder with a balanced and understandable assessment of the Company's performance, position and prospects;

t. Disclose significant related party and other unusual transactions reviewed and approved during the year in the Annual Corporate Governance Report;

u. Establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities

v. Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration;

w. Keep the activities and decisions of the Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation;

x. Explain its responsibility for preparing the accounts, for which there should be a statement by the auditors about its reporting responsibilities;

y. Require the chief audit executive to render to the Audit Committee and senior management an annual report on the internal audit department's activity, purpose, authority, responsibility and performance relative to the audit plans and strategies approved by the Audit Committee;

z. Define the Company's policy on disclosing non-financial information, with emphasis on the management of economic, environmental, social and governance issues of the Company's business. The Board shall consider the adoption of globally recognized standards/frameworks in reporting non-financial and sustainability issues.

aa. Set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program, which shall be disseminated to employees across the organization through trainings to embed them in the company's culture; and

bb. Establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation, and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.

cc. Set in place clear rules for standards of ethical and professional behavior. The Board shall adopt therefor a Code of Business Conduct and Ethics which would set such standards, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the Company. The Company Code of Business Conduct and Ethics, and any amendments thereto, should be properly disseminated to the Board, Management and employees and posted in the company website. The Board shall ensure proper implementation and monitor compliance with the Company Code of Business Conduct and Ethics. The Code should include, among others, the anti-corruption policies of the Company.

dd. Conduct an annual self-assessment of its own performance, including that of the Chairman, individual members, and committees, which should be supported by an external facilitator every three years.

10. The members of the Board occupy a position of trust and confidence, and as such, shall possess the character, skills and competence suited for the office.

    a. A director shall have the following duties and responsibilities:

        i. Conduct fair business transactions with the Company and ensure that personal interests do not prejudice Board decisions;

        ii. Act in a manner characterized by transparency, accountability and fairness;

        ii. Devote time and attention necessary to properly discharge his duties and responsibilities;

        iii. Act judiciously and exercise independent judgment;

        iv. Abstain from taking part in the deliberations for any transaction affecting the Company shall in which he has a material interest;

        v. Inhibit himself from discussions or deliberations involving his own remuneration;

        v.. Have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies;

        vi. Observe confidentiality;

        vii. Ensure the continuing soundness, effectiveness and adequacy of the Company's control environment; and

        viii. Attend regular and special meetings of the Board in person or by teleconferencing, subject to existing regulations.

    b. A director shall possess the following qualifications:

        i. Holder of at least one (1) share of stock of the Company;

        ii. At least a college graduate, or in lieu of a formal education, he must have gained sufficient experience in managing the business;

iii. At least twenty one (21) years old;

iv. Of proven integrity, probity and assiduousness; and

v. Possessing such other qualifications as shall be prescribed by the Board.

c. The Board may, by a resolution, adopt grounds for permanent disqualification of a director, which shall include but not be limited to the following:

i. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

ii. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities;

iii. Any person currently the subject of an order of the SEC, the Bangko Sentral ng Pilipinas (BSP), or any court or administrative body denying, revoking, or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the SEC or BSP, or under any rule or regulation issued by the SEC or BSP.

iv. Any person who has been restrained to engage in activity involving securities and banking.

v. Any person who is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participation of the organization.

vi. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud,

embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;

vii. Any person adjudged by final judgment of the SEC, BSP, a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the SEC or BSP, or any rule, regulation or order of the SEC or BSP;

viii. Any person judicially declared to be insolvent;

ix. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the previous paragraphs;

x. Any person Convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment; and

xi. An independent director who becomes an officer or employee of the same company shall be automatically disqualified from being an independent director.

d. The Board may, by a resolution, prescribe grounds for the temporary disqualification of a director, which may include, but not be limited, to any of the following:

i. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.

ii. Absence or non-participation in more than fifty percent (50%) of all meetings, both regular and special, of the Board of directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the family, serious accident, or other fortuitous event. This disqualification applies for purposes of the succeeding election;

iii. Dismissal or termination for cause from directorship in another publicly-listed company, public company, registered issuer of securities and holder of secondary license from the SEC. This disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to his dismissal or termination.

iv. Being under preventive suspension by the Company; and

v. If any of the judgments or orders cited in the grounds for permanent disqualification of directors has not yet become final.

e. An independent director shall have a maximum cumulative term of nine (9) years, after which he is perpetually barred from re-election as such unless the Board provides meritorious justification, and the shareholders approve it during their annual meeting. At the end of the term of the independent director, he may qualify for nomination as a non-independent director.

In addition to the foregoing qualifications disqualifications, a director nominated and elected as independent shall likewise meet the following requirements:

i. He is not, or has not been a senior officer or employee of the Company unless there has been a change in the controlling ownership of the Company;

ii. He is not, and has not been in the three (3) years immediately preceding the election, a director of the Company, or a director or officer of its related companies or any of the Company's substantial shareholders and its related companies except when the same shall be as an independent director of any of the foregoing.

iii. He has not been appointed in the Company, its subsidiaries, associates, affiliates, or related companies as "Chairman Emeritus", "Ex-Officio Director/Officer" or member of any advisory board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his election.

iv. He does not own more than two percent (2%) of the outstanding shares of the Company or of its related companies.

v. He is not a relative of any director, officer or substantial shareholder of the Company, any of its related companies or any of its substantial shareholder. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister.

vi. He is not acting as a nominee or representative of any director or substantial shareholder of the Company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement.

vii. He has not been employed in any executive capacity by the Company, any of its related companies, and/or by any of its substantial shareholder within the last five (5) years.

viii. He is not a securities broker-dealer of listed companies and registered issuer of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer.

ix. He is not retained, either in his personal capacity or through his firm, as a professional adviser, auditor, consultant, agent or counsel by the Company, any of its related companies or any of its substantial shareholders, within the last three (3) years immediately preceding his election. He is independent of Management and free from any business or other relationship with the Company within the same period.

x. He has not engaged and does not engage in any transaction with the Company, any of its related companies, or any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial.

xi. He is not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders.

xii. He is not employed as an executive officer of another company where any of the Company's executives serve as directors.

For purposes of the foregoing, a "related company" of the Company shall be any of the following: (i) its parent company, (ii) its subsidiaries, or (iii) subsidiaries of its parent company. Also, a "substantial shareholder" shall mean any person who, directly or indirectly, beneficially owns more than ten percent (10%) of any class of security issued by the Company.

10. The Board shall be headed by a competent and qualified Chairman who shall have the following responsibilities:

a. Make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;

b. Guarantee that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions;

c. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;

d. Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;

e. Assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and

f. Make sure that the performance of the Board is evaluated at least once a year and such evaluation is discussed by the Board.

C. Board Committees

1. Executive Committee

a. The Executive Committee shall be composed of at least three (3) members to be appointed by the Board. The Board shall have the power to change the members of the Committee at any time, to fill vacancies therein and to discharge or dissolve such committee either with or without cause.

b. Except as provided in Section 35 of the Corporation Code, the Executive Committee shall have and exercise all such powers as may be delegated to it by the Board.

c. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board whenever required.

2. Audit Committee

a. The Audit Committee shall be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, shall be independent. All its members must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. Its Chairman should not be the chairman of the Board or of any other committees.

b. The Audit Committee shall carry out the following tasks:

i. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.

ii. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities.

iii. Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.

iv. Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources, and budget necessary to implement it;

v. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

vi. review the disposition of the recommendations in the external auditor's management letter;

vii. Organize an internal audit department and consider whether it will be more beneficial for the Company to appoint an Internal Auditor or outsource internal audit services. The Audit Committee shall submit its recommendations to the Board for approval, including the terms and conditions of his engagement and removal;

viii. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security, and ensure the integrity of the financial reports and protection of the assets of the Company for the benefit of all stockholders and other stakeholders.

ix. Review the reports submitted by the internal and external auditors.

x. Review the quarterly, half-year, and annual financial statements before their submission to the Board, with particular focus on the following matters:

xi. Any change/s in accounting policies and practices;

(a) Areas where a significant amount of judgment has been exercised;

(b) Significant adjustments resulting from the audit;

(c) Going concern assumptions;

(d) Compliance with accounting standards; and

(e) Compliance with tax, legal, and regulatory requirements.

xii. Coordinate, monitor and facilitate compliance with laws, rules and regulations;

xiii. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report;

xiv. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

xv. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations.

xvi. Recommend the approval of an Internal Audit Charter which shall formally define the role of Internal Audit and the audit plan, as well as oversee the implementation of the Internal Audit Charter.

c. The Audit Committee shall recommend the appointment, reappointment, removal, and fees of the external auditor for the approval of the Board and ratification of the shareholders. When there is a change or removal of the external auditor, the reason therefor shall be disclosed to the proper regulatory authorities and the public through the proper disclosures and the company website. It shall also be the responsibility of the Audit Committee to assess the integrity and independence of the external auditor, taking into consideration the relevant Philippine professional and regulatory requirements. The Audit Committee shall also annually review and monitor the external auditor's suitability and effectiveness.

d. The Audit Committee shall meet with the Board without the presence of the CEO or other management team members, if warranted, and periodically meet with the head of the internal audit.

3. Nomination Committee

a. The Nomination Committee shall be composed of three (3) directors, one of whom must be an independent director.

b. The Committee shall have the following duties and responsibilities:

i. It shall pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the qualifications and disqualifications set in this Manual and by the Board. The identification of the

quality of directors must be aligned with the strategic direction of the company.

ii. The Nomination Committee shall evaluate each candidate for nomination to ensure that they possess the knowledge, skills, experience and in the case of election as non-executive directors, independence of mind. The Committee shall ensure that candidates for election (1) have a record of integrity and good repute, (2) have sufficient time to carry out their responsibilities as members of the Board, and (3) have the ability to promote smooth interaction between board members. The Committee may engage the services of a professional search firm or external sources when searching for candidates for election to the Board.

iii. In consultation with the executive or management committee/s, re-define the role, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance.

iv. The Nomination Committee shall recommend to the Board the maximum number of directorships allowed for non-executive directors. In doing so, the Committee shall consider the following:

- The nature of the business of the corporations of which the director is also a director;
- Age of the director;
- Number of directorships/active memberships and officerships in other Corporations or organizations; and
- Possible conflict of interest.

The optimum number shall be related to the capacity of a director to perform his duties diligently.

v. It shall write a report to assess the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director.

c. All nominations shall be submitted to the Nomination Committee by any stockholder of record on or before January 30 of each year to allow the Nomination Committee sufficient time to assess and evaluate the qualifications of the nominees. All recommendations for the nomination of independent directors shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees.

After the nomination process, the Committee shall prepare a List of Candidates which shall contain all the information about all the nominees for election as members of the Board of Directors, which list shall be made available to the SEC and to all stockholders through the filing and distribution of the Information Statement or Proxy

Statement, or in such other reports as the Company will be required to submit to the SEC. The name of the stockholder who recommended the nomination of the independent directors shall be disclosed in such report, including any relationship with the nominee. Only nominees whose names appear on the List of Candidates shall be eligible for election as directors. No other nominations for election as director shall be entertained (1) after the List of Candidates shall have been prepared and finalized, and (2) on the floor during the annual stockholders' meeting.

4. Compensation and Remuneration Committee

a. The Compensation and Remuneration Committee shall be composed of at least three (3) members, one of whom shall be an independent director.

b. The Committee shall have the following duties and responsibilities:

i. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel to ensure that the compensation levels are consistent with the Company's culture, strategy and control environment.

ii. Determine and align the amount of remuneration for the Company's directors and officers with the long-term interests of the company by formulating and adopting a policy specifying the relationship between remuneration and performance, which shall be in a sufficient level to attract and retain personnel who are needed to run the company successfully.

iii. Ensure that all incoming officers and directors disclose fully their existing business interests or shareholdings that may directly or indirectly conflict with the performance of their intended duties and responsibilities, under the penalty of perjury.

iv. Disallow any director to decide his or her own remuneration.

v. Provide management with a clear, concise and understandable disclosure of the compensation of the Company's executive officers for the previous fiscal year and the current year, which shall be incorporated in the Company's annual reports, information and proxy statements.

vi. Review the existing Human Resources Development or Personnel Handbook or its equivalent, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements. In the absence of such Personnel Handbook or its equivalent, the Committee, in coordination with the Human Resources Department, shall develop such a handbook which shall cover the same parameters of governance stated above.

5. *Corporate Governance Committee*

a. The Corporate Governance (CG) Committee shall be composed of at least three members, all of whom are independent directors. It is tasked to assist the Board in the performance of its corporate governance responsibilities.

b. The CG Committee shall have the following duties and responsibilities:

i. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments;

ii. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;

iii. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;

iv. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;

v. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;

vi. Propose and plan relevant trainings for the members of the Board;

vii. Determine the nomination and election process for the company's directors and has the special duty of defining the general profile of board members that the company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and

viii. Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates.

c. It shall be the responsibility of the Committee to set in place a system for the assessment of the performance of the Board. Pursuant to this duty, the Committee shall provide the criteria and process to determine the performance of the Board, the individual directors, committees and Management. Such system should allow for a feedback mechanism from the shareholders.

d. Unless the Board specifically provides for the creation of a separate unit to handle whistleblowing concerns within the Company, it shall be the duty of the Corporate Governance Committee to set up a suitable whistleblowing framework and a mechanism for employees to report their concerns or allegations of illegal or unethical practices within the Company. The framework shall include the manner of reporting and provision for ensuring confidentiality and protection to the informer.

6. ***Board Risk Oversight Committee***

a. The Board Risk Oversight Committee (BROC) shall be composed of at least three members, the majority of whom must be independent directors, including its Chairman who must not be the Chairman of the Board or of any other committee. At least one member of the committee must have relevant thorough knowledge and experience on risk and risk management. The BROC is responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.

b. The BROC has the following duties and responsibilities:

i. Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;

ii. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The BROC conducts regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;

iii. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;

iv. Advise the Board on its risk appetite levels and risk tolerance limits;

v. Review at least annually the company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the company;

vi. Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Company and its stakeholders;

vii. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Company. This function includes regularly receiving information on risk exposures and risk management activities from Management; and

viii. Report to the Board on a regular basis, or as deemed necessary, the company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

c. The company shall have a Chief Risk Officer (CRO), in charge of the Company's risk management, with adequate authority, stature, resources and support to fulfill his/her responsibilities.

d. The CRO shall have the following duties and responsibilities:

i. Supervise the entire Risk Management process and spearheads the development, implementation, maintenance and continuous improvement of risk management processes and documentation;

ii. Communicate the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee;

iii. Collaborate with the CEO in updating and making recommendations to the Board Risk Oversight Committee;

iv. Suggest ERM policies and related guidance, as may be needed; and

v. Provide insights on the following:

(a) Performance of risk management processes as intended;

(b) Continuously review of reported Risk measures by risk owners for effectiveness; and

(c) Compliance with established risk policies and procedures.

7. Related Party Transaction Committee

The Board may also create, by resolution or resolutions passed by majority of its members, a Related Party Transaction Committee, which shall consist of at least three (3) non-executive members of the Board, at least two (2) of whom, including the Chairman, shall be independent

directors. The Related Party Transaction Committee shall be responsible for reviewing all material related party transactions of the Company.

The Related Party Transaction Committee shall carry out the following tasks:

a. Recommend to the Board for adoption a group-wide policy and system governing Related Party Transactions (RPTs), which policy shall include the definition of related parties, coverage of the RPT policy, guidelines in evaluating and approving RPTs, management of potential conflicts of interest, adoption of materiality thresholds, whistle-blowing mechanism and restitution of losses and other remedies for abusive RPTs.

b. Evaluate the existing relations between and among businesses and counterparties to ensure that related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.

c. Ensure that related parties, RPTs and changes in relationships are reflected in the relevant reports to the Board and regulators/supervisors. For this purpose, the Committee shall define the duty of directors and officers, including the mechanism therefor, to disclose relationships with related parties.

d. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Company are misappropriated and misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee shall take into account, among others, the following: (1) the related party's relationship to the Company and interest in the transaction, (2) the material facts of the proposed RPT, including the proposed aggregate value of such transaction, (3) the benefit to the Company of the proposed RPT, (4) the availability of other sources of comparable products or services, and (5) an assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.

e. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties.

f. Report to the Board regularly on the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties. The Committee

shall submit material or significant RPTs for approval of the Board and ratification of shareholders.

g. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process.

h. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

8. Management

The Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

i. The extent of its responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the External Auditor, should be clearly explained;

ii. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained for the benefit of all stockholders and other stakeholders;

iii. On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;

iv. The Company should consistently comply with the financial reporting requirements of the Commission;

v. The External Auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency;

vi. The Internal Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management;

vii. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

9. Chief Executive Officer

a. The Chief Executive Officer (CEO) shall be appointed by the Board to serve as such until his successor shall have been elected and qualified. At the option of the Board, a person other than the President may be designated CEO, at which instance the President may be designated Chief Operating Officer (COO). The President and CEO positions should both be held by Filipino citizens. Being the principal officers of the Company, the President and CEO shall be a person or persons of outstanding knowledge and integrity. The President and CEO shall work and deal fairly and objectively with all the constituencies of the Company, namely, the Board, management, and stockholders.

b. Subject to the control of the Board of Directors, the CEO shall:

i. Supervise and control all the business and affairs of the Company;
ii. Determine the Company's strategic direction and formulate and implement its strategic plan on the direction of the business.
iii. Communicate and implement the Company's vision, mission, values and overall strategy and promote any organization or stakeholder change in relation to the same.
iv. Manage the human and financial resources in accordance with the strategic plan.
v. Have a good working knowledge of the Company's industry and market and keep up-to-date with its core business purpose.
vi. Direct, evaluate and guide the work of the key officers of the Company.
vii. Manage the Company's resources prudently and ensure a proper balance of the same.
viii. Provide the Board with timely information and interface between the Board and the employees of the Company. Whenever proper, it shall also be the duty of the President to consult the Company employees, solicit their viewpoint and communicate the same to the Board so the Board can be guided before making key decisions.
ix. Build the corporate culture and motivate the employees of the Company.
x. Serve as the link between internal operations and external stakeholders.
xi. In the absence of the Chairman or the Vice Chairman of the Board, preside at all meetings of the Board of Directors and stockholders. If the President and CEO positions are not held by one individual, then the CEO shall preside unless absent, in which case the President shall preside;
xii. Together with other officers designated by the Board, sign all checks, drafts, or other orders with respect to any funds of the Company maintained in any

bank, certificates of stock of the Company, any deed, mortgage, bond, contract, or other instrument which the Board of Directors has authorized to be executed;

xiii. Perform all duties incident to the office(s) of the President and CEO, and such other duties as may be prescribed by the Board of Directors from time to time.

c. The positions of Chairman of the Board and Chief Executive Officer, when practicable, may be held by separate individuals and each should have clearly defined responsibilities. In case the President or CEO is also the Chairman of the Board, he shall strictly follow the checks and balances provided by the Board in accordance with this Manual to insure that independent, outside views, perspectives and judgments are given proper hearing in the Board.

10. Corporate Secretary

a. The Corporate Secretary shall be elected by the Board, to serve as such until his successor shall have been duly elected and qualified.

b. The Corporate Secretary shall possess the following qualifications:

i. The Corporate Secretary should be a Filipino citizen and a separate individual from the Compliance Officer. The Corporate Secretary should not be a member of the Board of Directors.

ii. The Corporate Secretary shall demonstrate perfection in performance and maintain loyalty to the mission, vision and specific business objectives of the Company.

iii. Considering his varied functions and duties, he must possess administrative and interpersonal skills, and if he is not the general counsel, then he must have some legal skills. He must also have some financial and accounting skills.

c. The Corporate Secretary shall have the following duties and functions:

i. Assist the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;

ii. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meeting of the Board and its committees, as well as other official records of the Company;

iii. Advise on the establishment of additional board committees and their terms of reference;

iv. Work fairly and objectively with the Board, Management, stockholders, and other stakeholders;

v. Have appropriate administrative and interpersonal skills;

vi. If he is not at the same time the Company's legal counsel, to be aware of the laws, rules, and regulations necessary in the performance of his duties and responsibilities, including relevant laws and rules affecting the industry and operations of the Company, to be able to effectively advise the Board on all relevant issues as they arise;

vii. Have a working knowledge of the operations of the Company;

viii. Inform that members of the Board, or of the committees of the Board, as the case may be, in accordance with the By-Laws, of the agenda of their meetings at least five (5) working days in advance, and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

ix. Attend all Board meetings except when justifiable causes, such as illness, death in the immediate family, and serious accidents prevent him from doing so;

x. Ensure that all Board and committee procedures, rules, and regulations are strictly followed by members;

xi. Oversee the drafting and amendments of the by-laws and ensure that they conform with regulatory standards;

xii. Perform required administrative functions pertaining to his office, as defined in the Company's by-laws and pertinent government regulations.

11. External Auditor

a. The external auditor shall be selected, appointed and removed, and his fees shall be set by the Board and ratified by the stockholders during the annual stockholders' meetings, upon recommendation of the Audit Committee.

b. The reason/s for the resignation, dismissal or cessation from service, and the date thereof, of an external auditor shall be reported in the company's annual and current reports. Said report shall include a discussion of any disagreement between him and the Company on accounting principles and practices, financial disclosures or audit procedures which the former auditor and the Company failed to resolve satisfactorily. A preliminary copy of said report shall be given by the Company to the external auditor before his submission.

If the external auditor believes that any statement made in the annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said report.

c. The external auditor of the company shall not at the same time provide the services of an internal auditor to the same client. The Board shall ensure that other non-audit work shall not be in conflict with the functions of the external auditor.

e. The Company's external auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company should be changed with the same frequency.

12. Internal Auditor

a. The Company shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of internal audit personnel headed by an Internal Auditor, through which the Board, senior management, and stockholders shall be provided with reasonable assurance that the Company's key organizational and procedural controls are effective, appropriate, and complied with. The Board shall approve and set in place an Internal Audit Charter to guide the Internal Auditor or group's performance of their functions. The Company's internal audit function may, at the discretion of the Board, be outsourced to qualified independent third party service providers.

b. The internal audit function shall include, among others, the following functions:

i. Providing an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and information among the Board, external and internal auditors and Management;

ii. Performing regular and special audit as contained in the annual audit plan and/or based on the Company's risk assessment;

iii. Performing consulting and advisory services related to governance and control as appropriate for the organization;

iv. Performing compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;

v. Reviewing, auditing and assessing the efficiency and effectiveness of the internal control system of all areas of the Company;

vi. Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;

vii. evaluating specific operations at the request of the Board or Management, as appropriate; and

viii. monitoring and evaluating governance processes.

b. The Internal Auditor, who shall act as the Chief Audit Executive of the Company, shall report directly to the Audit Committee and the CEO. The Internal Auditor shall have the following functions:

i. oversee and be responsible for the internal audit activities of the organization, including the portion outsourced to a third party service provider, if applicable. Where the internal audit is a fully outsourced activity, a qualified independent executive or senior management personnel shall be assigned the responsibility of managing the internal audit activity;

ii. periodically review the internal audit charter and present it to senior management and the Audit Committee for approval;

iii. establish a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization's goals;

iv. communicate the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval;

v. spearhead the performance of the internal audit activity to ensure it adds value to the organization;

vi. report periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and

vii. present findings and recommendations to the Audit Committee and give advice to senior management and the Board on how to improve internal processes.

d. The minimum internal control mechanisms for management's operational responsibility shall center on the President, being ultimately accountable for the Company's organizational and procedural control.

e. The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

f. The system of internal control shall be designed to manage, rather than eliminate, the risk of failure to achieve business targets and objectives and shall provide reasonable, although not absolute assurance against material misstatement or loss.

g. The Internal Auditor shall report to the Audit Committee. However, direction may be provided by the President and/or Head of the Finance Division, with respect to internal coordination with other Divisions of the Company.

PART III

REPORTORIAL OR DISCLOSURE SYSTEM OF CORPORATE GOVERNANCE POLICIES

1. The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Company's Compliance Officer;

2. The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information for the interest of the stakeholders through the proper procedures adopted by the Philippine Stock Exchange and by the SEC for the interest of its stockholders and other stakeholders.

3. All material information about the Company which could adversely affect its viability or the interests of its stockholders and other stakeholders shall be publicly and timely disclosed to the Philippine Stock Exchange and the Commission. Such material information shall include, among others, earnings results, acquisition or disposition of assets, off-balance sheet transactions, related party transactions and direct and indirect remuneration of members of the Board and the management.

4. All directors and officers shall disclose/report to the Company any dealings in its shares within three (3) business days.

5. The Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.

5. The Company shall provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report. The disclosure should include termination and retirement provisions.

6. The Company's corporate governance policies, programs and procedures shall be contained in its Manual on Corporate Governance, which shall be submitted to the regulators and posted on the Company's website.

7. Committee Charters of all established committees stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information, as well as standards for evaluating the performance of the Committee shall be fully disclosed on the company's website.

8. The Company should include media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.

PART IV

SHAREHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTERESTS

The Board shall be committed to respect the following rights of the stockholders:

A. Right to Active Participation

1. The Board shall encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least twenty-eight (28) days before the meeting.

2. The Board shall make the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting should be available on the Company's website within five (5) business days from the end of the meeting.

3. The Board shall designate an Investor Relations Officer (IRO) who must be present at every shareholders' meeting to ensure constant engagement with its shareholders.

B. Voting Right

1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. Minority shareholders shall have the right to nominate their candidates in writing in the form and period prescribed by the Company, and sent to the Corporate Secretary.

2. Cumulative voting shall be used in the election of directors. The use of poll voting shall, as much as practicable, be adopted during stockholders' meetings.

3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

C. Power of Inspection

All shareholders shall be allowed to inspect during office hours the corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

D. Right to Information

1. The shareholders shall be provided, upon written request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the company's shares, dealings with the company, relationships among directors and key officers, and the aggregate compensation of directors and officers.

2. All shareholders, including minority shareholders, shall have the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

3. The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

E. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.

2. The company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or programs approved by the Board or b) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.

F. Appraisal Right

1. The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders 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 Corporation Code; and

c. In case of merger or consolidation.

2. It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

PART V

ADEQUATE AND TIMELY INFORMATION

1. Management should provide members of the Board of Directors with complete, adequate and timely information about the matters to be taken in their meeting.

2. In order for each of the members of the Board to properly perform their function and responsibilities further inquiries will be made and not merely rely on the information volunteered by the Management. Members are given independent access to Management and Corporate Secretary information and documents.

3. Members, either individually or as a Board, and in furtherance of their duties and responsibilities, shall have access to independent professional advice at the Company's expense.

PART VI

MONITORING AND ASSESSMENT

1. Each Committee shall report regularly to the Board of Directors.

2. The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part 8 of this Manual.

3. The establishment of such evaluation system, including the features thereof, shall be disclosed in the company's annual report or in such form of report that is applicable to the Company. The adoption of such performance evaluation system must be covered by a Board approval.

4. This Manual shall be subject to quarterly review unless this frequency is amended by the Board.

5. All business processes and practices being performed within any department or business unit of the Company that are not consistent with any portion of this manual shall be revoked unless upgraded to the compliant extent.

PART VII

COMMUNICATION PROCESS

1. This manual shall be available for inspection by any stockholder of the Company at reasonable hours on business days.

2. All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.

3. An adequate number of printed copies of this Manual must be reproduced and distributed to all departments/subsidiaries with a minimum of at least one (1) hard copy of the Manual each.

PART VIII

TRAINING PROCESS

1. If necessary, funds shall be allocated by the CFO or its equivalent officer for the purpose of conducting an orientation program or workshop to operationalize this Manual.

2. A director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.

PART IX

COMMITMENT TO GOOD CORPORATE GOVERNANCE

This Manual shall be made available for inspection by any stockholder at reasonable hours on business days.

PART X

PENALTIES FOR NON-COMPLIANCE

1. To strictly observe and implement the provisions of this manual, the following penalties shall be imposed, after notice and hearing, on the company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provision of this Manual:

    a. In case of **first violation**, the subject person shall be reprimanded.

    b. In case of **second violation,** suspension from office shall be imposed The duration of the suspension shall depend on the gravity of the violation.

    c. **For third violation**, the maximum penalty of removal from office shall be imposed.

2. The commission of a third violation of this manual by any member of the board of the company or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.

3. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

Harald R. Tomintz
Chairman of the Board

Rosanna T. Desiderio
Compliance Officer

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: April 30, 2025 07:43:06 PM

Company Information

SEC Registration No.: CS201210314
Company Name: COAL ASIA HOLDINGS INCORPORATED
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST10430202583240525
Document Type: ANNUAL_REPORT
Document Code: SEC_Form_17-A
Period Covered: December 31, 2024
Submission Type: Original Filing
Remarks: WITH FS-CONSO AND FS

Acceptance of this document is subject to review of forms and contents

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	2	1	0	3	1	4

COMPANY NAME

C	O	A	L		A	S	I	A		H	O	L	D	I	N	G	S		I	N	C	O	R	P	O	R	A	T	E	D											

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

3	r	d		F	l	o	o	r	,		J	T	K	C		C	e	n	t	e	r	,		2	1	5	5		D	o	n		C	h	i	n	o				
R	o	c	e	s		A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y																			

Form Type	Department requiring the report	Secondary License Type, If Applicable
AASFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
johnson.sanhi.jr@titanmining.com	(02) 8813-8892	0917 853 5701

No. of Stockholders	Annual Meeting (Month / Day)	Calendar Year (Month / Day)
24	April 30	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
Johnson A. Sanhi Jr.	johnson.sanhi.jr@titanmining.com	(02) 8818-6772	–

CONTACT PERSON'S ADDRESS

3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City

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 shall not excuse the corporation from liability for its deficiencies.*

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Coal Asia Holdings Incorporated
3rd Floor, JTKC Center
2155 Don Chino Roces Avenue
Makati City

Opinion

We have audited the separate financial statements of Coal Asia Holdings Incorporated (the Company), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years ended December 31, 2024, 2023 and 2022, and notes to separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023 and its financial performance and its cash flows for the years ended December 31, 2024, 2023 and 2022 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company 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 the audit of the separate 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.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 PSA 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 separate financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 audits.

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.

REYES TACANDONG & CO.

CEDRIC M. CATERIO
Partner
CPA Certificate No. 87322
Tax Identification No. 102-083-647-000
BOA Accreditation No. 4782/P-008; Valid until June 6, 2026
BIR Accreditation No. 19-005765-001-2022;
Valid until December 13, 2025
PTR No. 10467124;
Issued January 2, 2025, Makati City

April 28, 2025
Makati City, Metro Manila

COAL ASIA HOLDINGS INCORPORATED

SEPARATE STATEMENTS OF FINANCIAL POSITION

	Note	December 31 **2024**	2023
ASSETS			
Current Asset			
Cash in banks	4	**₱419,708**	₱199,302
Noncurrent Asset			
Investment in a subsidiary	7	**2,545,468,806**	3,279,261,563
		₱2,545,888,514	₱3,279,460,865
LIABILITIES AND EQUITY			
Current Liabilities			
Advances from a stockholder	5	**₱38,850,570**	₱37,220,010
Other current liabilities		**3,075,293**	2,391,841
Total Liabilities		**41,925,863**	39,611,851
Equity			
Capital stock		**4,000,000,004**	4,000,000,004
Deficit		**(1,496,037,353)**	(760,150,990)
Total Equity		**2,503,962,651**	3,239,849,014
		₱2,545,888,514	₱3,279,460,865

See accompanying Notes to Separate Financial Statements.

COAL ASIA HOLDINGS INCORPORATED

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2024**	2023	2022
INTEREST INCOME	4	**₱852**	₱564	₱359
EXPENSES	8	**(735,887,215)**	(253,059,667)	(2,429,283)
NET LOSS		**(735,886,363)**	(253,059,103)	(2,428,924)
OTHER COMPREHENSIVE INCOME		**–**	–	–
TOTAL COMPREHENSIVE LOSS		**(₱735,886,363)**	(₱253,059,103)	(₱2,428,924)

See accompanying Notes to Separate Financial Statements.

COAL ASIA HOLDINGS INCORPORATED

SEPARATE STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31		
	2024	2023	2022
CAPITAL STOCK - at ₱1 par value			
Authorized - 5,000,000,000 shares			
Issued and outstanding - 4,000,000,004 shares	**₱4,000,000,004**	₱4,000,000,004	₱4,000,000,004
DEFICIT			
Balance at beginning of year	**(760,150,990)**	(507,091,887)	(504,662,963)
Net loss	**(735,886,363)**	(253,059,103)	(2,428,924)
Balance at end of year	**(1,496,037,353)**	(760,150,990)	(507,091,887)
	₱2,503,962,651	₱3,239,849,014	₱3,492,908,117

See accompanying Notes to Separate Financial Statements.

COAL ASIA HOLDINGS INCORPORATED

SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss		**(₱735,886,363)**	(₱253,059,103)	(₱2,428,924)
Adjustments for:				
Provision for impairment loss on investment in a subsidiary	7	**733,792,757**	99,238,437	–
Provision for probable loss on input value-added tax (VAT)	6	**126,540**	29,718	83,172
Interest income	4	**(852)**	(564)	(359)
Provision for expected credit loss (ECL) on advances to a subsidiary	5	**–**	151,398,304	–
Operating loss before working capital changes		**(1,967,918)**	(2,393,208)	(2,346,111)
Increase in:				
Input VAT		**(126,540)**	(29,718)	(83,172)
Other current liabilities		**683,452**	875,378	371,145
Net cash used for operations		**(1,411,006)**	(1,547,548)	(2,058,138)
Interest received		**852**	564	359
Net cash used in operating activities		**(1,410,154)**	(1,546,984)	(2,057,779)
CASH FLOWS FROM A FINANCING ACTIVITY				
Additional advances from a stockholder		**1,630,560**	1,609,820	2,003,427
NET INCREASE (DECREASE) IN CASH IN BANKS		**220,406**	62,836	(54,352)
CASH IN BANKS AT BEGINNING OF YEAR		**199,302**	136,466	190,818
CASH IN BANKS AT END OF YEAR		**₱419,708**	₱199,302	₱136,466

See accompanying Notes to Separate Financial Statements.

COAL ASIA HOLDINGS INCORPORATED

NOTES TO SEPARATE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024 AND 2023

AND FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

1. **Corporate Information**

General Information

Coal Asia Holdings Incorporated (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 11, 2012. The Company was organized primarily as a holding company. In 2012, the Company acquired 100% ownership of Titan Mining and Energy Corporation (TMEC or the Subsidiary).

TMEC is a wholly owned subsidiary incorporated and registered with the SEC. TMEC is engaged in the operations of coal mining and energy related business.

On October 23, 2012, the Company became a publicly-listed company. As at December 31, 2024 and 2023, 4,000,000,004 common shares of the Company at ₱1 par value were listed in the Philippine Stock Exchange (PSE). Of those shares, 20% are publicly-owned as at December 31, 2024 and 2023.

The Board of Directors (BOD) and the stockholders of the Company approved the amendment of its articles of incorporation on May 23, 2024 and July 1, 2024, respectively, for the following:

- Change in primary purpose that the Company is organized primarily as a holding company to engage in different sources of energy and technologies for power or energy generation.

- Increase in the authorized capital stock from 5,000.0 million to 50,000.0 million shares with corresponding decrease in the par value of shares of stock from ₱1.00 to ₱0.10 per share.

On February 18, 2025, the amended articles of incorporation was approved by the SEC.

The registered office address of the Company is at 3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City.

Status of TMEC's Operations

As at December 31, 2024 and 2023, TMEC has two Coal Operating Contracts (COCs) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166).

COC No. 159

In 2013, TMEC applied for the start-up of the development and production stage in COC No. 159. TMEC has submitted to the DOE the Final Exploration Report, 10-Year Work Program and Feasibility Study and Environmental Compliance Certificate (ECC) as issued by the Department of Environment and Natural Resources (DENR).

On August 30, 2018, the Department of Energy (DOE) re-evaluated the coal reserves in commercial quantity on Sagasa Area considering the corrected dipping angle of each coal seam, revised coal intercepts and number of coal seams, specific gravity of 1.4, inclusion of coal outcrops, and additional information on longitudinal sections. On December 21, 2018, TMEC agreed on the revised coal reserves and provided revised Five-Year Coal Development and Production Work Program and Budget, and revised Feasibility Study in accordance with the agreed delineated coal reserves.

On September 11, 2018, TMEC submitted the required documents to the National Commission on Indigenous People (NCIP) for the issuance of the Certificate of Precondition (CP). The CP is the final requirement for the conversion of COC No. 159.

On December 14, 2018, TMEC received the original copy of the CP and the certified true copy approving the CP from the NCIP.

On December 11, 2019, TMEC received the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the CP (for Development and Production Phase) or Certificate of Non-Overlap (CNO) from the NCIP. The COC No. 159 for Development and Production Phase shall be effective from date thereof for a period of 10 years, and should there be remaining mineable reserves, extendible for another 10 years and thereafter renewable for a series of three (3) year periods not exceeding 12 years under such terms and condition as may be agreed upon by the DOE and TMEC.

Under Presidential Decree 972, *The Coal Development Act of 1976*, as Government share, the DOE will be paid the balance of the gross income after deducting all operating expenses and operator's fee and special allowance. The operating expenses shall not exceed 90% of the gross income. Excess operating expenses can be recovered from the gross income in succeeding years. TMEC will be entitled to a fee and a special allowance, the net amount of which shall not exceed 40% and 30%, respectively, of the net operating income.

On November 2, 2022, TMEC received notice from the NCIP that its Provincial Team had submitted their Field Based Investigation Report and has recommended for the conduct of mandatory Free, Prior Informed Consent (FPIC) process pursuant to NCIP Administrative Order No. 3, series of 2012. Consequently, the NCIP invited TMEC for a Pre-FPIC Conference.

On March 28, 2023, the Company received notice from the NCIP to provide the necessary documents in relation to the issuance of CP or CNO following its special session where the project and FPIC report were presented.

On November 18, 2024, TMEC submitted a request to NCIP for the immediate commencement of the FPIC process.

On January 16, 2025, TMEC re-submitted the revised Five-Year Work Program to DOE for evaluation and approval.

TMEC has been submitting quarterly financial reports to the DOE. As at report date, TMEC is still in the process of obtaining a CP or CNO from the NCIP.

COC No. 166

TMEC is working on the extension of the COC. As required, TMEC has submitted to the DOE the Result of Exploration covering the exploration activities conducted and estimates of the resultant coal resource and reserve of the property, which have been verified by the DOE. In 2016, the DOE evaluated the documents submitted and requested additional information to further process the application for conversion.

On September 18, 2018, TMEC has re-submitted the Five-Year Work Program in support for the processing of the Company's application for the conversion of its COC.

On September 4, 2019, TMEC cited difficulties in complying with the other necessary requirements because of the peace and order disturbances in the area, security threats to its employees by lawless elements, and dwindling competitiveness of coal.

On December 9, 2019, the DOE required TMEC to substantiate with supporting documents the above cited problems, specifically documents attesting that TMEC has an existing application for Environmental Compliance Certificate (ECC) from the EMB-DENR, certification from concerned law enforcement units as to the peace and order problem in the area, and proof to the other constraints that TMEC has stated that hinder its compliance with its obligations for COC conversion.

On January 26, 2020, TMEC submitted the supporting documents and action plans for the cited problems with the conversion of COC No. 166 from Exploration to Development and Production Phase.

On November 23, 2020, TMEC re-submitted the Five-Year Work Program in support for the processing of its application for the conversion of its COC.

On May 16, 2024, a meeting was held between the DOE and TMEC in which the status of COC No. 166 was presented and wherein TMEC expressed its intention to pursue the conversion to Development and Production Phase.

On June 25, 2024, the DOE issued a final notice to TMEC for COC No. 166 to comply on its conversion requirements in settling its outstanding obligations to the DOE and submitting a new Five-Year Work Program and Budget and Feasibility Study.

On January 22, 2025, the DOE issued a notice of term expiration of COC No. 166 stating that TMEC failed to submit the complete requirements for conversion of COC No. 166 from Exploration Phase to Development and Production Phase. Accordingly, in accordance with the expressed provision of Presidential Decree No. 972, the term of COC No. 166 has lapsed, and TMEC was directed to immediately vacate the contract area and restore all sites that may have been affected by any coal operations.

On February 18, 2025, TMEC submitted an appeal for reconsideration to DOE, requesting a one-year grace period to facilitate the conversion of COC No. 166 from Exploration to Development and Production Phase.

As at report date, TMEC is still awaiting approval from the DOE on its appeal for reconsideration on the term expiration.

Approval of Separate Financial Statements

The separate financial statements of the Company as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022 were approved and authorized for issuance by the BOD on April 28, 2025.

2. **Summary of Material Accounting Policy Information**

Basis of Preparation

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

The Company also prepares and issues consolidated financial statements for the same year in accordance with PFRS Accounting Standards. In the consolidated financial statements, subsidiary undertakings have been fully consolidated. Users of the separate financial statements should read them together with the consolidated financial statements in order to obtain full information on the consolidated statements of financial position, financial performance and cash flows of the Company and its Subsidiary. The consolidated financial statements are available for public use and may be obtained at the Company's registered office address and at the SEC and PSE.

Measurement Bases

The separate financial statements are presented in Philippine Peso, which is the Company's functional currency. All values represent absolute amounts, unless otherwise indicated.

The separate financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

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 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 on the most advantageous market must be accessible to the Company.

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 best interest.

A fair value measurement of nonfinancial 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 Company 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 separate 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 separate financial statements on a recurring basis, the Company 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 Company 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.

Further information about the assumptions made in measuring fair value is disclosed in Note 11 to the separate financial statements.

Adoption of Amendments to PFRS Accounting Standards

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

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

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

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

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

- Annual Improvements to PFRS Volume 11 -

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

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

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

Under prevailing circumstances, the adoption of the foregoing amendment to PFRS Accounting Standards is not expected to have any material effect on the separate financial statements of the Company. Additional disclosures will be included in the separate financial statements, as applicable.

Financial Assets and Liabilities

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

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

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

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. The classification of financial assets largely depends on the Company's business model and its contractual cash flow characteristics. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2024 and 2023, the Company does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

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

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired or through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2024 and 2023, the Company's cash in banks and advances to a subsidiary are classified under this category (see Notes 4 and 5).

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

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

As at December 31, 2024 and 2023, the Company's advances from a stockholder (see Note 5) and other current liabilities (excluding statutory payables) are classified under this category.

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

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

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

For cash in banks and advances to a subsidiary, the Company has calculated ECL based on 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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

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

- the Company retains the right to receive cash flows from the financial 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 Company has transferred its right to receive cash flows from the financial 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 Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

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

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying amount of the original liability and fair value of the new liability is recognized in profit or loss.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

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

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

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or,
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. Otherwise, the financial instrument is classified as equity.

Input VAT
Input VAT represents tax imposed on the Company by its suppliers for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset the Company's output VAT liability.

Investment in a Subsidiary

Investment in a subsidiary is accounted for under the cost method. A subsidiary is an entity that is controlled by the Company. The Company controls an entity if it 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. The investment in subsidiary is carried in the separate statements of financial position at cost, less any impairment in value. Cost is the purchase price plus any incidental costs relating to the acquisition of the investment.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less cost of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting 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. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Capital Stock

Capital stock is measured at par value for all shares issued and paid.

Deficit

Deficit represents the cumulative balance of net losses.

Interest Income

Interest income is recognized as the interest accrues taking into account the effective yield on the asset, net of final tax.

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Expenses. Expenses constitute cost of administering the business. These are expensed as incurred.

Employee Benefits

Short-term Benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Any such reductions are reassessed at each reporting date and are reversed to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on the tax rate and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related Party Relationship and Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

Related party transactions are transfers of resources, services, or obligations between the Company and its related parties.

Provisions and Contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the separate financial statements. These are disclosed in the notes to separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the separate financial statements but disclosed in the notes to separate financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the separate financial statements. Post year-end events that are not adjusting events are disclosed in the notes to separate financial statements when material.

3. Significant Judgement, Accounting Estimates and Assumptions

The preparation of the Company's separate financial statements in compliance with PFRS Accounting Standards requires management to exercise judgment, make accounting estimates and assumptions that affect amounts reported in the separate financial statements and related notes. Judgment and accounting estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these accounting estimates.

While the Company has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgment, accounting estimates and assumptions made by the Company:

Assessing Going Concern. The Company has not started commercial operations because of delays in getting the necessary approval from the Government of its COCs. This has significantly reduced the Company's operating funds.

As discussed in Note 1 to the separate financial statements, TMEC has already received from the DOE the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the CP (for Development and Production Phase) or CNO from the NCIP. TMEC has been compliant with the requirements of the DOE. The Company's management is confident that TMEC will obtain the necessary approval from the NCIP.

Moreover, majority of the stockholders committed to provide continuous financial support not only for TMEC's pre-operating activities but also for its working capital requirements when the Company starts commercial operations. Thus, the Company continues to prepare the separate financial statements on the going concern basis.

Assessing ECL on Financial Assets at Amortized Cost. The Company determines the allowance for ECL using general approach based on probability-weighted estimate of the present value of all cash shortfalls over the expected life of the financial assets at amortized cost. ECL are provided for credit losses that result to possible default events within 12-months unless there has been a significant increase in credit risk since initial recognition, in which case ECL are provided based on lifetime expected credit loss.

While cash in banks is subject to the impairment requirements of PFRS Accounting Standards 9, the resulting impairment loss is not significant primarily because these are with reputable counterparty banks that possess good credit rating.

No provision was recognized for cash in banks.

The Company recognized provision for ECL on advances to a subsidiary in 2023 as presented in Note 5 to the separate financial statements.

The carrying amounts of financial assets at amortized cost as at December 31, 2024 and 2023 are disclosed in Notes 4 and 5 to the separate financial statements.

Establishing Control over its Investment. The Company determined that it has control over its subsidiary by considering, among others, its power over its 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. The following factors are:

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

As at December 31, 2024 and 2023, management has assessed that the Company has control over its Subsidiary (see Note 7).

Assessing the Impairment of Investment in a Subsidiary. The Company assesses impairment on its investment in a subsidiary whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and,
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Recoverable amount of an asset is higher of its fair value less cost to sell or value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the Company's expected mining operations. The estimated cash flows are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Impairment loss on investment in a subsidiary amounting to ₱733.8 million and ₱99.2 million were recognized in 2024 and 2023, respectively (see Note 8). No impairment loss on investment in a subsidiary was recognized by the Company in 2022. The carrying amount of investment in a subsidiary as at December 31, 2024 and 2023 is disclosed in Note 7 to the separate financial statements.

Recognizing Deferred Tax Asset. The Company reviews the carrying amount of deferred tax asset at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

As at December 31, 2024 and 2023, the Company did not recognize deferred tax asset as management has assessed that it is not probable that sufficient future taxable income may be available against which the deferred tax asset can be utilized within the period allowed by the tax regulation (see Note 9).

4. Cash in Banks

Cash in banks amounting to ₱419,708 and ₱199,302 as at December 31, 2024 and 2023, respectively, earn interest at the respective bank deposit rates and are immediately available for use in the current operations.

Interest income amounting to ₱852, ₱564 and ₱359 were earned from cash in banks for the years ended December 31, 2024, 2023 and 2022, respectively.

5. Related Party Transactions

The significant transactions of the Company, in the normal course of business, with its related parties, and the outstanding balances from related parties arising from such transactions are as follows:

	Nature of Transaction	Amount of Transactions		Outstanding Balances	
		2024	2023	**2024**	2023
Advances to a subsidiary -					
TMEC	Advances for working capital	**₱–**	₱–	**₱565,309,431**	₱565,309,431
Less allowance for ECL		**–**	151,398,304	**(565,309,431)**	(565,309,431)
				₱–	₱–
Advances from a stockholder -					
Stockholder	Advances for working capital	**₱1,630,560**	₱1,609,820	**₱38,850,570**	₱37,220,010

In 2023, provision for ECL amounting to ₱151.4 million was recognized on advances to a subsidiary (see Note 8).

Advances to/from related parties are unsecured, noninterest-bearing, generally settled in cash and due on demand.

Key Management Personnel
The short-term employee benefits given by the Company to its key management personnel amounted to ₱0.7 million in 2024, 2023 and 2022. This is included in "Personnel costs" account under "Expenses" in the separate statements of comprehensive income.

Reconciliation of Liabilities Arising from a Financing Activity
The table below details changes in the Company's liabilities arising from a financing activity.

	2024	2023
Advances from a stockholder		
Balance at beginning of year	**₱37,220,010**	₱35,610,190
Financing cash flows	**1,630,560**	1,609,820
Balance at end of year	**₱38,850,570**	₱37,220,010

6. Input VAT

This account consists of:

	2024	2023
Input VAT	**₱2,533,875**	₱2,407,335
Less allowance for probable loss	**(2,533,875)**	(2,407,335)
	₱–	₱–

The input VAT is fully provided with allowance for probable loss. Management has assessed that the Company may not be able to utilize its input VAT.

Movements in the allowance for probable loss are as follows:

	Note	**2024**	2023
Balance at beginning of year		**₱2,407,335**	₱2,377,617
Provision	8	**126,540**	29,718
Balance at end of year		**₱2,533,875**	₱2,407,335

7. Investment in a Subsidiary

This account consists of:

	2024	2023
Cost	**₱3,378,500,000**	₱3,378,500,000
Less allowance for impairment loss	**(833,031,194)**	(99,238,437)
	₱2,545,468,806	₱3,279,261,563

In 2012, TMEC obtained an independent valuation report to estimate the value of its coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information. The fair value measurement used is categorized as Level 2 using Income Approach. The inputs used to determine the market value of its coal reserves include location, characteristics, size, time element, quality and marketability.

TMEC carried out a review of the recoverable amount of its nonfinancial assets due to the delays in obtaining the necessary approval of its COCs from the Government which has significantly reduced its operating funds and resulted to continuing net losses. The impairment test is based on value in use calculations using discounted cash flow approach from its operations. The key assumptions used to determine the value in use of the nonfinancial assets include the projected coal price, foreign exchange rate, discount rate and estimated volume of coal reserves. The discount rates used are 11.48%, 10.35% and 10.58% in 2024, 2023 and 2022, respectively.

The cash flow projections, which have a period of five years, are based on the most recent feasibility study approved by the senior management. The values assigned to each key assumption are estimated with reference to recent external market information and take 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.

In 2024, management assessed that the recoverable amount of the investment in a subsidiary is lower than its aggregate carrying amount and recognized an additional impairment loss of ₱733.8 million on its investment in a subsidiary. The recognition of the impairment loss is driven by the notice from the DOE informing TMEC of the term expiration of COC No. 166 (see Note 1).

In 2023, management assessed that the recoverable amount of the investment in a subsidiary is lower than its aggregate carrying amount and recognized an impairment loss of ₱99.2 million on its investment in a subsidiary. The recognition of the impairment loss is driven by the reduction in coal price and unplanned expenditures caused by the delays in the conversion of COCs and start of commercial operations.

Movements in the allowance for impairment loss are as follows:

	Note	**2024**	2023
Balance at beginning of year		**₱99,238,437**	₱–
Provision	8	**733,792,757**	99,238,437
Balance at end of year		**₱833,031,194**	₱99,238,437

The recoverable amount as at December 31, 2024 and 2023, based on the discounted cash flow approach, is classified as Level 3 of the fair value hierarchy. Management also believes that no reasonably possible change in any of the key assumptions would cause in a significantly higher or lower fair value measurement.

8. Expenses

This account consists of:

	Note	2024	2023	2022
Provision for impairment loss on investment in a subsidiary	7	**₱733,792,757**	₱99,238,437	₱–
Professional fees		**810,000**	1,122,000	1,040,000
Personnel costs	5	**650,000**	650,000	650,000
Listing maintenance fee		**250,000**	250,000	250,000
Provision for probable loss on input VAT	6	**126,540**	29,718	83,172
Seminar and membership fees		**120,000**	160,000	258,400
Representation and entertainment		**38,279**	12,658	–
Taxes and licenses		**18,292**	20,317	37,468
Provision for ECL on advances to a subsidiary	5	**–**	151,398,304	–
Repairs and maintenance		**–**	56,324	49,338
Others		**81,347**	121,909	60,905
		₱735,887,215	₱253,059,667	₱2,429,283

9. Income Taxes

There is no provision for current income tax in 2024, 2023 and 2022 due to the Company's gross loss and taxable loss position.

Deferred tax asset on NOLCO amounting to ₱3.3 million and ₱2.9 million as at December 31, 2024 and 2023, respectively, was not recognized in the separate statements of financial position since the management has assessed that the Company may not be able to utilize this deductible temporary difference against future taxable income.

Details of NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Expiry Date
2024	₱–	₱1,929,639	₱–	₱1,929,639	2027
2023	2,380,550	–	–	2,380,550	2026
2022	2,346,111	–	–	2,346,111	2025
2021	4,185,088	–	–	4,185,088	2026
2020	2,527,910	–	–	2,527,910	2025
	₱11,439,659	₱1,929,639	₱–	₱13,369,298	

As mandated by Section 4 of Republic Act No. 11494 or the "Bayanihan to Recover as One Act" and implemented under Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

Reconciliation between the benefit from income tax based on statutory income tax rate and the effective income tax rate is as follows:

	2024	2023	2022
Benefit from income tax at statutory tax rate	**(₱183,971,591)**	(₱63,264,776)	(₱607,231)
Change in unrecognized deferred tax asset	**482,410**	595,138	(25,449)
Add (deduct) tax effects of:			
Nondeductible expenses	**183,489,394**	62,669,779	20,793
Interest income subjected to final tax	**(213)**	(141)	(90)
Expired NOLCO	**–**	–	611,977
Benefit from income tax at effective tax rate	**₱–**	₱–	₱–

The Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act

Under the CREATE Act which took effect on July 1, 2020, domestic corporations are subject to 25% or 20% RCIT depending on the amount of total assets or total amount of taxable income. In addition, MCIT is computed at 1% of gross income for a period of three (3) years up to June 1, 2023 and reverted to 2% of gross income effective July 1, 2023 under Revenue Memorandum Circular No. 69-2023.

Accordingly, the income tax rate used in preparing the separate financial statements as at and for the years ended December 31, 2024, 2023 and 2022 is 25% for RCIT.

10. Financial Risk Management Objectives and Policies

The Company's financial instruments consist mainly of financial assets and financial liabilities directly related to operations, specifically cash in banks, advances to a subsidiary, advances from a stockholder and other current liabilities (excluding statutory payables).

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The BOD reviews and agrees policies for managing each of these risks.

Credit Risk

Credit risk is a risk due to an uncertainty in a counterparty's ability to meet its obligations. When counterparty defaults, the maximum exposure is equal to the carrying amount of the related financial asset. The Company's credit risk arises principally from cash in banks and advances to a subsidiary.

The Company transacts mainly with recognized and creditworthy third parties as well as with related parties. In addition, the Company only deals with financial institutions duly evaluated and approved by the BOD.

The following tables summarize the credit quality of the Company's financial assets at amortized cost as at December 31, 2024 and 2023:

	2024				
	Neither Past Due nor Impaired		**Past Due but**		
	High Grade	**Standard Grade**	**not Impaired**	**Credit-impaired**	**Total**
Lifetime ECL:					
Cash in banks	**₱419,708**	**₱–**	**₱–**	**₱–**	**₱419,708**
Advances to a subsidiary	**–**	**–**	**–**	**565,309,431**	**565,309,431**
	₱419,708	**₱–**	**₱–**	**₱565,309,431**	**₱565,729,139**

	2023				
	Neither Past Due nor Impaired		Past Due but		
	High Grade	Standard Grade	not Impaired	Credit-impaired	Total
Lifetime ECL:					
Cash in banks	₱199,302	₱–	₱–	₱–	₱199,302
Advances to a subsidiary	–	–	–	565,309,431	565,309,431
	₱199,302	₱–	₱–	₱565,309,431	₱565,508,733

The Company's financial assets are categorized by credit risk rating grades based on the Company's collection experience with the counterparties as follows:

- High Grade - settlements are obtained from counterparty following the terms of the contracts without much collection effort.
- Standard Grade - other financial assets not belonging to high grade financial assets and are not past due are included in this category.
- Past due but not impaired - those with history of frequent default, nevertheless the amount due are still collectible.
- Credit impaired - those that are long outstanding or those that have been provided with an allowance for impairment.

Liquidity Risk

Liquidity risk arises from the Company's inability to raise sufficient funds at the least possible cost to meet its financial commitments. The Company's objectives in liquidity management are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

The table below summarizes the maturity profile of the financial liabilities at amortized cost of the Company based on remaining contractual undiscounted cash flows as at December 31, 2024 and 2023:

	2024			
	On Demand	**Within 1 Year**	**Over 1 Year**	**Total**
Advances from a stockholder	**₱38,850,570**	**₱–**	**₱–**	**₱38,850,570**
Other current liabilities*	**3,069,885**	**–**	**–**	**3,069,885**
	₱41,920,455	**₱–**	**₱–**	**₱41,920,455**

**Excluding statutory payables amounting to ₱5,408.*

	2023			
	On Demand	Within 1 Year	Over 1 Year	Total
Advances from a stockholder	₱37,220,010	₱–	₱–	₱37,220,010
Other current liabilities*	2,384,705	–	–	2,384,705
	₱39,604,715	₱–	₱–	₱39,604,715

**Excluding statutory payables amounting to ₱7,136.*

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations. The Company's overall strategy remains unchanged from the previous year.

The Company manages the capital structure and makes adjustments when there are changes in the economic conditions, its business activities, expansion programs and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust its borrowings or raise capital.

In determining reasonable leverage, the Company evaluates its cost of capital and manages its level of debt to maintain an optional cost of capital based in current conditions. The Company considers its equity amounting to ₱2,504.0 million and ₱3,239.8 million as at December 31, 2024 and 2023, respectively, as capital employed.

The Company is not subject to externally-imposed capital requirements.

11. Fair Value Measurement of Financial Instruments

Presented below is a comparison of carrying amounts and fair values of financial assets and liabilities as at December 31, 2024 and 2023.

	2024		2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial assets at amortized cost:				
Cash in banks	**₱419,708**	**₱419,708**	₱199,302	₱199,302
Financial liabilities at amortized cost:				
Advances from a stockholder	**₱38,850,570**	**₱38,850,570**	₱37,220,010	₱37,220,010
Other current liabilities*	**3,069,885**	**3,069,885**	2,384,705	2,384,705
	₱41,920,455	**₱41,920,455**	₱39,604,715	₱39,604,715

**Excluding statutory payables amounting to ₱5,408 and ₱7,136, as at December 31, 2024 and 2023, respectively.*

Cash in Banks, Advances to a Subsidiary, Advances from a Stockholder, and Other Current Liabilities (excluding Statutory Payables). The carrying amounts of these financial assets and liabilities approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Titan Mining and Energy Corporation
3F JTKC Centre
2155 Don Chino Roces Avenue
Makati City

We have audited the accompanying separate financial statements of Coal Asia Holdings Incorporated (the Company) as at December 31, 2024, and 2023, and for the years ended December 31, 2024, 2023 and 2022, on which we have rendered our report dated April 28, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has twenty-two (22) stockholders owning one hundred (100) or more shares as at December 31, 2024 and 2023.

REYES TACANDONG & CO.

CEDRIC M. CATERIO
Partner
CPA Certificate No. 87322
Tax Identification No. 102-083-647-000
BOA Accreditation No. 4782/P-008; Valid until June 6, 2026
BIR Accreditation No. 19-005765-001-2022;
Valid until December 13, 2025
PTR No. 10467124;
Issued January 2, 2025, Makati City

April 28, 2025
Makati City, Metro Manila

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: April 30, 2025 07:43:06 PM

Company Information

SEC Registration No.: CS201210314
Company Name: COAL ASIA HOLDINGS INCORPORATED
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST10430202583240525
Document Type: ANNUAL_REPORT
Document Code: SEC_Form_17-A
Period Covered: December 31, 2024
Submission Type: Original Filing
Remarks: WITH FS-CONSO AND FS

Acceptance of this document is subject to review of forms and contents

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	2	1	0	3	1	4

COMPANY NAME

COAL ASIA HOLDINGS INCORPORATED AND AS

UBSIDIARY

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

3rd Floor, JTKC Center, 2155 Don Chino

Roces Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
johnson.sanhi.jr@titanmining.com	(02) 8813-8892	0917 853 5701

No. of Stockholders	Annual Meeting (Month / Day)	Calendar Year (Month / Day)
24	April 30	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
Johnson A. Sanhi Jr.	johnson.sanhi.jr@titanmining.com	(02) 8818-6772	–

CONTACT PERSON'S ADDRESS

3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City

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 shall not excuse the corporation from liability for its deficiencies.*

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Coal Asia Holdings Incorporated and a Subsidiary
3rd Floor, JTKC Center
2155 Don Chino Roces Avenue
Makati City

Opinion

We have audited the consolidated financial statements of Coal Asia Holdings Incorporated (the Parent Company) and a Subsidiary (collectively referred to as the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2024, 2023 and 2022 and notes to consolidated financial statements, including a summary of 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024, 2023 and 2022 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' 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 the 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 as at and for the year ended December 31, 2024. 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Recoverability of Coal Reserves and Exploration and Evaluation Asset

The Group has coal reserves and exploration and evaluation asset amounting to ₱2,286.4 million as at December 31, 2024. The ability of the Group to recover these nonfinancial assets would depend on its ability to proceed with the development and production phase in areas covered by its Coal Operating Contracts, which is still awaiting the necessary Government approval. This is significant to our audit because these nonfinancial assets are material to the consolidated financial statements and involves significant management judgment in assessing whether there is any indication of impairment. The impairment assessment of coal reserves and exploration and evaluation asset in 2024 resulted to recognition of impairment loss amounting to ₱936.0 million.

We have reviewed management's determination of impairment indicators and assessment on the recoverability of these nonfinancial assets. We evaluated the assumptions used by the Group in its impairment assessment of the nonfinancial assets. The assumptions include the estimated volume of coal reserves, projected coal prices, foreign exchange rate and discount rate, which we compared against available market information. We compared the recoverable amount determined from the Group's impairment test using the value in use calculations and discounted cash flow approach, with the carrying amount of the nonfinancial assets as at December 31, 2024. We also reviewed the adequacy of the Group's disclosures about the assumptions used, the outcome of which the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of the nonfinancial assets. We also reviewed the adequacy of the Group's disclosures in Notes 4 and 17 to the consolidated financial statements.

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, 2024, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' 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 audit 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 audit 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 PFRS Accounting Standards, 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.

Auditors' 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 auditors' 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 PSA 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 PSA, 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 auditors' 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 auditors' 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 group 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 audits.

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 auditors' 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 auditors' report is Cedric M. Caterio.

REYES TACANDONG & CO.

CEDRIC M. CATERIO
Partner
CPA Certificate No. 87322
Tax Identification No. 102-083-647-000
BOA Accreditation No. 4782/P-008; Valid until June 6, 2026
BIR Accreditation No. 19-005765-001-2022;
Valid until December 13, 2025
PTR No. 10467124;
Issued January 2, 2025, Makati City

April 28, 2025
Makati City, Metro Manila

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31 **2024**	2023
ASSETS			
Current Assets			
Cash	5	**₱790,316**	₱506,818
Advances to related parties	12	**2,050,940**	2,070,917
Other current assets	6	**–**	449,293
Total Current Assets		**2,841,256**	3,027,028
Noncurrent Assets			
Coal reserves and exploration and evaluation asset	4	**2,286,431,394**	3,222,477,218
Property and equipment	7	**37,403,605**	49,749,965
Restricted cash	6	**1,089,465**	1,082,925
Total Noncurrent Assets		**2,324,924,464**	3,273,310,108
		₱2,327,765,720	₱3,276,337,136
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	8	**₱13,348,567**	₱10,004,964
Advances from stockholders	12	**75,635,941**	69,275,381
Income tax payable		**–**	11,250
Total Current Liabilities		**88,984,508**	79,291,595
Noncurrent Liabilities			
Retirement benefits liability	11	**540,425**	494,396
Net deferred tax liability	13	**1,179,796**	1,191,303
Total Noncurrent Liabilities		**1,720,221**	1,685,699
Total Liabilities		**90,704,729**	80,977,294
Equity			
Capital stock		**4,000,000,004**	4,000,000,004
Deficit		**(1,766,267,935)**	(807,969,084)
Cumulative remeasurement gains on retirement benefits liability, net of deferred tax	11	**3,328,922**	3,328,922
Total Equity		**2,237,060,991**	3,195,359,842
		₱2,327,765,720	₱3,276,337,136

See accompanying Notes to Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2024**	2023	2022
GENERAL AND ADMINISTRATIVE EXPENSES	9	**(₱22,272,894)**	(₱22,168,229)	(₱31,502,566)
PROVISION FOR IMPAIRMENT LOSS ON COAL RESERVES AND EXPLORATION AND EVALUATION ASSET	4	**(936,045,824)**	(211,922,923)	–
INTEREST INCOME	5	**8,360**	1,171	965
GAIN ON SALE OF TRANSPORTATION EQUIPMENT	7	**–**	750,000	–
LOSS BEFORE INCOME TAX		**(958,310,358)**	(233,339,981)	(31,501,601)
PROVISION FOR (BENEFIT FROM) INCOME TAX	13			
Current		**–**	11,250	–
Deferred		**(11,507)**	(12,448)	(19,576)
		(11,507)	(1,198)	(19,576)
NET LOSS		**(958,298,851)**	(233,338,783)	(31,482,025)
OTHER COMPREHENSIVE INCOME		**–**	–	–
TOTAL COMPREHENSIVE LOSS		**(₱958,298,851)**	(₱233,338,783)	(₱31,482,025)
BASIC/DILUTED LOSS PER SHARE	16	**(₱0.240)**	(₱0.058)	(₱0.008)

See accompanying Notes to Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31		
		2024	2023	2022
CAPITAL STOCK - ₱1 par value				
Authorized - 5,000,000,000 shares				
Issued and outstanding - 4,000,000,004 shares		**₱4,000,000,004**	₱4,000,000,004	₱4,000,000,004
DEFICIT				
Balance at beginning of year		**(807,969,084)**	(574,630,301)	(543,148,276)
Net loss		**(958,298,851)**	(233,338,783)	(31,482,025)
Balance at end of year		**(1,766,267,935)**	(807,969,084)	(574,630,301)
CUMULATIVE REMEASUREMENT GAINS ON RETIREMENT BENEFITS LIABILITY, NET OF DEFERRED TAX	11			
Balance at beginning and end of year		**3,328,922**	3,328,922	3,328,922
		₱2,237,060,991	₱3,195,359,842	₱3,428,698,625

See accompanying Notes to Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**(₱958,310,358)**	(₱233,339,981)	(₱31,501,601)
Adjustments for:				
Provision for impairment loss on coal reserves and exploration and evaluation asset	4	**936,045,824**	211,922,923	–
Depreciation and amortization	7	**17,300,887**	17,300,887	24,639,845
Provision for probable loss on input value-added tax	6	**126,540**	29,718	83,172
Retirement benefits cost	11	**46,029**	49,792	78,304
Interest income	5	**(8,360)**	(1,171)	(965)
Gain on sale of transportation equipment	7	**–**	(750,000)	–
Operating loss before working capital changes		**(4,799,438)**	(4,787,832)	(6,701,245)
Decrease (increase) in other current assets		**322,753**	(29,718)	(88,314)
Increase in trade and other payables		**3,343,603**	858,268	359,590
Net cash used for operations		**(1,133,082)**	(3,959,282)	(6,429,969)
Income tax paid		**(11,250)**	–	–
Interest received		**1,820**	1,171	965
Net cash used in operating activities		**(1,142,512)**	(3,958,111)	(6,429,004)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property and equipment	7	**(4,954,527)**	–	–
Decrease (increase) in advances to related parties		**19,977**	(7,055)	–
Proceeds from sale of transportation equipment	7	**–**	750,000	–
Net cash provided by (used in) investing activities		**(4,934,550)**	742,945	–
CASH FLOW FROM A FINANCING ACTIVITY				
Additional advances from stockholders	12	**6,360,560**	3,259,820	6,039,671
NET INCREASE (DECREASE) IN CASH		**283,498**	44,654	(389,333)
CASH AT BEGINNING OF YEAR		**506,818**	462,164	851,497
CASH AT END OF YEAR		**₱790,316**	₱506,818	₱462,164
COMPONENTS OF CASH	5			
Cash on hand		**₱15,000**	₱15,000	₱15,000
Cash in banks		**775,316**	491,818	447,164
		₱790,316	₱506,818	₱462,164

See accompanying Notes to Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMEBER 31, 2024 AND 2023
AND FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

1. **Corporate Information**

General Information

Coal Asia Holdings Incorporated (the Parent Company or CAHI) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 11, 2012. The Parent Company was organized primarily as a holding company.

Titan Mining and Energy Corporation (the Subsidiary or TMEC), is a wholly owned subsidiary incorporated and registered with the SEC. TMEC is engaged in the operations of coal mining and energy related business.

The Parent Company and TMEC are collectively referred to as "the Group".

On October 23, 2012, the Parent Company became a publicly-listed company. As at December 31, 2024 and 2023, 4,000,000,004 common shares of the Parent Company at ₱1 par value are listed in the Philippine Stock Exchange (PSE). Of those shares, 20% are publicly-owned as at December 31, 2024 and 2023.

The Board of Directors (BOD) and the stockholders of the Parent Company approved the amendment of its articles of incorporation on May 23, 2024 and July 1, 2024, respectively, for the following:

- Change in primary purpose that the Parent Company is organized primarily as a holding company to engage in different sources of energy and technologies for power or energy generation.

- Increase in the authorized capital stock from 5,000.0 million to 50,000.0 million shares with corresponding decrease in the par value of shares of stock from ₱1.00 to ₱0.10 per share.

On February 18, 2025, the amended articles of incorporation was approved by the SEC.

The registered office address of the Group is at 3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City.

Status of Operations

As at December 31, 2024 and 2023, the Group has two Coal Operating Contracts (COCs) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166).

As discussed in Note 17 to the consolidated financial statements, on January 22, 2025, the Department of Energy (DOE) issued a notice of term expiration of COC No. 166 stating that TMEC failed to submit the complete requirements for conversion of COC No. 166 from Exploration Phase to Development and Production Phase. Accordingly, in accordance with the expressed provision of Presidential Decree No. 972, the term of COC No. 166 has lapsed, and TMEC was directed to immediately vacate the contract area and restore all sites that may have been affected by any coal operations.

As also discussed in Note 17 to the consolidated financial statements, the Group has already received from the DOE the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the Certificate of Precondition (CP) (for Development and Production Phase) or Certificate of Non-Overlap (CNO) from the National Commission on Indigenous People (NCIP). The Group has been compliant with the requirements of the DOE and is confident that it will obtain the necessary approval from the NCIP.

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023, and 2022 were approved and authorized for issuance by the BOD on April 28, 2025, and were reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

Basis of Preparation

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

The material accounting policies used in the preparation of the consolidated financial statements are consistently applied to all periods presented, unless otherwise stated.

Measurement Bases

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

The consolidated financial statements have been prepared on a historical cost basis, except for retirement benefits liability which is measured at the present value of defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

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 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 on the most advantageous market must be accessible to 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 best interest.

A fair value measurement of nonfinancial 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.

Further information about the assumptions made in measuring fair value is disclosed in Notes 4 and 15 to the consolidated financial statements.

Adoption of Amendments to PFRS Accounting Standards

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

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

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

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

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

- Annual Improvements to PFRS Volume 11 -

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

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

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

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 a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

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

Basis of Consolidation

The consolidated financial statements include the accounts of the wholly-owned subsidiary and the Parent Company.

Subsidiary. Subsidiary is an entity controlled by the Parent Company. The consolidated financial statements include the accounts of the Parent Company and its subsidiary, TMEC. The Parent Company has control when it is exposed, or has right, to variable returns from its involvement with the investee and it has the ability to affect those returns through its powers over the investee.

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

Transactions Eliminated on Consolidation. All intra-group balances, transactions, income and expenses and unrealized gains and losses are eliminated in full.

Accounting Policies of a Subsidiary. The consolidated financial statements of the subsidiary are prepared for the same reporting year using uniform accounting policies as that of the Parent Company.

Financial Assets and Liabilities

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

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

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

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. The classification of financial assets largely depends on the Group's business model and its contractual cash flow characteristics. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2024 and 2023, the Group does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and,

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired or through the amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2024 and 2023, the Group's cash, advances to related parties, receivables (presented under "Other current assets" account), and restricted cash are classified under this category.

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

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

As at December 31, 2024 and 2023, the Group has classified its trade and other payables (excluding statutory payables), and advances from stockholders under this category.

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

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

Impairment of Financial Assets at Amortized Cost
The Group records an allowance for impairment losses on its financial assets measured at amortized cost based on expected credit loss (ECL).

ECL is the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group measures ECL at an amount equivalent to the 12-month ECL for financial assets at amortized cost on which credit risk has not increased significantly since initial recognition and for debt instruments that are determined to have low credit risk at the reporting date.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. ECL for credit-impaired financial assets is based on the difference between the gross carrying amount and present value of estimated future cash flows.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Receivables. The Group has applied the simplified approach in measuring the ECL on receivables. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Other Financial Instruments Measured at Amortized Cost. For these financial instruments, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

Derecognition of Financial Assets and Liabilities

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

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

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

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

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

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

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying amount of the original liability and fair value of the new liability is recognized in profit or loss.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

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

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

- Deliver cash or another financial asset to another entity;

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

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

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

Input VAT
Input VAT represents tax imposed on the Group by its suppliers for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset the Group's output VAT liability.

Coal Reserves
Coal reserves are proven and probable coal reserves, which are defined as the estimated quantities of coal which geological data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Coal reserves are carried at historical cost less impairment losses, if any. Coal reserves are amortized upon the commencement of production on a unit of production basis, which is the ratio of coal production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period. Costs used in the unit of production calculation comprise the net book value of capitalized costs plus the estimated future development costs. Changes in the estimates of coal reserves or future development costs are accounted for prospectively.

Exploration and Evaluation Asset
Exploration and Evaluation Asset. Exploration and evaluation asset is carried at cost less accumulated impairment losses.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the coal resource.

Exploration and evaluation activity includes:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and,
- Evaluating the technical feasibility and commercial viability of extracting the coal resource.

Exploration and evaluation expenditures are recognized as asset when future economic benefit is more likely than not to be realized. These costs include materials and fuels used, surveying costs, drilling costs and payments made to contractors. The Group capitalizes any further evaluation costs incurred to exploration and evaluation asset up to the point when a commercial reserve is established. Capitalized exploration and evaluation asset is considered as tangible assets.

Exploration and evaluation asset is transferred to mine development costs account in the consolidated statement of financial position when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and evaluation asset is assessed for impairment before these are reclassified. Any impairment loss is recognized in profit or loss.

No amortization is charged during the exploration and evaluation phase.

Property and Equipment
Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment losses. Land is carried at cost less any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, and other costs directly attributable to bring the asset to its working condition and location for its intended use. Cost also includes the cost of replacing parts such as property and equipment when the asset recognition criteria are met and the present value of the estimated cost of dismantling and removing the asset and restoring the site where the asset is located.

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

Depreciation and amortization are calculated on the straight-line basis over the estimated useful lives of the property and equipment as shown below:

	Number of Years
Land improvements	10
Drilling equipment	10
Laboratory and camp buildings	10
Survey equipment and machinery	3
Laboratory and testing equipment	5
Transportation equipment	5
Office furniture and equipment	3

The assets' estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized to profit or loss.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less cost of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting 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. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Coal Reserves and Exploration and Evaluation Asset. Coal reserves and exploration and evaluation asset is assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. One or more of the following facts and circumstances indicate that the assets require impairment test.

a. The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;

b. substantive expenditure on further exploration for and evaluation of coal reserves in the specific area is neither budgeted nor planned;

c. exploration for and evaluation of coal reserves in the specific area have not led to the discovery of commercially viable qualities of coal reserves and the entity has decided to discontinue such activities in the specific area;

d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Capital Stock
Capital stock is measured at par value for all shares issued and paid.

Deficit
Deficit represents the cumulative balance of net losses.

OCI
OCI comprises of items of income and expense that are not recognized in profit or loss in accordance with PFRS Accounting Standards. This pertains to cumulative remeasurement gain on retirement benefits liability. This is not reclassified to profit or loss in subsequent periods.

Interest Income
Interest income is recognized as the interest accrues taking into account the effective yield on the asset, net of final tax.

Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

General and Administrative Expenses. General and administrative expenses constitute cost of administering the business. These are expensed as incurred.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customers has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and,
- The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as a Lessee. The Group has elected not to recognize right-of-use asset and lease liability for its short-term lease. The Group recognized the lease payments associated with this lease as an expense on a straight-line basis over the lease term.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Cost. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs and interest expense in profit or loss. Net interest is calculated by applying the discount rate to the net retirement liability or asset.

Remeasurement comprising actuarial gains and losses is recognized immediately in OCI in the period in which they arise. Remeasurement is not reclassified to profit or loss in subsequent periods.

The retirement benefits liability is the present value of the retirement liability. The present value of retirement benefits liability is determined by discounting the estimated future cash outflows using interest rate on Government bonds that have terms to maturity approximating the terms of the related retirement benefits liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused net operating loss carryover (NOLCO) and tax credits from the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax losses can be utilized. Deferred tax, however, is not recognized when it 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Any such reductions are reassessed at each reporting date and are reversed to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on the tax rate and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity as other comprehensive income.

Related Party Relationships and Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

Related party transactions are transfers of resources, services, or obligations between the Group and its related parties.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the net loss for the period attributable to equity holders of the Group by the weighted average number of issued and outstanding and subscribed common shares during the period, with retroactive adjustment for any stock dividends declared. Diluted loss per share is computed in the same manner, adjusted for the effects of convertible securities.

The Group has no dilutive instruments.

Segment Reporting

Operating segments are components of the Group: (a) that engage in business activities from which they may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

For purposes of segment reporting, the Group's only operating segment is related to coal mining operations (see Note 4).

Provisions and Contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Group's financial position at the end of reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements in compliance with PFRS Accounting Standards requires management to exercise judgment, make accounting estimates and assumptions that affect amounts reported in the consolidated financial statements and related notes. Judgment and accounting estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these accounting estimates.

While the Group has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgment, accounting estimates and assumptions made by the Group:

Assessing Going Concern. The Group has not started commercial operations because of delays in getting the necessary approval from the Government of its COCs. This has significantly reduced the Group's operating funds.

As discussed in Notes 1 and 17 to the consolidated financial statements, the Group has already received from the DOE the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the CP (for Development and Production Phase) or CNO from the NCIP. The Group has been compliant with the requirements of the DOE. The Group's management is confident that TMEC will obtain the necessary approval from the NCIP.

Moreover, majority of the stockholders committed to provide continuous financial support not only for the Group's pre-operating activities but also for its working capital requirements when the Group starts commercial operations. Thus, the Group continues to prepare the consolidated financial statements on the going concern basis.

Assessing ECL on Financial Assets at Amortized Cost. The Group determines the allowance for ECL using general approach based on probability-weighted estimate of the present value of all cash shortfalls over the expected life of the financial assets at amortized cost. ECL are provided for credit losses that result to possible default events within 12-months unless there has been a significant increase in credit risk since initial recognition, in which case ECL are provided based on lifetime expected credit loss.

With the exception of receivables which are always subject to lifetime ECL, impairment of financial assets at amortized cost has been measured on 12-month ECL basis and reflects the short maturities of the exposures. The resulting ECL is not significant because the financial assets are with reputable counterparties as approved by management.

No provision for ECL was recognized on other financial assets at amortized cost in 2024, 2023 and 2022.

The carrying amounts of financial assets at amortized cost as at December 31, 2024 and 2023 are disclosed in Notes 5, 6 and 12 to the consolidated financial statements.

Estimating the Coal Reserves. The Group estimates its coal reserves based on information compiled by competent persons on geological and technical data on the size, depth, shape and grade of the mineral body and suitable production techniques and recovery rates. The analysis requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of commodity prices, foreign exchange rates, future capital requirements, discount rate, and production costs along with geological assumptions and judgments made in estimating the size and grade of the mineral body.

Management assumes conservative forecasted sales prices, based on current and long-term historical average price trends. Conservative forecasted sales price assumptions generally result in lower estimates of reserves.

As the economic assumptions used may change and as additional geological information is obtained during the exploration and evaluation of the mine properties, estimates of reserves may change.

The amount of coal reserves and the related provision for impairment on coal reserves as at and for the years ended December 31, 2024 and 2023 are disclosed in Note 4 to the consolidated financial statements. No impairment loss on coal reserves was recognized in 2022.

Determining the Amount to be Capitalized as Exploration and Evaluation Asset. The capitalization of exploration and evaluation expenditures requires judgment in determining whether there are future economic benefits from future exploitation or sale of coal reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

The amount of exploration and evaluation asset and the related provision for impairment on exploration and evaluation asset as at and for the years ended December 31, 2024 and 2023 are disclosed in Note 4 to the consolidated financial statements. No impairment loss on exploration and evaluation asset was recognized in 2022.

Estimating the Useful Lives of Property and Equipment. The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property 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, estimation of the useful lives of property and equipment are based on collective assessment of industry practice, 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 factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

Based on management's assessment, there is no change in the estimated useful lives of property and equipment in 2024, 2023 and 2022.

Depreciation and amortization is disclosed in Note 7 to the consolidated financial statements.

The carrying amounts of depreciable property and equipment as at December 31, 2024 and 2023 are disclosed in Note 7 to the consolidated financial statements.

Assessing the Impairment of Other Nonfinancial Assets. The Group assesses impairment on other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends;
- Significant changes or planned changes in the use of the assets;
- Significant changes in the estimation of coal reserves;
- Expiration of the right to explore the areas;
- Significant unbudgeted or unplanned expenditures for exploration and evaluation; and,
- Management's decision to discontinue activities in specific areas.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Recoverable amount of an asset is higher of is its fair value less costs to sell or value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the Group's expected mining operations. The estimated cash flows are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

No impairment loss on other nonfinancial assets was recognized in 2024, 2023 and 2022.

The other nonfinancial assets of the Group include input VAT and property and equipment. The corresponding carrying amounts as at December 31, 2024 and 2023 are disclosed in Notes 6 and 7 to the consolidated financial statements.

Estimating the Retirement Benefits Cost. The determination of the obligation and cost of retirement and other long-term employee benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 11 to the consolidated financial statements and include, among others, discount rates and salary increase rates. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

Retirement benefits costs and carrying amount of retirement benefits liability as at December 31, 2024, 2023 and 2022 are disclosed in Note 11 to the consolidated financial statements.

Recognizing Deferred Tax Assets. The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The amounts of recognized and unrecognized deferred tax assets as at December 31, 2024 and 2023 are disclosed in Note 13 to the consolidated financial statements. The Group did not recognize a portion of the deferred tax assets as management has assessed that the Group may not be able to utilize these deductible temporary differences against future taxable income.

4. Coal Reserves and Exploration and Evaluation Asset

The balances and movements of this account are as follows:

	2024		
	COC No. 159	**COC No. 166**	**Total**
Coal Reserves			
Balance at beginning and end of year	**₱1,705,785,888**	**₱1,425,810,213**	**₱3,131,596,101**
Exploration and Evaluation Asset			
Balance at beginning and end of year	**580,645,506**	**56,580,572**	**637,226,078**
	2,286,431,394	**1,482,390,785**	**3,768,822,179**
Allowance for Impairment Loss			
Balance at beginning of year	**–**	**546,344,961**	**546,344,961**
Provision for impairment loss	**–**	**936,045,824**	**936,045,824**
Balance at end of year	**–**	**1,482,390,785**	**1,482,390,785**
Carrying Amount	**₱2,286,431,394**	**₱–**	**₱2,286,431,394**

	2023		
	COC No. 159	COC No. 166	Total
Coal Reserves			
Balance at beginning and end of year	₱1,705,785,888	₱1,425,810,213	₱3,131,596,101
Exploration and Evaluation Asset			
Balance at beginning and end of year	580,645,506	56,580,572	637,226,078
	2,286,431,394	1,482,390,785	3,768,822,179
Allowance for Impairment Loss			
Balance at beginning of year	–	334,422,038	334,422,038
Provision for impairment loss	–	211,922,923	211,922,923
Balance at end of year	–	546,344,961	546,344,961
Carrying Amount	₱2,286,431,394	₱936,045,824	₱3,222,477,218

The Parent Company acquired TMEC in 2012 (see Note 1) in exchange for the Parent Company's common shares valued at ₱3,200.0 million. Of the total consideration, the Parent Company allocated ₱3,131.6 million as coal reserves.

In 2012, the Group obtained an independent valuation report to estimate the value of TMEC's coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information. The fair value measurement used is categorized as Level 2 using Market Approach. The inputs used to determine the market value of Group's coal reserves include location characteristics, size, time element, quality and marketability.

Exploration and evaluation asset are costs incurred on the mining properties situated in the provinces of Davao Oriental and Zamboanga Sibugay, Philippines.

COC Nos. 159 and 166 provide a minimum work expenditure on obligations covered by the work program at the exploration phase (see Note 17). The recovery of these costs depends on the conversion of the COCs to development and production phase.

Impairment Assessment on Coal Reserves and Exploration and Evaluation Asset

The Group carried out a review of the recoverable amount of its coal reserves and exploration and evaluation asset due to the delays in obtaining the necessary approval of its COCs from the Government which has significantly reduced the Group's operating funds and resulted to continuing net losses. The impairment test is based on value in use calculations using discounted cash flow approach. The key assumptions used to determine the value in use of the nonfinancial assets include the projected coal price, foreign exchange rate, discount rate and estimated volume of coal reserves. The discount rates used are 11.48%, 10.35% and 10.58% in 2024, 2023 and 2022, respectively.

The cash flow projections, which have a period of five years, are based on the most recent feasibility study approved by the senior management. The values assigned to each key assumption are estimated with reference to recent external market information and take 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.

In 2024, management assessed that the carrying amount of the coal reserves and exploration and evaluation asset related to COC No. 166 is fully impaired and recognized an additional impairment loss of ₱936.0 million. The recognition of the additional impairment loss is driven by the notice from the DOE informing TMEC of the term expiration of COC No. 166 (see Notes 1 and 17).

In 2023, management assessed that the recoverable amount of the coal reserves and exploration and evaluation asset related to COC No. 166 is lower than its aggregate carrying amount and recognized an impairment loss of ₱211.9 million. The recognition of the impairment loss is driven by the reduction in coal price and unplanned expenditures caused by the delays in the conversion of COCs and start of commercial operations.

Movement in the allowance for impairment loss is as follows:

	2024	2023
Balance at beginning of year	**₱546,344,961**	₱334,422,038
Provision	**936,045,824**	211,922,923
Balance at end of year	**₱1,482,390,785**	₱546,344,961

The recoverable amount as at December 31, 2024 and 2023, based on the discounted cash flow approach, is classified as Level 3 of the fair value hierarchy. Management also believes that no reasonably possible change in any of the key assumptions would cause in a significantly higher or lower fair value measurement.

The financial information arising from exploration and evaluation activities as at and for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Total assets	**₱626,803,146**	₱694,459,716	₱710,171,730
Total liabilities	**619,331,319**	610,247,896	606,966,412
Expenses	**76,759,008**	19,745,303	29,073,283
Net cash provided by (used in) operating activities	**267,642**	(2,411,127)	(4,371,225)
Net cash used in investing activities	**(6,604,550)**	(857,055)	(1,973,022)
Net cash provided by financing activities	**6,400,000**	3,250,000	6,009,266

Operating Segment

For management reporting purposes, the Group is organized based on its activities and has one operating segment which is the coal mining segment. This segment undertakes the exploration and evaluation activities of the coal reserves of the Group which is within the Group's country of domicile.

5. Cash

This account consists of:

	2024	2023
Cash on hand	**₱15,000**	₱15,000
Cash in banks	**775,316**	491,818
	₱790,316	₱506,818

Cash in banks earn interest at the respective bank deposit rates and are immediately available for use in the current operations.

Interest income earned from cash in banks and restricted cash (see Note 6) amounted to ₱8,360, ₱1,171 and ₱965 in 2024, 2023 and 2022, respectively.

6. Other Assets

This account consists of:

	2024	2023
Current:		
Input VAT	**₱2,533,875**	₱2,407,335
Receivables	**–**	449,293
	2,533,875	2,856,628
Less allowance for probable loss	**(2,533,875)**	(2,407,335)
	₱–	₱449,293
Noncurrent -		
Restricted cash	**₱1,089,465**	₱1,082,925

The input VAT is fully provided with allowance for probable loss. Management has assessed that the Group may not be able to utilize its input VAT.

Movement in the allowance for probable loss follows:

	Note	**2024**	2023
Balance at beginning of year		**₱2,407,335**	₱2,377,617
Provision	9	**126,540**	29,718
Balance at end of year		**₱2,533,875**	₱2,407,335

Receivables pertain to receivables from third parties. These are noninterest-bearing and are generally collectible on demand.

Restricted cash includes cash bond required pursuant to the application of the permit to proceed with the development phase for COC No. 159 and cash set aside to settle obligations arising from a court case.

Interest income earned from the restricted cash in 2024, 2023, and 2022 is disclosed in Note 5 to the consolidated financial statements.

7. Property and Equipment

The balances and movements of this account are as follows:

	2024								
	Land	**Land Improvements**	**Drilling Equipment**	**Laboratory and Camp Buildings**	**Survey Equipment and Machinery**	**Laboratory and Testing Equipment**	**Transportation Equipment**	**Office Furniture and Equipment**	**Total**
Cost									
Balances at beginning of year	**₱18,139,580**	**₱154,954,040**	**₱194,212,031**	**₱25,429,304**	**₱3,264,334**	**₱12,606,310**	**₱8,684,774**	**₱1,818,835**	**₱419,109,208**
Additions	**4,600,000**	**354,527**	**–**	**–**	**–**	**–**	**–**	**–**	**4,954,527**
Balances at end of year	**22,739,580**	**155,308,567**	**194,212,031**	**25,429,304**	**3,264,334**	**12,606,310**	**8,684,774**	**1,818,835**	**424,063,735**
Accumulated Depreciation and Amortization									
Balances at beginning of year	**–**	**126,098,498**	**194,212,031**	**22,674,461**	**3,264,334**	**12,606,310**	**8,684,774**	**1,818,835**	**369,359,243**
Depreciation and amortization	**–**	**14,757,956**	**–**	**2,542,931**	**–**	**–**	**–**	**–**	**17,300,887**
Balances at end of year	**–**	**140,856,454**	**194,212,031**	**25,217,392**	**3,264,334**	**12,606,310**	**8,684,774**	**1,818,835**	**386,660,130**
Carrying Amount	**₱22,739,580**	**₱14,452,113**	**₱–**	**₱211,912**	**₱–**	**₱–**	**₱–**	**₱–**	**₱37,403,605**

	2023								
	Land	Land Improvements	Drilling Equipment	Laboratory and Camp Buildings	Survey Equipment and Machinery	Laboratory and Testing Equipment	Transportation Equipment	Office Furniture and Equipment	Total
Cost									
Balances at beginning of year	₱18,139,580	₱154,954,040	₱194,212,031	₱25,429,304	₱3,264,334	₱12,606,310	₱9,794,774	₱1,818,835	₱420,219,208
Disposal	–	–	–	–	–	–	(1,110,000)	–	(1,110,000)
Balances at end of year	18,139,580	154,954,040	194,212,031	25,429,304	3,264,334	12,606,310	8,684,774	1,818,835	419,109,208
Accumulated Depreciation and Amortization									
Balances at beginning of year	–	111,340,542	194,212,031	20,131,530	3,264,334	12,606,310	9,794,774	1,818,835	353,168,356
Depreciation and amortization	–	14,757,956	–	2,542,931	–	–	–	–	17,300,887
Disposal	–	–	–	–	–	–	(1,110,000)	–	(1,110,000)
Balances at end of year	–	126,098,498	194,212,031	22,674,461	3,264,334	12,606,310	8,684,774	1,818,835	369,359,243
Carrying Amount	₱18,139,580	₱28,855,542	₱–	₱2,754,843	₱–	₱–	₱–	₱–	₱49,749,965

In 2023, various fully depreciated transportation equipment were sold for ₱750,000, resulting to a gain equivalent to the proceeds.

Depreciation and amortization charged as general and administrative expenses amounted to ₱17.3 million in 2024 and 2023 and ₱24.6 million in 2022, respectively (see Note 9).

8. Trade and Other Payables

This account consists of:

	2024	2023
Trade payables	**₱10,074,495**	₱7,357,812
Accrued expenses	**3,252,795**	2,614,608
Statutory payables	**21,277**	32,544
	₱13,348,567	₱10,004,964

Trade payables, which include amounts payable to the Group's suppliers and financial obligation to the DOE (see Note 17), are noninterest-bearing and are due and demandable.

Accrued expenses pertain to accruals for administrative expenses which are expected to be settled within one year.

Statutory payables pertain to the payable to other Government agencies which are normally settled in the following month.

9. General and Administrative Expenses

This account consists of:

	Note	**2024**	2023	2022
Depreciation and amortization	7	**₱17,300,887**	₱17,300,887	₱24,639,845
Personnel costs	10	**2,040,714**	1,934,021	2,120,289
Professional fees		**1,441,765**	1,947,600	1,638,000
Listing maintenance fee		**250,000**	250,000	250,000
Provision for probable loss on input VAT	6	**126,540**	29,718	83,172
Safekeeping fee		**120,000**	160,000	258,400
Communication		**99,894**	86,957	159,779
Representation and entertainment		**93,709**	19,828	282,343
Taxes and licenses		**70,954**	70,391	219,032
Insurance		**31,782**	20,750	8,163
Repairs and maintenance		**21,696**	103,944	373,705
Office supplies		**470**	5,959	6,165
Others		**674,483**	238,174	1,463,673
		₱22,272,894	₱22,168,229	₱31,502,566

10. Personnel Costs

Personnel costs classified under "General and administrative expenses" account (see Note 9) consist of:

	Note	**2024**	2023	2022
Salaries and other employees' benefits		**₱1,994,685**	₱1,756,427	₱2,041,985
Retirement benefits cost	11	**46,029**	49,792	78,304
		₱2,040,714	₱1,934,021	₱2,120,289

11. Retirement Benefits Liability

The Group has an unfunded, noncontributory defined benefit plan covering all qualified regular employees of TMEC. The benefits are based on years of service and compensation. The plan provides for a lump-sum benefit payment upon retirement which shall not be less than the minimum mandated retirement benefit plan under Republic Act (RA) No. 7641 Retirement Pay Law.

The components of retirement benefits cost presented as part of "Personnel costs" under "General and administrative expenses" account are as follows (see Note 10):

	2024	2023	2022
Interest cost	**₱30,386**	₱26,885	₱26,082
Current service cost	**15,643**	22,907	52,222
	₱46,029	₱49,792	₱78,304

The changes in the present value of the retirement benefits liability are as follows:

	2024	2023
Balance at beginning of year	**₱494,396**	₱444,604
Interest cost	**30,386**	26,885
Current service cost	**15,643**	22,907
Balance at end of year	**₱540,425**	₱494,396

The cumulative remeasurement gain recognized as OCI as at December 31, 2024, 2023 and 2022 amounted to ₱3,328,922, net of deferred tax of ₱1,109,641.

The principal actuarial assumptions used to determine the retirement benefits cost as at December 31, 2024 and 2023 are as follows:

	2024	2023
Discount rate	**6.15%**	6.05%
Salary increase rate	**2.00%**	2.00%

Sensitivity analysis on retirement benefits liability as at December 31, 2024 is as follows:

	Change in Assumption	Effect on retirement benefits liability
Discount rate	(1.00%)	₱73,265
	1.00%	(63,950)
Salary increase rate	1.00%	75,664
	(1.00%)	(66,983)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the retirement benefits liability at the end of each reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged.

The weighted average duration of the retirement benefits liability is 13.43 years as at December 31, 2024.

12. Related Party Transactions

The transactions of the Group, in the normal course of business, with its related parties, and the outstanding balances from related parties arising from such transactions are as follows:

	Nature of Transactions	Amount of Transactions		Outstanding Balances	
		2024	2023	**2024**	2023
Advances to related parties -					
Entities under common ownership	Advances for working capital	**₱–**	₱7,055	**₱2,050,940**	₱2,070,917
Advances from stockholders	Advances for working capital	**₱6,360,560**	₱3,259,820	**₱75,635,941**	₱69,275,381

Terms and Conditions

Advances to related parties and advances from stockholders are unsecured, noninterest-bearing, generally settled in cash and due on demand. No impairment loss on advances to related parties was recognized in 2024, 2023 and 2022.

Key Management Personnel Compensation

The compensation of key management personnel of the Group are as follows:

	2024	2023	2022
Short-term employee benefits	**₱1,983,600**	₱1,786,164	₱1,470,289
Post-employment benefits	**46,029**	49,792	78,304
	₱2,029,629	₱1,835,956	₱1,548,593

Reconciliation of Liability Arising from a Financing Activity

The table below details the changes in the Group's liability arising from a financing activity as at December 31, 2024 and 2023, including both cash and non-cash changes:

	2024	2023
Advances from stockholders		
Balance at beginning of year	**₱69,275,381**	₱66,015,561
Proceeds	**6,360,560**	3,259,820
Balance at end of year	**₱75,635,941**	₱69,275,381

13. **Income Taxes**

TMEC is entitled to the following incentives under the COC:

- Exempt from all national taxes except for income tax; and
- Exempt from payment of tariff duties, compensating tax and value-added tax on importations of machinery and equipment, spare parts and materials required for the Coal Operation subject to terms and conditions in the COC.

The Group's provision for current income tax represents MCIT in 2023.

The components of provision for (benefit from) income tax are as follows:

	2024	2023	2022
Current	**₱–**	₱11,250	₱–
Deferred	**(11,507)**	(12,448)	(19,576)
	(₱11,507)	(₱1,198)	(₱19,576)

The Group's net deferred tax liability consists of:

	2024	2023
Deferred tax liability -		
Retirement benefits costs capitalized to exploration and evaluation asset	**₱1,314,902**	₱1,314,902
Deferred tax asset -		
Retirement benefits liability	**(135,106)**	(123,599)
Net deferred tax liability	**₱1,179,796**	₱1,191,303

The Group's unrecognized deferred tax assets are as follows:

	2024	2023
Allowance for impairment loss on coal reserves and exploration and evaluation asset	**₱370,597,696**	₱136,586,240
NOLCO	**37,124,398**	32,566,091
Excess MCIT over RCIT	**11,250**	11,250
	₱407,733,344	₱169,163,581

These deferred tax assets were not recognized because management has assessed that it is not probable that sufficient future taxable income may be available against which these deferred tax assets can be utilized within the period allowed by the tax regulation.

As at December 31, 2024, details of the related NOLCO from the Parent Company are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Expiry Date
2024	₱–	₱1,929,639	₱–	₱1,929,639	2027
2023	2,380,550	–	–	2,380,550	2026
2022	2,346,111	–	–	2,346,111	2025
2021	4,185,088	–	–	4,185,088	2026
2020	2,527,910	–	–	2,527,910	2025
	₱11,439,659	₱1,929,639	₱–	₱13,369,298	

As mandated by Section 4 of Republic Act No. 11494 or the "Bayanihan to Recover as One Act" and implemented under Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

As at December 31, 2024, details of NOLCO from TMEC are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Expiry Date
2024	₱–	₱20,076,977	₱–	₱20,076,977	2029
2023	18,938,341	–	–	18,938,341	2028
2022	28,712,636	–	–	28,712,636	2027
2021	33,853,030	–	–	33,853,030	2026
2020	33,547,309	–	–	33,547,309	2025
2019	3,773,389	–	(3,773,389)	–	2024
	₱118,824,705	₱20,076,977	(₱3,773,389)	₱135,128,293	

Section 34 (D)(3) of the Tax Code grants mining companies other than oil and gas wells to carry over net operating loss incurred in any of the first ten years of operation as a deduction from taxable income for the next five consecutive years immediately following the year of loss.

TMEC incurred excess MCIT over RCIT amounting to ₱11,250 for the year ended December 31, 2023, which can be claimed as tax credit against RCIT due until 2026.

A reconciliation between the benefit from income tax at statutory income tax rate and the effective income tax rate is as follows:

	2024	2023	2022
Benefit from income tax at statutory tax rate	**(₱239,577,590)**	(₱58,334,995)	(₱7,875,400)
Change in unrecognized deferred tax assets	**238,569,763**	56,892,358	5,725,245
Income tax effects of:			
Expired NOLCO	**943,347**	1,429,345	2,039,442
Nondeductible expenses	**55,063**	12,387	91,379
Interest income already subjected to final tax	**(2,090)**	(293)	(242)
Benefit from income tax at effective tax rate	**(₱11,507)**	(₱1,198)	(₱19,576)

The Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act

Under the CREATE Act which took effect on July 1, 2020, domestic corporations are subject to 25% or 20% RCIT depending on the amount of total assets and total amount of taxable income. In addition, MCIT is computed at 1% of gross income for a period of three (3) years up to June 1, 2023 and reverted to 2% of gross income effective July 1, 2023 under Revenue Memorandum Circular No. 69-2023.

Accordingly, the income tax rates used in preparing the consolidated financial statements as at and for the years ended December 31, 2024, 2023 and 2022 are 25% for RCIT, and 2%, 1.5% and 1% for MCIT, respectively.

14. Financial Risk Management Objectives and Policies

The Group's financial instruments consist mainly of financial assets and financial liabilities directly related to operations, specifically cash, advances to related parties, receivables (presented under "Other current assets" account), restricted cash, trade and other payables (excluding statutory payables), and advances from stockholders.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The BOD reviews and agrees on policies for managing each of these risks.

Credit risk

Credit risk is a risk due to an uncertainty in a counterparty's ability to meet its obligations. When a counterparty defaults, the maximum exposure is equal to the carrying amount of the related financial asset. The Group's credit risk arises principally from cash in banks, advances to related parties, receivables (presented under "Other current assets" account), and restricted cash.

The Group transacts mainly with recognized and creditworthy third parties as well as with related parties. In addition, the Group only deals with financial institutions duly evaluated and approved by the BOD.

The following tables summarize the credit quality of the Group's financial assets at amortized cost as at December 31, 2024 and 2023:

	2024					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Credit-impaired	Total
Financial assets at amortized cost:						
Cash in banks	**₱775,316**	**₱–**	**₱–**	**₱–**	**₱–**	**₱775,316**
Advances to related parties	**2,050,940**	**–**	**–**	**–**	**–**	**2,050,940**
Restricted cash	**1,089,465**	**–**	**–**	**–**	**–**	**1,089,465**
	₱3,915,721	**₱–**	**₱–**	**₱–**	**₱–**	**₱3,915,721**

	2023					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Credit-impaired	Total
Financial assets at amortized cost:						
Cash in banks	₱491,818	₱–	₱–	₱–	₱–	₱491,818
Advances to related parties	2,070,917	–	–	–	–	2,070,917
Receivables*	–	–	449,293	–	–	449,293
Restricted cash	1,082,925	–	–	–	–	1,082,925
	₱3,645,660	₱–	₱449,293	₱–	₱–	₱4,094,953

**Presented under "Other current assets" account.*

The credit quality of the financial assets is managed by the Group using internal credit quality ratings. High grade accounts consist of financial assets from counterparties with good financial condition and with relatively low defaults. Financial assets having risks of default but are still collectible are considered as standard grade accounts. Financial assets that are still collectible but require persistent effort from the Group to collect are considered substandard grade accounts. Past due but not impaired are those with history of frequent default nevertheless the amount due are still collectible. Credit impaired are those that are long outstanding or those that have been provided with an allowance for impairment.

Cash in banks and restricted cash are considered high grade as these pertain to deposits and placements in reputable banks with prime ratings. The Group considers that these financial assets have low credit risk based on the external ratings of the counterparties.

Advances to related parties are considered as high grade because the related parties are operating entities with sufficient liquid assets to repay the receivables upon demand by the Group.

With the exception of receivables which are subject to lifetime ECL, impairment of financial assets at amortized cost has been measured on 12-month ECL basis and reflects the short maturities of the exposures. The resulting ECL is not significant because the financial assets are considered high grade with minimal risk of default.

Liquidity Risk

Liquidity risk arises from the Group's inability to raise sufficient funds at the least possible cost to meet its financial commitments. The Group's objectives in liquidity management are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

The table below summarizes the maturity profile of the financial liabilities at amortized cost of the Group based on the remaining contractual undiscounted cash flows as at December 31, 2024 and 2023:

	2024			
	On Demand	**Within 1 Year**	**Over 1 Year**	**Total**
Trade and other payables*	**₱10,074,495**	**₱3,252,795**	**₱–**	**₱13,327,290**
Advances from stockholders	**75,635,941**	**–**	**–**	**75,635,941**
	₱85,710,436	**₱3,252,795**	**₱–**	**₱88,963,231**

**Excluding statutory payables (see Note 8).*

	2023			
	On Demand	Within 1 Year	Over 1 Year	Total
Trade and other payables*	₱7,357,812	₱2,614,608	₱–	₱9,972,420
Advances from stockholders	69,275,381	–	–	69,275,381
	₱76,633,193	₱2,614,608	₱–	₱79,247,801

**Excluding statutory payables (see Note 8).*

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations. The Group's overall strategy remains unchanged from the previous year.

The Group manages the capital structure and makes adjustments when there are changes in the economic conditions, its business activities, expansion programs and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust its borrowings or raise capital.

In determining reasonable leverage, the Group evaluates its cost of capital and manages its level of debt to maintain an optional cost of capital based in current conditions. The Group considers its equity, excluding OCI, as capital aggregating to ₱2,233.7 million and ₱3,192.0 million as at December 31, 2024 and 2023, respectively.

TMEC is subject to externally-imposed capital requirements applicable to applicants for exploration permits. The minimum paid-up capital is ₱6.3 million. TMEC has complied with the capital requirements during the reported financial periods and no changes were made to its capital base, objectives, policies and processes from the previous years.

15. Fair Value Measurement of Financial Instruments

Presented below is a comparison category of the carrying amounts and fair values of all the Group's financial assets and liabilities as at December 31, 2024 and 2023.

	2024		2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets at Amortized Cost:				
Cash in banks	**₱775,316**	**₱775,316**	₱491,818	₱491,818
Advances to related parties	**2,050,940**	**2,050,940**	2,070,917	2,070,917
Restricted cash	**1,089,465**	**1,089,465**	1,082,925	1,082,925
Receivables*	**–**	**–**	449,293	449,293
	₱3,915,721	**₱3,915,721**	₱4,094,953	₱4,094,953

**Presented under "Other current assets" account.*

	2024		2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Liabilities at Amortized Cost:				
Trade and other payables*	**₱13,327,290**	**₱13,327,290**	₱9,972,420	₱9,972,420
Advances from stockholders	**75,635,941**	**75,635,941**	69,275,381	69,275,381
	₱88,963,231	**₱88,963,231**	₱79,247,801	₱79,247,801

**Excluding statutory payables (see Note 8).*

Cash in Banks, Advances to Related Parties, Receivables (presented under "Other Current Assets" account), Trade and Other Payables (excluding Statutory Payables) and Advances from Stockholders. The carrying amounts of these financial assets and liabilities approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

Restricted Cash. The carrying amounts of this financial instrument approximate its fair value.

16. Basic and Diluted Loss Per Share

Basic and diluted loss per share are computed as follows:

	2024	2023	2022
Net loss	**(₱958,298,851)**	(₱233,338,783)	(₱31,482,025)
Divided by weighted average number of common shares outstanding	**4,000,000,004**	4,000,000,004	4,000,000,004
Basic/Diluted loss per share	**(₱0.240)**	(₱0.058)	(₱0.008)

Diluted loss per share equal the basic loss per share as the Group does not have any dilutive potential common shares at the end of each period.

17. Commitments and Contingencies

The Group has the following contractual commitments:

COCs with the DOE

The Philippine Government, through the DOE, awarded COCs to TMEC. The exploration phase under the COCs is for two (2) years and can be extended for another two (2) years upon the approval of the DOE. The development and production phase commences when the DOE and TMEC agrees on the existence of Coal Reserves in Commercial Quantity subject to the terms and conditions in the COC. As at December 31, 2024 and 2023, TMEC has two COCs (COC No. 159 and COC No. 166).

COC No. 159 covers 7,000 hectares in Davao Oriental while COC No. 166 which is located in Zamboanga Sibugay covers 4,000 hectares. Completed activities include surface geological investigation which involves surface field geologic mapping, geodetic surveying and trenching and subsurface geologic investigation through cored diamond drilling. As at December 31, 2024 and 2023, TMEC has incurred ₱637.2 million, respectively, for the direct implementation of the work program for the exploration phase of these COCs (see Note 4).

COC No. 159

In 2013, the Group applied for the start-up of the development and production stage in COC No. 159. The Group has submitted to the DOE the Final Exploration Report, 10-Year Work Program and Feasibility Study and Environmental Compliance Certificate (ECC) as issued by the Department of Environment and Natural Resources (DENR).

On August 30, 2018, the DOE re-evaluated the coal reserves in commercial quantity on Sagasa Area considering the corrected dipping angle of each coal seam, revised coal intercepts and number of coal seams, specific gravity of 1.4, inclusion of coal outcrops, and additional information on longitudinal sections. On December 21, 2018, the Group agreed on the revised coal reserves and provided revised Five-Year Coal Development and Production Work Program and Budget, and revised Feasibility Study in accordance with the agreed delineated coal reserves.

On September 11, 2018, the Group submitted the required documents to the NCIP for the issuance of the CP. The CP is the final requirement for the conversion of COC No. 159.

On December 14, 2018, TMEC received the original copy of the CP and the certified true copy approving the CP from the NCIP.

On December 11, 2019, TMEC received the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the CP (for Development and Production Phase) or CNO from the NCIP. The COC No. 159 for Development and Production Phase shall be effective from date thereof for a period of 10 years, and should there be remaining mineable reserves, extendible for another 10 years and thereafter renewable for a series of three (3) year periods not exceeding 12 years under such terms and condition as may be agreed upon by the DOE and TMEC.

Under Presidential Decree 972, *The Coal Development Act of 1976*, as Government share, the DOE will be paid the balance of the gross income after deducting all operating expenses and operator's fee and special allowance. The operating expenses shall not exceed 90% of the gross income. Excess operating expenses can be recovered from the gross income in succeeding years. TMEC will be entitled to a fee and a special allowance, the net amount of which shall not exceed 40% and 30%, respectively, of the net operating income.

On November 2, 2022, TMEC received notice from the NCIP that its Provincial Team had submitted their Field Based Investigation Report and has recommended for the conduct of mandatory Free, Prior Informed Consent (FPIC) process pursuant to NCIP Administrative Order No. 3, series of 2012. Consequently, the NCIP invited TMEC for a Pre-FPIC Conference.

On March 28, 2023, TMEC received notice from the NCIP to provide the necessary documents in relation to the issuance of CP or CNO following its special session where the project and FPIC report were presented.

On November 18, 2024, TMEC submitted a request to the NCIP for the immediate commencement of the FPIC process.

On January 16, 2025, TMEC re-submitted the revised Five-Year Work Program to DOE for evaluation and approval.

TMEC has been submitting quarterly financial reports to the DOE. As at report date, the Group is still in the process of obtaining a CP or CNO from the NCIP.

COC No. 166

The Group is working on the extension of the COC. As required, the Group has submitted to the DOE the Result of Exploration covering the exploration activities conducted and estimates of the resultant coal resource and reserve of the property, which have been verified by the DOE. In 2016, the DOE evaluated the documents submitted and requested additional information to further process the application for conversion.

On September 18, 2018, TMEC has re-submitted the Five-Year Work Program in support for the processing of TMEC's application for the conversion of its COC.

On September 4, 2019, the Group cited difficulties in complying with the other necessary requirements because of the peace and order disturbances in the area, security threats to its employees by lawless elements, and dwindling competitiveness of coal.

On December 9, 2019, the DOE required TMEC to substantiate with supporting documents the above cited problems encountered, specifically documents attesting that TMEC has an existing application for Environmental Compliance Certificate (ECC) from the EMB-DENR, certification from concerned law enforcement units as to the peace and order problem in the area, and proof to the other constraints that TMEC has stated that hinder its compliance with its obligations for COC conversion.

On January 26, 2020, TMEC submitted the supporting documents and action plans for the cited problems with the conversion of COC No. 166 from Exploration to Development and Production Phase.

On November 23, 2020, TMEC re-submitted the Five-Year Work Program in support for the processing of its application for the conversion of its COC.

On May 16, 2024, a meeting was held between the DOE and TMEC in which the status of COC No. 166 was presented and wherein TMEC expressed its intention to pursue the conversion to Development and Production Phase.

On June 25, 2024, the DOE issued a final notice to TMEC for COC No. 166 to comply on its conversion requirements in settling its outstanding obligations to the DOE (see Note 8) and submitting a new Five-Year Work Program and Budget and Feasibility Study.

On January 22, 2025, the DOE issued a notice of term expiration of COC No. 166 stating that TMEC failed to submit the complete requirements for conversion of COC No. 166 from Exploration Phase to Development and Production Phase. Accordingly, in accordance with the expressed provision of Presidential Decree No. 972, the term of COC No. 166 has lapsed, and TMEC was directed to immediately vacate the contract area and restore all sites that may have been affected by any coal operations.

On February 18, 2025, TMEC submitted an appeal for reconsideration to DOE, requesting a one-year grace period to facilitate the conversion of COC No. 166 from Exploration to Development and Production Phase.

As at report date, the Group is still awaiting approval from the DOE on its appeal for reconsideration on the term expiration.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Coal Asia Holdings Incorporated and a Subsidiary
3rd Floor, JTKC Center
2155 Don Chino Roces Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Coal Asia Holdings Incorporated and a Subsidiary (the Group) as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 and have issued our report dated April 28, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Supplementary Schedules for submission to the Securities and Exchange Commission are the responsibility of the Group's management. These supplementary schedules include the following:

- Conglomerate Map as at December 31, 2024
- Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration of the Parent Company as at December 31, 2024
- Schedules as required by Part II of the Revised SRC Rule 68 as at December 31, 2024

These supplementary schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These supplementary schedules have been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves. In our opinion, the information is fairly stated in all material respect in relation to the basic consolidated financial statements taken as a whole.

REYES TACANDONG & CO.

CEDRIC M. CATERIO
Partner
CPA Certificate No. 87322
Tax Identification No. 102-083-647-000
BOA Accreditation No. 4782/P-008; Valid until June 6, 2026
BIR Accreditation No. 19-005765-001-2022;
Valid until December 13, 2025
PTR No. 10467124;
Issued January 2, 2025, Makati City

April 28, 2025
Makati City, Metro Manila

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Coal Asia Holdings Incorporated and a Subsidiary
3rd Floor, JTKC Center
2155 Don Chino Roces Avenue
Makati City

We have audited in accordance with Philippines Standards on Auditing, the accompanying consolidated financial statements of Coal Asia Holdings Incorporated and a Subsidiary (the Group) as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022, and have issued our report dated April 28, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated 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 Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes 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 consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023, and 2022 and no material exceptions were noted.

REYES TACANDONG & CO.

CEDRIC M. CATERIO
Partner
CPA Certificate No. 87322
Tax Identification No. 102-083-647-000
BOA Accreditation No. 4782/P-008; Valid until June 6, 2026
BIR Accreditation No. 19-005765-001-2022;
Valid until December 13, 2025
PTR No. 10467124;
Issued January 2, 2025, Makati City

April 28, 2025
Makati City, Metro Manila

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

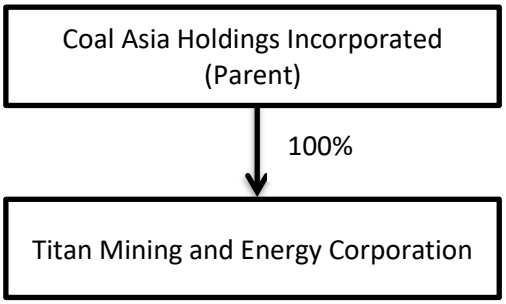
DECEMBER 31, 2024 AND 2023

Ratio	**Formula**	**2024**	2023
Current ratio			
	Total Current Assets	**₱2,841,256**	₱3,027,028
	Divided by: Total Current Liabilities	**88,984,508**	79,291,595
	Current ratio	**0.03:1**	0.04:1
Acid test ratio			
	Total Current Assets	**₱2,841,256**	₱3,027,028
	Less: Other current assets	**–**	449,293
	Quick assets	**2,841,256**	2,577,735
	Divide by: Total Current Liabilities	**88,984,508**	79,291,595
	Acid test ratio	**0.03:1**	0.03:1
Solvency ratio			
	Net loss before depreciation	**(₱940,997,964)**	(₱216,037,896)
	Divide by: Total Liabilities	**90,704,729**	80,977,294
	Solvency ratio	**(10.37):1**	(2.67):1
Debt-to-equity ratio			
	Total Liabilities	**₱90,704,729**	₱80,977,294
	Divide by: Total Equity	**2,237,060,991**	3,195,359,842
	Debt-to-equity ratio	**0.0405:1**	0.0253:1
Asset-to-equity ratio			
	Total Assets	**₱2,327,765,720**	₱3,276,337,136
	Divide by: Total Equity	**2,237,060,991**	3,195,359,842
	Asset-to-equity ratio	**1.04:1**	1.03:1
Return on equity			
	Net loss	**(₱958,298,851)**	(₱233,338,783)
	Divide by: Average total equity	**2,716,210,417**	3,312,029,234
	Return on equity	**(35.28%)**	(7.05%)
Return on assets			
	Net loss	**(₱958,298,851)**	(₱233,338,783)
	Divide by: Average total assets	**2,802,051,428**	3,390,923,187
	Return on assets	**(34.20%)**	(6.88%)

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

CONGLOMERATE MAP

DECEMBER 31, 2024



PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

COAL ASIA HOLDINGS INCORPORATED

3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City

	Amount
Deficit, beginning of reporting period and as adjusted	**(₱760,150,990)**
Add: Net loss for the current year	(735,886,363)
Total deficit, end of the reporting period available for dividend	**(₱1,496,037,353)**

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

SEC Supplementary Schedule as Required by Part II of SRC Rule 68 as Amended

DECEMBER 31, 2024

Table of Contents

Schedule	Description	Page
A	Financial Assets	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	N/A
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	1
D	Long-term Debt	N/A
E	Indebtedness to Related Parties	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	2

Notes:
A – The Company has no financial assets measured at fair value through profit or loss.
B – All receivables arises from ordinary course of business.
D – The Company has no long-term debt.
E – The amount of the Company's indebtedness to related parties is less than five per cent of its total assets.
F – The Company has no guarantee of securities of other issuers.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements

DECEMBER 31, 2024

			Deductions		*Ending Balance*		
Name and designation of debtor	***Balance at beginnning of period***	***Additions***	***Amounts collected***	***Amounts written off***	***Current***	***Not current***	***Balance at end of period***
Advances to TMEC	₱565,309,431	₱–	₱–	₱–	₱565,309,431	₱–	₱565,309,431

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

G. Capital Stock
DECEMBER 31, 2024

				Number of shares held by		
Title of Issue	***Number of shares authorized***	***Number of shares issued and outstanding as shown under the related statements of financial position caption***	***Number of shares reserved for options, warrants, conversion and other rights***	***Related parties***	***Directors, officers and employees***	***Others***
Capital stock - ₱1 par value	5,000,000,000	4,000,000,004	–	1,920,000,000	1,280,000,000	800,000,004

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION

DECEMBER 31, 2024 and 2023

	2024	2023
Total Audit Fees	**₱570,000**	₱570,000
Non-audit services fees:		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**–**	–
Total Non-audit Fees	**–**	–
Total Audit and Non-audit Fees	**₱570,000**	₱570,000

The Group has no related party covered by Section 2.1c of SEC Memorandum Circular No. 18-2024.

COVER SHEET

C	S	2	0	1	2	0	3	1	4		

SEC Registration Number

C	O	A	L		A	S	I	A		H	O	L	D	I	N	G	S		I	N	C	O	R	P	O	R	A	T	E	D		
A	N	D		S	U	B	S	I	D	I	A	R	Y																				

(Company's Full Name)

3	F		J	T	K	C		C	e	n	t	e	r		2	1	5	5		C	h	i	n	o		R	o	c	e	s		
A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y															

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

Johnson A. Sanhi, Jr.

(Contact Person)

8813-8892

(Company Telephone Number)

1	2

Month

3	1

Day

(Fiscal Year)

	1	7	-	A	

(Form Type)

0	4

Month

3	0

Day

(Annual Meeting)

(Secondary License Type, If Applicable)

CFD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

23

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

COAL ASIA HOLDINGS INCORPORATED

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF CORPORATION CODE OF THE PHILIPPINES

1. For the calendar period ended **December 31, 2024**

2. Commission identification number **CS 201210314**

3. BIR TIN **008-297-271-000**

4. Exact name of issuer as specified in its charter **COAL ASIA HOLDINGS INCORPORATED**

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

6. Industry Classification Code:(SEC Use Only)

7. Address of issuer's principal office **3RD Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City** Postal Code **1230**

8. Issuer's telephone number, including area code **(02) 8813-8892**

9. Former name, former address and former fiscal year, if changed since last report **N.A.**

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

Title of each Class	and	Number of shares of common stock outstanding amount of debt outstanding
Common		**4,000,000,004**

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

Yes [x] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange **Common Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

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

Yes [x] No [ ]

13. State the aggregate market value of the voting shares held by non-affiliates of the Registrant

As of December 31, 2024: ₱124 Million

The aggregate market value of the voting shares held by non-affiliates as of December 31, 2024 was determined by multiplying the number of shares held by the public by the closing share price on 26 December 2024 of ₱0.155

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1: BUSINESS

(1) BUSINESS DEVELOPMENT

Business Development

Coal Asia Holdings Incorporated ("COAL") was organized and registered with the Securities and Exchange Commission (SEC) on June 11, 2012 primarily to engage in the business of a holding company; to buy and hold shares, either by subscribing to the unissued shares of the capital stock in the public or private offerings or by purchasing the shares of other stockholders by way of assignment in private sale; to invest in the stock or pledge, chattel mortgage or assignment; to sell, dispose, assign, pledge, or convey any or all of its shareholdings in other companies in favor of qualified persons by way of a private sale, assignment or other forms of private conveyance, all in accordance with the Corporation Code, the Securities Act and other applicable laws and regulations.

On May 28, 2012, COAL executed a Deed of Assignment with the shareholders of Titan Mining Energy Corporation (TMEC), which owns Coal Operating Contracts (COC #159) in Davao Oriental and (COC #166 and 167) in Zamboanga Sibugay.

Currently, COAL has 100% equity interest in Titan Mining and Energy Corporation.

On June 26, 2012, the Company's Board of Directors and shareholders, through a majority vote in due course, approved of an initial public offering (IPO) as part of the Company's thrust to augment its capital funding for the ongoing site development, initial large-scale operation and further explorations in the sites.

On September 14, 2012, the Philippine Stock Exchange, Inc. (PSE) approved the application of the Company for the initial listing of the 4,000,000,004 common shares with the par value of P 1.00 per share.

On October 8, 2012, the Securities and Exchange Commission issued to the Company the certificate of permit to offer securities for sale. This certifies that the shares of the Company have been registered and licensed for listing and authorized to be sold or offered for sale in the Philippines.

The shares of COAL were listed with the Philippine Stock Exchange (PSE) on October 23, 2012.

As at December 31, 2024 and 2023, 4,000,000,004 common shares of the Parent Company at P=1 par value are listed in the Philippine Stock Exchange (PSE). Of those shares, 20% are publicly-owned as at December 31, 2024 and 2023.

The Board of Directors (BOD) and the stockholders of the Parent Company approved the amendment of its articles of incorporation on May 23, 2024 and July 1, 2024, respectively, for the following:

- Change in primary purpose that the Parent Company is organized primarily as a holding company to engage in different sources of energy and technologies for power or energy generation.
- Increase in the authorized capital stock from 5,000.0 million to 50,000.0 million shares with corresponding decrease in the par value of shares of stock from P=1.00 to P=0.10 per share.

On February 18, 2025, the amended articles of incorporation was approved by the SEC.

Status of Operations
As at December 31, 2024 and 2023, the Group has two Coal Operating Contracts (COCs) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166).

As discussed in Note 17 to the consolidated financial statements, on January 22, 2025, the Department of Energy (DOE) issued a notice of term expiration of COC No. 166 stating that TMEC failed to submit the complete requirements for conversion of COC No. 166 from Exploration Phase to Development and Production Phase. Accordingly, in accordance with the expressed provision of Presidential Decree No. 972, the term of COC No. 166 has lapsed, and TMEC was directed to immediately vacate the contract area and restore all sites that may have been affected by any coal operations.

As also discussed in Note 17 to the consolidated financial statements, the Group has already received from the DOE the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the Certificate of Precondition (CP) (for Development and Production Phase) or Certificate of Non-Overlap (CNO) from the National Commission on Indigenous People (NCIP).

The Group has been compliant with the requirements of the DOE and is confident that it will obtain the necessary approval from the NCIP.

Business Consolidation

Subsidiary

Titan Mining and Energy Corporation (TMEC)

TMEC was incorporated with the SEC on November 11, 2008. It was originally incorporated as "Titan Exploration and Development Corporation" ("TEDC"). The change in trade name was effected to reflect TMEC's transition from exploration to actual commercial operation. This amendment was approved by the SEC on December 23, 2009. TMEC is involved in coal mining and energy-related business.

TMEC originally had three (3) COCs in Mindanao, Philippines, namely COC #159 in Davao Oriental, COC #166 and COC #167 in Zamboanga Sibugay. All COCs have completed their exploration phases.

COC #159
In 2016, preliminary mine development activities have commenced at the Davao Oriental Project. Bulk samples were collected and subjected to test firing and coal analysis.

On April 10, 2018, TMEC submitted its Amended Geologic Report for Sagasa which the DOE validated on August 30, 2018.

The Department of Energy (DOE) has completed its validation of TMEC's coal resource estimate for the Davao Project.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended ten (10) year work program with Feasibility Study was again submitted to the DOE, covering only Macopa and Sagasa since both areas were covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to Sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT were granted.

TMEC acquired its Certification Precondition (CP) for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas occupied by indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

COC #166

TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018, incorporating the DOE's recommended changes in the ventilation, mine design and costing.

On September 4, 2019, TMEC requested the DOE for a suspension of the conversion to Development and Production Phase due to difficulties in complying with its obligations due to peace and order disturbances in the area, security threats to the employees by lawless elements and dwindling worldwide coal prices.

Coal Operating Contracts

The Davao Oriental and Zamboanga-Sibugay Projects are covered by approved COCs with the Government through the Department of Energy ("DOE").

COC #159

The Davao Oriental Project encompasses seven (7) adjoining 1,000-hectare Coal Blocks for a total area of 7,000-hectares and is covered by COC #159, which was awarded by the DOE to TMEC, then called TEDC, on September 16, 2009. This contract covers an Exploration Phase of two (2) years, which may be extended for another period of two (2) years, and a Development/Production Phase of 32 years. This COC's Exploration Phase was renewed by the DOE for another period of two (2) years, commencing from September 16, 2011 and ended on September 15, 2013.

On April 10, 2018, TMEC submitted its Amended Geologic Report for Sagasa which the DOE validated on August 30, 2018.

The DOE has completed its validation of TMEC's coal resource estimate for the Davao Project.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk samples were collected and subjected to test firing and coal analysis.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC also submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended ten (10) year work program with Feasibility Study was again submitted to the DOE, covering only Macopa and Sagasa since both areas were covered by titled properties, hence no interference from Indigenous Peoples was expected. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

COC #166

The Zamboanga Project encompasses four (4) adjoining 1,000-hectare Coal Blocks for a total area of 4,000-hectares and is covered by COC #166, which was awarded by the DOE to TMEC, then called TEDC, on November 18, 2009. These contracts cover an Exploration Phase of two (2) years, which may be extended for another period of two (2) years, and a Development/Production Phase of 32 years. The Exploration Phase of COC #166 was renewed by the DOE for another period of two (2) years, commencing from November 18, 2011 and expiring on November 17, 2013. Subsequently, the Zamboanga Sibugay Project has completed its subsurface exploration activities and has a Measured &Indicative Resource (M&I) of 0.5 MMT. On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study

was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

On September 4, 2019, TMEC requested the DOE for a suspension of the conversion to Development and Production Phase due to difficulties in complying with its obligation due to peace and order disturbances in the area, security threats to the employees by lawless elements and dwindling worldwide prices of coal.

Competitive Strengths

Coal Resources & Reserves

Davao Oriental Project

Ms. Gizella G. D.J. Gonzales, under the supervision of Mr. Enrique C. Payawal, TMEC's in-house CP-Geologist and Vice President for Exploration, determined TMEC to have 3 MMT of M & I Resource based on her Geologic Report dated November 2013. An additional M&I Resource of 1.9 MMT was also determined for Sagasa area east of Macopa.

PMRC Coal Resource	
Area	**M&I (MMT)**
Macopa&Bactinan	3 MMT
Sagasa	1.9 MMT
Total M&I	4.9 MMT

TMEC, using DOE Coal Resource Classification parameters, has an In-situ reserve of 3 MMT for Macopa/Bactinan and 1.5 MMT for Sagasa. Of the In-situ reserve of 3.0 MMT for Macopa and Bactinan, a five (5) year Surface Mining Plan involving 1 MMT was initially prepared by Engr. Raul Fellizar in January 2014. Engr. Fellizar further modeled an eight (8) year mine life considering 2.1 MMT of the reserves which has a net present value of P 911 billion and found the project to be feasible at a discount rate of 10% per annum. On October, 2014, a ten (10) year Surface Mining Plan considering 1.8 MMT of the reserves was prepared by Engr. Raul A. Fellizar as required by the DOE. Engr. Raul A. Fellizar is an independent consulting mining engineer with PRC Registration No. 1668.

DOE Coal Reserve (In Situ)	
Area	In Situ (MMT)
Macopa&Bactinan	3 MMT
Sagasa	1.5 MMT
Total (In Situ)	4.5 MMT

Area	5-Year Surface Mining Plan	10-Year Surface Mining Plan
Macopa & Bactinan	1 MMT	1.8 MMT
Sagasa		

Davao Oriental Project Coal Quality 10 Year Work Plan Values	
Strip Ratio	10.47 BCM/MT
Stage	Pre-Development
Heating Value	8,290 BTU/lb.
Ash Content	21.65%
Sulfur Content	1.88%

A Ten (10) Year Work Program with Financial Feasibility Report was submitted to the DOE in October 2014 for the Davao Oriental Project. Two (2) to three (3) coal seams were observed within the coal basin of COC#159. In Bactinan, Seam A has a coal thickness ranging from 0.50 to 3.05 meters as identified in twenty-two (22) cored holes and two (2) coal outcrops. Seam B coal thickness varies from 0.50 to 3.88 meters and has been located in two (2) outcrops and fourteen (14) cored holes. The dip angles of the coal seams vary from 20º to 30°.

Bactinan	**Coal Thickness**	**Where Identified**

A	0.50 - 3.05 m	22 drill holes and 2 coal outcrops
B	0.50 - 3.88 m	14 drill holes and 2 coal outcrops

Three coal seams were identified based on coal outcrops and drill intercepts in Macopa. Seam A has a coal thickness ranging from 0.50 to 4.57 meters. Seam B coal thickness varies from 0.50- to 3.40 meters. Seam C thickness is 0.10 meters. The dip angles of the coal seams also vary from 20º to 30°. The seams occur in a syncline with axis trending west northwest (WNW) and plunging approximately 1^0 to the East Southeast (ESE).

Macopa	**Coal Thickness**
A	0.50-4.57 m
B	0.50-3.40 m
C	0.10 m

Six (6) coal seams were interpreted based on coal outcrops and drill intercepts at Sagasa. Seam A, the bottom most seam, has a coal thickness ranging from 0.15 to 0.85 meters. Seam B coal thickness varies from 0.12 to 2.63 meters. Seam C coal thickness varies from 0.05 to 1.34 meters. Seam D coal thickness varies from 0.09 to 2.40 meters. Seam E coal thickness varies from 0.10 to 2.64 meters. The topmost seam, Seam F coal thickness ranges from 0.05 to 1.80 meters. The dip angles of the coal seams also vary from 30º to 45°. The seams occur in a monocline striking Northwest (NW) and dips to the North East (NE).

Sagasa	**Coal Thickness**
A	0.15-0.85 m
B	0.12-2.63 m
C	0.05 - 1.34 m
D	0.09 -2.40 m
E	0.10 -2.64 m
F	0.05 - 1.80 m

The average heating value for the Macopa, Bactinan and Sagasa coal seams is 8,290 BTU/lb.

On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for the Certification Precondition for Development and Production are ongoing.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

Zamboanga Sibugay Project

After drilling sixteen (16) holes with a total length of 3,367.8 meters, with trench and exploration adit length of 222.64 meters, TMEC estimated the M&I Resources for the Zamboanga Sibugay Project to be 0.5 MMT. On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing. The development and production phase conversion of the COC shall follow thereafter.

The Geologic Report - Zamboanga Sibugay Project shows the following values:

Zamboanga Sibugay Project Coal Quality COC # 166	
Stage	Resource Development
Heating Value	10,456 BTU/lb
Ash Content	10,456 BTU/lb

Sulfur Content	0.49%

Seven (7) coal outcrops, three (3) adits and 5 cored holes were analyzed within the coal basin at COC#166. The average heating value of the sample taken from the coal outcrops is 10,456 BTU/lb., with an average total sulfur content of 0.49% and ash content of 26.26%.

The Company believes that relative to its domestic competitors, it has the advantage of having better quality thermal coal, particularly from its Zamboanga Sibugay site, which can be sold in its raw form.

Ideal Location for Mining

TMEC's exploration camps are accessible via the municipalities' major thoroughfares and smaller in-roads. They are also located near seaports, which will be critical during the production phase.

TMEC has cordial relations with the local government units ("LGUs") in its operating areas. Furthermore, small-scale mining operators are present and prevalent in other municipalities of Zamboanga-Sibugay, which allowed TMEC to secure the Governor-, Mayor-, and Barangay-level permits in addition to the approvals from the DENR-Environment and Management Bureau for the Certificate of Non-Coverage and the National Commission on Indigenous Peoples ("NCIP") for the Certificate of Non-Overlap. The same holds true for the Municipality of Manay, Davao Oriental through its acquisition of its Environmental Compliance Certificate (ECC) on May 16, 2014 and a signed Memorandum of Agreement ("MOA") with the Mandaya Tribe facilitated by the NCIP last July 19, 2012 for its Exploration Phase. TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

The peace and order situation in the TMEC's area of operation is relatively quiet and conducive to business. There have been no recorded attacks on TMEC's mine sites in Davao Oriental. The Davao Oriental Project site is, in fact, less than a hundred (100) meter away from a military detachment.

In Zamboanga Sibugay however, unfavorable insurgent situations have been reported in the upland areas, as well as kidnappings of personnel and other untoward incidents perpetuated by the NPAs and lawless elements.

The lack of power capacity in Mindanao has also prompted the government to push for the construction of power plants to augment the power requirement of the Mindanao power grid. As one of the coal mining companies in the area, TMEC has established a key position by initiating discussions with the DOE and other power companies that plan to expand operations in Mindanao for long-term supply agreements. TMEC also plans to supply steam coal for cement plants, canneries, and manufacturing plants in Mindanao that have converted their diesel-powered plants into coal-powered plants to mitigate costs.

Experienced Technical Management and Staff

TMEC's technical management and staff have a combined 156-years' worth of work experience in the exploration and mining industry. The team consists of a CP-Geologist accredited by the Geological Society of the Philippines-Philippine Mineral Reporting Code (GSP-PMRC), a Senior Geologist, all duly licensed by the Professional Regulatory Commission, one (1) Junior Geologist, and two (2) Mining and Geology Consultants.

Experienced Executive Management

The Company's leadership team is composed of senior and experience executives with notable successes in the mining, hotel and resorts field, financial services sector, manufacturing base and real estate industries. These executives and managers have a history of successfully pioneering, building, establishing, and growing start-up companies from inception to fruition.

Business Plan

Exploration Work

Davao Oriental Project

Initial surface geologic mapping in COC#159 in Manay, Davao Oriental delineated ten (10) coal-bearing paralic basins with a Potential Deposit of 69 MMT. Preliminary sub-surface exploration via diamond drilling (22 cored drill holes) of two (2) of the ten (10) identified targets in June 2012 delineated a total M&I Resources of 7.1 MMT and Inferred Resource of 5.6 MMT and 7.0 MMT of Proved and Probable Reserves over a 214-hectare block

using 28,000MT coal yield per hectare as determined during the preparation of the Pre-Feasibility Study covering the drilled areas of the two (2) paralic basins.

The next phase of subsurface exploration that covered the extent of the three (3) paralic basins in Barangay Bactinan Old Macopa and Sagasa located east of Macopa, was completed in 2013. For Macopa and Bactinan, a total of ninety-three (93) diamond drill holes were cored resulting to an M&I Resource of 3 MMT with an average calorific value of 8,258 Btu/lb. For Sagasa, 22 cored holes were drilled resulting to an M&I Resource of 1.9 MMT.

Based on the DOE's conversion standard of resource to reserve, the project has a reserve of 3 MMT with a possible additional 1.5 MMT from Sagasa, east of Macopa. These coal basins represent three (3) of the ten (10) coal basins in the area which has a Potential Deposit of 69 MMT.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014 and August 30, 2018.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. TMEC also submitted a 10-year work program to the DOE on October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

Zamboanga Sibugay Project

On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August, 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

On September 4, 2019, TMEC requested the DOE for a suspension of the conversion to Development and Production Phase due to difficulties in complying with its obligation due to peace and order disturbances in the area, security threats to employees by lawless elements and worldwide dwindling prices of coal.

Development Plan

The development plan involves all the activities required for the preparation and entry into the coal reserves, extraction, transport, handling and shipment of the coal products and other auxiliary requisites and requirements.

These activities will also include building mine access infrastructure, port facilities, stockyard facilities, a POL stock farm, blasting operation facilities, campsite facilities, supplemental infrastructure for power and water, in-house laboratory and testing, coal preparation, and beneficiation and treatment plants and facilities. The development plan also involves activities relating to the acquisition of necessary equipment, human resource staffing, securing requisite governmental and non-governmental organizations' certifications and approvals, as well as environmental protection compliance.

The development plan also calls for identifying key customers and markets for the eventual coal production output.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, core house/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

Mining Plan and Layout

The feasibility study states that coal deposits from the Davao Oriental Project will be extracted mainly through open-pit mining, and eventually moving into underground mining. The coal deposits of the Zamboanga-Sibugay Project, on the other hand, will be extracted through underground mining right from the initial stages of extraction.

The characteristics, mode of occurrence, and depth of burial of the coal deposits necessitate the extraction be undertaken in three (3) progressive stages, namely; (a) initial surface extraction (b) intermediate near surface and shallow underground extraction, and (c) final deep underground extraction.

The mine layout will be entirely based on surface operation. Surface extraction would be a series of tracts 100-meters in length measured along the outcrops and about 50-meters in width down slope to dip of coal. Tracts are opened one at a time, progressive and contiguous fashion to minimize surface disturbance footprint. Each exploited tract is reclaimed by backfill of stripped open-burden on completion of shallow underground operation. Refilled cavity is restored. Pre-determined access and vent ways to deep underground operations are preserved. Each tract when opened is service by entry and exit ramps. The main haulage route is a re-conditioned barangay feeder access road.

On March 2014, a bulk sampling pit was dug exposing the coal at Macopa to find out the bulk coal quality in the area. The stockpiled incidental coal formed part of the 8,000 MT of coal Permit to Sell/Transport incidental coal requested from the DOE.

Production and Operational Parameters
The following initial operating parameters are planned for the area covered by the Feasibility Study for the Davao Oriental Project submitted last December 21, 2018 to the DOE.

Production and Operational Parameters	
Total Mineable Reserves for Macopa and Sagasa (by Open Pit Extraction)	1.2 MMT
Mine Life	9 years
Annual Production	148,000 MT
Monthly Production	12,300 MT

Marketing Plan

The company has developed a marketing strategy and marketing plan based on its geographic location, competitive strengths, and the industries it primarily hopes to serve.

The mines are located in Mindanao Island, whose growth and development are crippled by, among others, a power crisis. This has resulted in regular, rotating power outages causing hefty losses to industries and businesses situated therein, not to mention inconvenience to its populace. The same situation holds true for its neighboring group of islands to the north, the Visayas. To remedy this situation, the government has put in place incentives for private firms setting up power plants in Visayas and Mindanao. With the advent of new technologies that are environmentally-sound, many of these power plants that have been set up or are still to be put up are coal-fired power plants.

Based on information obtained from the DOE, by 2017 the total projected coal demand in Visayas and Mindanao is estimated at 13.5 Million Metric Tons Per Annum (MMTPA). Of this total, demand from coal-fired power plants accounts for about 64%. On the other hand, from a geographic standpoint, demand from Mindanao accounts for about 57% of the combined total for Visayas and Mindanao. Aside from serving the requirements of power plants, the Company also plans to serve cement manufacturers which account for about 35% of the total

projected coal demand by 2017. Lastly, the Company also plans to serve Canneries located in General Santos City, which account for more than 1% of total projected demand by 2017.

The new market potential in Mindanao, in particular, is a prime motivator for continued exploration in the areas covered by the Company's COCs. Again, based on 2017 projections, at full production capacity the Company can only serve around 7% of market demand in that area, with the remaining 93% coming mainly from imports and also from other local coal miners such as Semirara, etc.

Management Plan

In 2018, the management plan was to proceed with the Macopa-Sagasa Development Work Program and Feasibility for its Davao Coal Project in connection with the signed Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation dated April 6, 2017 with initial delivery dated scheduled on November 2, 2018. However, this plan did not push through because the Company was not able to obtain from the Department of Energy (DOE), the conversion of Coal Operating Contract (COC) from exploration to Development/Production (D/P) phase and the related approval from National Commission on Indigenous Peoples (NCIP).

In 2019, the DOE approved the conversion of COC 159 from exploration to D/P Phase. As indicated in the terms and conditions, before the commencement of the D/P Phase, the company shall secure Certificate of Non-Overlap (CNO)/ Certification Precondition (CP) from the NCIP thus, the Company requested the DOE for a new endorsement to the NCIP for the issuance of CNO/CP. The estimated acquisition date of CNO is within three to six months.

The ECC shall be applied for in time for the Development and Production Phase. The estimated date of production is within 18 months. The estimated price of coal is USD58 per metric ton.

Conversion of COC 166 to Development and Production Phase by the DOE has a pending improvement of coal market price and peace and order situation in the general area where the COC is situated. The estimated date of conversion is within six months to one year.

Moreover, the Company will comply with the reportorial, documentary and permitting requirements in accordance with its Coal Operating Contract (COC), Environmental Compliance Certificate (ECC), and Local Government Unit (LGU) related laws and ordinances as applicable. The estimated amount of working capital needed to support the Group's operating cost before actual conversion is Php 23 Million. After the acquisition of the required permits and the required equipment, it will take around six (6) months, more or less, for the company to produce the saleable coal. The amount needed to meet the initial start-up cost and sustaining costs is estimated to be Php 500 Million with annual growth rate of 2.5%. This would require loan to finance the Group's start-up and sustaining costs. The composition of WACC is estimated to be 70% debt and 30% equity.

Aside from the maintenance of the physical assets of the Company, it will also continue the transferring of lot titles from the Old Macopa Sellers to the Company.

Key affiliates in the Mining and Energy Industry

COAL's key affiliates in the mining and energy industry are presented below. These companies are considered related parties because they have certain common shareholders with COAL.

Pacifico Sul Mineracao Corporation

Pacifico Sul Mineracao Corporation is an affiliate of TMEC that owns mining rights to 6-iron ore, nickel, and chromite areas in the provinces of Aurora, Nueva Ecija, Zambales, Zamboanga del Sur, and Zamboanga Sibugay spanning a total of almost 32,000 hectares.

Colossal Petroleum Corporation

Colossal Petroleum Corporation is an affiliate of TMEC. It was established for potential investments in oil, gas, petroleum, acids and chemicals, other geothermal natural resources and mining projects.

Risks Related to the Company and its Subsidiary

Risks Inherent in the Mining Business

There are numerous hazards and risks normally encountered in the mining business. These include, but are not limited to geological structures not clearly manifested on the ground surface, unfavorable weather conditions, flooding, and other occurrences that may arise out of the drilling and removal of material.

Any such occurrence may cause damage to mines, life, property, the environment, as well as legal liability. Although proper safety measures will be implemented, theses safety measures will not cancel out the above–mentioned risks.

The location and establishment of mineral resources, ore, reserves, mine construction, ore extraction, and metallurgical development will require major expenditures. It is often difficult to ensure that these investments will result in meaningful returns.

The Company, through its subsidiary, has undertaken extensive research and exploratory work on its COC areas that improve its chances for success. Furthermore, the Company's technical team has a combined 156 years' experience in exploration and development of mines with the top mining companies both in the Philippines and abroad. These key technical personnel were hired to improve the Company's success in the mining business.

Risks Related to Exploration and Future Coal Reserves

The company is subject to exploration risk. If the Company fails to explore, acquire, and develop coal resources, the Company's coal reserves will decline and will not be able to sustain its business. There is no assurance that the resources will be economically viable. The success of the Company's business is dependent upon its successful exploration and conversion of coal resources to coal reserves.

Converting the coal resources to coal reserves will take time and additional investment. The Company continuously undertakes additional and confirmatory drilling activities within its COC areas, which will remove uncertainty as to its economic viability and improve on its existing mine development plans.

Risks Related to the Estimation of Coal Resources and Reserves and the Valuation of Coal Reserves.

There are many factors involved in the process of estimating coal resources, some of which are beyond the Company's control. The company cannot ascertain that measured indicated, and/or inferred tonnage and grades will be accurately achieved, or that the level of recovery will be realized.

The Company bases the estimation of the coal resources in COC #159 on the PMRC-compliant technical report generated in June 2013 by Mr. Enrique C. Payawal, incorporating the recently concluded exploration drilling campaign at the Davao Oriental Project. Said report was revised three months after to include a section on reserve estimate in conformance with the Department of Energy's standard of Coal Reserves Classification. The final report authored by Ms. Gizella Gonzales, under the supervision of Mr. Enrique C. Payawal, was submitted to the DOE on December 2013. The report stated that the project has an M&I of 3 MMT with an average calorific value of 8,258 Btu/lb for Bactinan and Macopa with a remaining Potential Deposit of 69 MMT considering the undrilled carbonaceous mudstone areas of the 7,000-hectare COC. Further drilling at Sagasa further determined an additional M&I resource of 1.9 MMT.

Reserves in the area following the DOE's Reserve Classification resulted to 3 MMT for Macopa and Bactinan and 1.5 MMT for Sagasa.

The DOE has completed its validation of TMEC's coal resource estimate for the Davao Project (Macopa and Bactinan) on March 16, 2014 and (Sagasa) on August 30, 2018.

TMEC submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

The DOE has likewise completed its validation of TMEC's coal resource estimate for the Zamboanga Sibugay Project on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design, and costing.

Risks Related to Drilling and Mining Equipment

The Company's sole subsidiary, TMEC, has and will continue to engage the service of an external diamond drilling contractor to mitigate the risks that may be encountered during drilling activities. Despite outsourcing the work to an experienced drilling company, there is no assurance that the operating company can minimize errors or discrepancies in core recovery. However, these risks are mitigated by engaging drilling contractors with sufficient fleet of drilling equipment and manpower pool. Contracted drilling companies are likewise penalized for not attaining required standard core recoveries.

A significant investment will be made by TMEC in major mining equipment once it goes into mine development and production. There is no guarantee that this equipment will not suffer breakdowns, defect and obsolescence or loss: thus, causing a delay in the Company's operations. TMEC intends to cover all its equipment with adequate insurance and sufficient stock of replacement parts. Minor mining equipment will be rented, so the risk will be transferred to the minor mining equipment contractor.

Risks Related to Customer Demand

The coal that will be produced from TMEC's Davao Oriental and Zamboanga-Sibugay Projects is intended to be sold to coal-fired power plants, cement plants, tuna canneries, and other industrial users of coal in both the Philippines and other countries. If the aforementioned potential buyers of TMEC's coal decide to purchase coal from other sources, then TMEC may have no alternative customers. This may have an adverse impact on the revenues of the Company.

The Company believes that, based on results gathered from coal samples from both Davao Oriental and Zamboanga-Sibugay, the quality of its subsidiary's coal is comparable, if not superior, to that of other potential sources of coal both in the Philippines and other neighboring Asian countries.

Risks Related to Coal Price

The viability of the Company's and its subsidiary's business is highly dependent on the worldwide price of coal, the sale of which is the primary source of TMEC's revenues. As a globally traded commodity, the price of coal can be quite volatile and its price as affected by numerous factors, including demand from customers, changes in domestics and international coal supply conditions, the price of alternative fuels, among many other factors. Furthermore, a substantial and extended decline in the price of coal will reduce TMEC's earnings potential.

Risks Related to Foreign Exchange

TMEC intends to export a portion of its coal production to take advantage of higher prices for better quality coal in other markets. As such, a part of the Company's revenue may be subject to fluctuations between its base currency, the Philippine Peso, and the buyer's base currency. Such fluctuations may negatively affect the Company's margins. To protect against such risks, TMEC will endeavor to include in its export sales contracts hedging provisions to protect against significant adverse movement in foreign exchange rates.

Risks Related to Domestics and International Competition

The Company faces competition from both local and foreign coal mining companies. In 2011, about 77.00% of local coal consumption locally was met by coal importations. Historically, the Philippines have imported coal primarily from Indonesia, Australia and China. Among local producers of coal, Semirara Mining Corp. ("SCC"), a listed company, is the country's largest producer and the acknowledged market leader, accounting for about 94.00% of total domestic coal production in 2011. As a result of SCC's dominant position in the market, it enjoys significant advantages over a new entrant in the market such as the Company.

The Company will also face competition from other domestic coal producers including new coal producers who have or are in the process of acquiring rights to or operating other coal deposits in the country. As indicated in the section "The Philippine Coal Market", the DOE estimates that the country has a total of approximately 435.0 MMT of in situ coal reserves dispersed over various provinces in the country as of December 31, 2010. Coal mining operations in these previously untapped sites will increase coal availability and may have an effect on domestic coal prices. In addition, the proximity of some of these new coal-mining sites to the Company's target customers may create delivery.

The Company believes it has the advantage of having better quality thermal coal, particularly from its Zamboanga-Sibugay site, and proximity of both sites to new coal plants being set-up in Mindanao. Against other prospective competitors, the Company has already made significant progress on

exploration and drilling activities and expects that its coal reserves and projected production levels will result to certain scale advantages.

Risks Related to Limited Operating History and Track Record

The Company was incorporated on June 11, 2012 and has had limited operations.

TMEC, the Company's only operating subsidiary, was incorporated in November 11, 2008. TMEC spent its first few years of operations on the acquisition and exploration of its COCs.TMEC acquired COC #159 on September 16, 2009 and COC #166 on November 18, 2009 under the Philippine Energy Contracting Round (PECR) of 2009.

TMEC commenced surface investigation exploration on COC #159 during two periods: from October to November 2009 and May to June 2010, which resulted in the identification of coal exposures/outcrops. Trenches were dug along major coal exposures and estimates were set resulting in an initial report on estimated Potential Deposit of 53MMT in June 2010. A second surface investigation conducted by Mr. Arturo A. Ona, an independent consulting geologist, under NI-43101 from Nevada, USA in June 2011 on the mudstone "islands" gave a figure of about 68 MMT tons of coal. An initial 10 probes/exploratory DDH programmed for Bactinan and Old Macopa areas with mudstone units (two (2) out of 13 mudstones potential coal bearing areas) were initiated in late November 2010. A second drilling program was undertaken in August 2011 where nine (9) holes were drilled with seven (7) holes intercepting coal seams at depth. In April 2012, Mr. Enrique C. Payawal, TMEC's Vice President for Exploration and an accredited Competent Person-Geologist, conducted a field geological investigation to determine the resources in COC #159. The results of the investigation were collated and reported through an Internal Geological Report. The report provides that out of 72.0 MMT Potential Deposit identified during the surface exploration (mapping), the results of the diamond drilling (subsurface exploration) provide TMEC to have estimated M&I Resources of 7.1 MMT and Inferred Resources of 5.6 MMT. The remaining Potential Deposit for the Davao Oriental Project is 59.3 MMT. A Pre-Feasibility Study was completed in June 2012 by an independent consulting mining engineer, Engr. Rafael R. Baladad, on a combined 214-hectare block from Bactinan and Old Macopa identifying total Probable and Proved Reserves of 7 MMT.

A PMRC-compliant technical report was generated in June 2013 by Mr. Enrique C. Payawal, incorporating the recently concluded exploration drilling campaign at the Davao Oriental Project. Said report was revised three months after to include a section on reserve estimate in conformance with the Department of Energy's standard of Coal Reserves Classification. The final report authored by Ms. Gizella Gonzales under the supervision of Mr. Enrique C. Payawal was submitted to the DOE on December 2013. The report stated that the project has an M&I of 3 MMT with an average calorific value of 8,258 Btu/lb for Bactinan and Macopa with a Potential Deposit of 69 MMT. It also mentioned the on–going diamond drilling activity conducted at Sagasa, located southeast of Macopa. The M&I resource for Sagasa was determined to be 1.9 MMT.

A five (5) year work program with financial feasibility for the project was prepared in July 2013 authored by Engr. Raul A. Fellizar, an independent consulting mining engineer.

Both reports were submitted to the DOE in support of TMEC's request to convert COC #159 from exploration phase to development and production phase.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014 and August 30, 2018.

In support of the Company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC also submitted a 10-year work program to the DOE in October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction

(clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

As of December 2018, TMEC is in the process of obtaining said conversion from the DOE.

In April 2012, Ms. Gizella Greta D.J. Gonzales, TMEC's Senior Geologist, conducted a field geological investigation to determine the resources in COC #166 and COC #167. The results of the investigation were collated and reported through an Internal Geologic Report. This report was reviewed and verified by Mr. Enrique C. Payawal. The report provides that out of the 51.1 MMT Potential Deposit identified during the surface exploration (mapping), the results of the diamond drilling (subsurface exploration) provide TMEC to have estimated M&I Resources of 1.2 MMT and Inferred Resources of 2.3 MMT. The remaining Potential Deposit for the Zamboanga-Sibugay Project is 47.6 MMT.

In April 2014, a final technical report was generated for COC #166 wherein it was determined that the M&I for COC # 166 is 0.5 MMT.

On May 13, 2014, TMEC submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

The development and production phase conversion of the COC shall follow thereafter. Notwithstanding the limited operating history and track record, the management of the Company and TMEC believe that its organization, business systems and process, have been built up substantially to the level adequate for full-scale coal mining operations.

In addition, the Company's management and technical team have a combined 156 years' experience in exploration and development of mining companies with the top mining companies both in the Philippines and in other countries. In addition, the Company's Board of Directors has an established record in starting-up companies and developing these companies to a strong position in their respective market segments.

Risks Related to Reliance on Key Personnel

The success of TMEC depends upon, among other factors, the retention of its key personnel as well as its ability to attract and retain a strong management team. The Company believes there is significant demand for TMEC's skilled professionals not only locally but also from companies outside of the Philippines, particularly companies operating in Asia. The inability of TMEC to hire and retain qualified personnel could impair its ability to undertake the exploration and mine development of its two sites. This may cause TMEC to incur additional costs by having to engage third parties to perform these activities.

Risks Related to Labor Matters

TMEC is naturally exposed to the risk of industrial or labor disputes. At present, 9 of the rank-and-file employees are regular and 2 are probationary. Furthermore, once TMEC starts full production, it will need to employ more mining engineers, operators, staff, and workers.

At present, TMEC's labor force in all locations is not unionized; hence the risk of work stoppage due to strikes or similar concerted action is mitigated. The Company complies with all the labor laws, rules, and regulations, thus avoiding any significant dispute with its workers. The Company's management believes that current relations between the Company and its employees are generally good. None of the employees is under any collective bargaining agreement. The Company has not experienced any work stoppage or strike since it started operations.

Risks Related Philippine Laws and Regulations

The business of TMEC is subject to various Philippine Laws and regulations. The DOE is mandated by RA 7638 (Department of Energy Act of 1992) to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation.

On July 6, 2012, President Benigno S. Aquino III issued E.O. 79 entitled "Institutionalizing and Implementing Reforms in the Philippine Mining Sector Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources' E.O. 79 pertains to the mining sector but it does not cover coal mining as the latter is covered under RA 7492, or the Philippine Mining Act of 1995.

The listing of COAL shares was approved with the submission of a Philippine Mineral Reporting Code (PMRC)-compliant technical report by a Competent Person (CP)-Geologist that indicated the coal resources of COAL's Coal Operating Contracts. Thereafter, the PSE required COAL to also submit a PMRC-compliant technical report by a CP-Mining Engineer, to be submitted to the PSE not later than December 31, 2012.

COAL attempted to submit said report to the PSE, but circumstances beyond its control resulted in further delays and penalties.

On September 30, 2015, Engr. Rufino B. Bomasang, the lone CP-Mining Engineer for coal in the Philippines, submitted to the PSE a PMRC-compliant Technical Report entitled "Final Report on the Economic Assessment of the COC #159 Davao Coal Project."

There is risk those government regulators, both at the national and local levels, may implement more stringent policies and/or regulations that will make it more difficult or more costly for TMEC to operate its business.
The Company and TMEC have no control over these events. However, TMEC has put into place a compliance team that focuses on ensuring TMEC's adherence to laws, rules, and regulations that are in practice.

Risks Related to Taxation

The Philippines currently has tax systems that encourage investment in coal mining operations to address the wide demand between local demand and supply. The current COC system gives the following incentives to contractors:

- Exemption from all taxes except income tax;
- Exemption from payment of tariff duties and compensation tax on importation of machinery / equipment / spare parts / materials required for coal operations;
- Allow entry of alien technical personnel;
- The right of ingress to and egress from the COC area; and
- Recovery of operating expense

TMEC registered with the Board of Investment under the Omnibus Investment Code of 1987 for the exploration and development of indigenous thermal coal in Davao Oriental and Zamboanga-Sibugay as a new producer of coal under the 2012 Investment Priorities Plan. There is no guarantee, however, that the existing tax regime will remain, and that no changes will be implemented that will be adheres to the Company's operations.

The industry, however, maintains a liaison within the legitimate branch of the Government, which helps ensure that coal-mining operations will continue to enjoy a fair tax environment in the years to come.

Risks Related to the Company's COCs

Risks Related to Expiration of COCs

Substantially all of the Company's assets and revenues are derived from TMEC's COCs and rights under the COCs issued by the DOE, which give TMEC exclusive rights to conduct exploration, development and coal-mining operations on the areas designated by these COCs. These COCs contain respective terms, and allow maximum extension periods subject to the application of extension before the COC's expiration date.

While the term extension of a COC is provided for, any extension is ultimately at the discretion of the DOE and at the satisfaction on the DOE that has been substantial accomplishment of the commitments as stipulated in the DOE approved work program. There can be no assurance that the DOE will extend the term of these COCs upon their respective expiration. The DOE may also impose new terms and conditions during this extension that may not be acceptance to the Company.

The table ensuing sets forth the original expiration dates and the maximum extension periods for the COCs covering the Davao Oriental and Zamboanga-Sibugay Projects:

Table 1: Summary of Coal Operating Contracts of TMEC

COC	Coal Block Nos.	Applicant	Date Awarded	Original Expiration Date	Max. Extension	Remarks
Davao Oriental Coal Operating Contract						
159	CB-136 CB-137 CB-176 CB-177 CB-188 CB-217 CB-218	TMEC	16-Sep-09	15-Sep-11 (2 years Exploration)	September 15, 2013) 2 years Extension)	Submitted Geologic Report, 5 and 10 year mining plan, ECC, Permit to Sell incidental Coal Production from DOE; Amended 10Year Work Program and Feasibility Study covering Macopa and Sagasa submitted on October 2017 and December 2018. NCIP CP for Exploration acquired last December 14, 2018; preparations for FPIC for CP Development and Production on going.
Zamboanga-Sibugay Coal Operating Contracts						
166	CB-280 CB-320 CB-241 CB-281	TMEC	18-Nov-09	November 17, 2011 (2years Exploration)	November 17, 2013 (2 years Extension)	Submitted Geologic Report, DOE review and validation completed; 5 Year Work Program with Feasibility Study Submitted to DOE February 26, 2016; submitted amended Study on August 2016 after initial review. Additional amendments submitted by TMEC on March 31, 2017 and September 20, 2018. NCIP CNO acquired.

Any inability or failure on the part of TMEC or the Company to meet their respective obligations, or comply with the terms and conditions under any of the COCs may constitute a material breach thereof and could lead to the cancellation or termination of such COC. A cancellation or termination of any COC pertaining to the Davao Oriental and Zamboanga-Sibugay Projects will adversely affect the business, financial condition and results of operations of the Company.

TMEC is in the process of fulfilling its obligations with regard to the COCs and satisfying the terms and conditions of the COCs, including the requirements of the DOE in connection therewith. For the Davao Oriental Project, as a pre-requisite to enter the development and productivity phase, TMEC has completed the Feasibility Study. In addition, its coal resources have also been validated by the DOE. For the Zamboanga-Sibugay Project, TMEC will conduct the Feasibility Study since the DOE has completed its review of TMEC's exploration results last August 7, 2015 to be able to enter the development and production phase.

TMEC plans to enter the development and production phase as soon as the DOE converts the COC to Development & Production phase for the Davao Oriental Project. COAL used its IPO proceeds to fully fund TMEC's exploration, development, and production in the Davao Oriental Project and used a portion of it to partially fund its planned exploration in the Zamboanga-Sibugay Project. If TMEC suddenly cannot proceed to the development/production phase for some unexpected reason, the Company's long-term business performance and eventually, its viability will be at risk. To address the risk, TMEC continuously fulfills and complies with, and even exceeds the conditions that the DOE set forth in the COCs it granted to TMEC. These conditions include the conduction and completion of exploration work commitment and financial investments in the coal projects. Thus, with the proceeds spent from the IPO and the Company's good standing with the DOE as regards its COCs. The Company is confident that it will be able to secure the COC for the development/production stage for the Davao Oriental Project.

Risks Related to Environmental Protection, Safe Mining Operations, and Social and Economic Development

TMEC's COCs not only grant it rights over certain coal-mining assets but also prescribe guidelines for coal-mining operations among which includes rules with respect to environmental protection, safe mining operation, and social and economic development of the surrounding areas. These guidelines include safety rules for underground and surface mine operations covering requirements for exit, escape ways, submission of mine maps, ventilation, allowable limits of toxic and explosive gases, control of coal dust, ground support, rescue organization for emergency situations, fire protection, handling of explosives, health and sanitation facilities and other miscellaneous safety rules, air, water, hazardous materials and waste management, and the rehabilitation of mine sites. In addition, TMEC is required to conduct an environmental impact study prior to start of development and production pursuant to securing an environmental compliance certificate ("ECC") from the Department of Environment and Natural Resources ("DENR"). Nonetheless, in support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. There is also the possibility that existing laws and regulations may be amended or new laws may be enacted in the future.

Risk Related to Third Party Claim on Specified Areas Defined in COCs

Under the terms of its COCs, TMEC was appointed and constituted as the exclusive party that will conduct the coal operations over the specified areas defined in such COCs. There is, however, no assurance that other parties will not claim mining rights adverse to TMEC over such designated areas or that the Company will be able to successfully defend its right to conduct coal operations over such areas against any such adverse claims.

Risk Related to the Philippines

Risks Related to Political or Social Instability in the Philippines

The Philippines has from time to time experienced political and military instability. In the last few years, there has been political instability in the Philippines, including public and military protests arising from alleged misconduct by the former administration. No assurance can be given that the political environment in the Philippines will stabilize and any political or social instability in the future could result in inconsistent or sudden changes in regulations and policies that affect the Company or its partners, which could have an adverse effect on the Company's business, results of operations and financial condition.

Risks Related to Terrorist and Insurgent Groups' Activities in the Philippines

The island of Mindanao has had a long history of terrorist activities and insurgency in certain isolated areas instigated by groups such as or connected to the Moro Islamic Liberation Front, Abu Sayyaf, and the New People's Army. There have been attacks by the New People's Army on mining company facilities of Xstrata's Sagittarius Mines Inc. (SMI) and of firms associated with the mining company in the hinterlands of Davao del Sur, South Cotabato, and Sultan Kudarat, and a couple of small mining

companies in the Compostela Valley. There is no guarantee that such attacks will not occur in the Company's subject areas in Davao Oriental and Zamboanga-Sibugay.

The Company, through TMEC, has maintained excellent relationships with the host communities of its two coal projects through an active Corporate Social Responsibility program, which have included the replanting of trees that may have been uprooted in the building of access road and the construction of a church in Zamboanga-Sibugay.

Risk Related to Anti-Mining Groups

There is high anti-mining sentiment in the Philippines, brought mainly by the country's past and highly-publicized episodes of community destruction and environmental degradation resulting from mining operations. This is especially true in less developed regions, where there are anti-mining advocacies of groups such as LGUs, non-governmental organizations and environmental groups, communist separatists and other militant groups, and even the Catholic Church. The methods may vary, from peaceful protests to local bans on mining operations. There have also been sporadic acts of violence, including destroying equipment and inflicting bodily harm.

As a result of these factors, the Philippines has become a high-risk, high-reward environment for mining operations. In developed countries, where many of the large international mining outfits operate, profit margins are often slimmer but this lower profitability is made up for by greater stability.

TMEC has good relationships with the respective LGUs in Davao Oriental and Zamboanga-Sibugay. Furthermore, TMEC has maintained excellent relationships with the host communities of its two coal projects through an active Corporate Social Responsibility program, which have included the replanting of trees that may have been uprooted in the building of the access road, donation of an ambulance in Davao Oriental and the construction of a church in Zamboanga-Sibugay. As of the date of this Report, there have been no attacks or threats of attack received by the Company at its mining site in Davao Oriental. In Davao Oriental, TMEC also had good rapport with the local indigenous people, having entered into a MOA with the NCIP on July 19, 2012 and the issuance of the Certification Precondition for Exploration on December 14, 2018.

Risk Related to Occurrence of Natural Catastrophes or Blackouts

The Philippines has experienced a number of major natural catastrophes in recent years including typhoons, floods, volcanic eruptions, earthquakes, mudslides, and droughts. Natural catastrophes may disrupt the Company's ability to deliver its services and impair the economic conditions in the affected areas, as well as the overall Philippine economy. The Philippines has also experienced power outages from power generation shortages and transmission problems, and from disruptions such as typhoons, storm surges and floods. These types of events may materially disrupt and adversely affect the Company's business and operations. The Company cannot assure prospective investors that the insurance coverage the Company maintains will adequately compensate it for all damages and economic losses resulting from natural catastrophes or blackouts, including possible business interruptions.

Risk Related to Foreign Exchange Controls

Currently, the Philippines has liberal foreign exchange controls. The BSP has statutory authority, with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, to:

- Suspend temporarily or restrict sales of foreign exchange;
- Require licensing of foreign exchange transactions; or
- Require the delivery of foreign exchange to the BSP or its designee banks for the issuance and guarantee of foreign currency-denominated borrowings.

Risks Related to the Shares

Risks Related to Market Volatility

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

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

(2) Business of Issuer

Products

COAL is an investment holding company primarily engaged in the business of investing in coal and other related energy through its subsidiary, Titan Mining and Energy Corporation;

TMEC is engaged in coal exploration and the extraction, processing and trade of coal and other energy related products.

Distribution of Products

Coal from incidental outcrops and small-scale operators were primarily sold to local customers such as local canneries and food manufacturing companies.

Competition

The Company directly competes with other coal mining companies in the Philippines. A list of these other coal-mining companies is presented in the following tables on existing COC holders (as of June 2017). Most of the companies listed below, except for Semirara Mining Corporation, have shut down their operations as of this writing.

Table 2: Coal Operating Contract (COC) holders

COC No.	NAME OF COMPANY	LOCATION OF CONTRACT AREA
5,189,190	**Semirara Mining Corporation**	Semirara Island, Caluya, Antique; Bulalacao, Oriental Mindoro; Maitum and Kiamba, Sarangani
13	**Ibalong Resources & Development Corporation**	Mantalongon, Dalaguete, Cebu
9	**Adlaon Energy Development Corporation**	Brgy. Santicon, Bala-as, Maloray&Manlapay, Municipalities of Dalaguete &Argao, Cebu
83	**Benguet Corporation**	Lianga, Marihatag& San Miguel, Surigao del Sur
68,77,78	**Filipinas (Prefab) Systems, Inc.**	Bulalacao, Mindoro Oriental, Payao, Zamboanga Sibugay,
93	**A Blackstone Energy Corporation**	Lalat, Zamboanga Sibugay
116, 123	**D. M. Wenceslao and Associates, Inc.**	Baculod, Gattaran and Iguig, Cagayan
127	**Smart Mining and Resources Development Corporation (SMRDC)**	Bislig, Surigao del Sur
41, 122, 184,185,186	**PNOC Exploration Corporation**	Buug, Imelda, Payao, Malangas, Zamboanga Sibugay, Cauayan, Isabela, Trento, Agusan del Sur and Lingig, Surigao del Sur
104,137	**Batan Coal Resources Corporation**	Liguan, Batan Island, Rapu-Rapu, Albay,
125, 153	**Lima Coal Development Corporation**	Batan Island, Rapu-Rapu, Albay, Bacon and Gubat, Sorsogon

126	**DagumaAgro Minerals Inc.**	South Cotabato and Sultan Kudarat
128, 129	**SAMAJU Corporation**	Bilbao, Batan Island, Rapu-Rapu, Albay, Bagaobawan, Batan Island, Rapu-Rapu, Albay
130	**Grace Coal Mining & Development Corporation**	Diplahan and Buug, Zamboanga Sibugay
131	**Forum Cebu Coal Corporation**	Dalaguete, Cebu
132	**First Asian Resource Mining Corp.**	Balamban, Cebu
134	**Sultan Energy Phils. Corporation**	Sultan Kudarat, South Cotabato
136,179,180	**SKI Energy Resources, Inc.**	Carmen, Asturias and Catmon, Cebu; Alpaco, Naga, Cebu
135	**SKI Construction Group, Inc.**	Cahumayan, Portland & Dungga, Danao City, Cebu
187	**SKI Mining Corp.**	Trento, Agusan del Sur
138	**Bonanza Energy Resources, Inc.**	Maitum, Sarangani Province and Ned, Lake Sebu, South Cotabato
142	**Visayas Multi-Minerals Mining and Trading Corporation**	Toledo City, Cebu
145	**Great Wall Mining and Power Corporation**	San Miguel &Tandag, Surigao del Sur
148	**Abacus Coal Exploration and Development Corp.**	Tandag, Surigao del Sur
149	**IL Rey'c Coal Mining Exploration Corp.**	Danao City, Cebu
151	**Guidance Management Corp.**	Calatrava, Negros Occidental
154	**DMC-Cons truction Equipment Resources, Inc.**	Bagumbayan, Sultan Kudarat
162	**ASK Mining & Exploration Corp.**	Cagwait-Marihatag, Surigao del Sur
165	**3Kings Sunrise Mining Corp.**	Carmen, Cebu
169,174,175	**Blackgem Resources & Energy Inc.**	Tarragona, Davao Oriental;Batan Island, Rapu-rapu, Albay; Cateel and Baganga, Davao Oriental
170	**Dell Equipment & Cons truction Corp.**	Sarangani & South Cotabato
171	**Cedaphil Mining Corp.**	Toledo City, Cebu
172	**Core 8 Mining Corp.**	Toledo City, Cebu
173	**BBB Mining and Energy Corp.**	Asturias, Carmen, Danao, Cebu
181	**Timberwolves Resources, Inc.**	Guigaquit, Surigao del Norte
182,200,202	**Altura Mining Philippines, Inc.**	Bagamanoc, Caramoran and Panganiban, Catanduanes; Rapu-Rapu, Albay; Bislig, Surigao del Sur

183	**Blackstone Mineral Resources, Inc.**	Naga, Zamboanga Sibugay
188	**Mega Philippines, Inc.**	Lake Sebu, South Cotabato; Palimbang, Sultan Kudarat; and Maitum, Sarangani
191	**South Davao Development Corp., Inc.**	San Jose and Magsaysay, Occidental Mindoro
192,201,203	**Empire Asia Mining Corporation**	Bislig and Lingig, Surigao del Sur; Kitcharao, Agusan del Norte;Bislig, Surigao del Sur & Trento, Agusan del Sur
193	**Coal Black Mining Corporation**	Tandag and Tago, Surigao del Sur
194, 195, 198,199	**Sahi Mining (SMC)**	Butuan City, Agusan del Norte and SibagatAgusan del Sur; Godod, Zamboanga Del Norte &Kabasalan, Zamboanga Sibugay
196, 197	**Philsaga Mining Corporation**	Bunawan and Trento, Agusan del Sur
176	**Yolo Mining Resources, Inc. (Formerly Goodyield Resources Development, Inc.)**	Trento, Agusan del Sur and Boston, Davao Oriental

The largest coal mining company in the Philippines, based on production output, is Semirara Mining Corporation that accounted for more than 94% of total production in the Philippines of 7.3 MMT in 2011. Currently, Semirara has an existing coal supply contract with Semirara Calaca Power Corporation. The potential requirement of the Calaca plant is approximately 1.5 to 2.0 MMT. In March 2003, the National Power Corporation tested Semirara coal for its Masinloc plant, while deliveries were made to Sual and Pagbilao Power Plants in 2004 and 2005. These plants have potential demand of 600,000 to 800,000 MT of Semirara coal per annum.

Aside from Semirara, most other coal mining companies are in various stages of the Exploration Phase or the Development / Production Phase. These companies produce small volume of coal either as incidental production derived from exploratory adits or as output of small-scale permittees operating under the supervision of the holder of the COC whose tenements encompass the area of small-scale permittees.

Most of the output of coal mining companies is used as fuel to feed boilers used by industries in power generation, cement, and food. It is often critical that the coal mined or produced is of lower ash content to ensure efficient heat generation.

As a strategy, Semirara Mining Corp. has entered the power generation business to find a ready market for their coal output.

Most coal mining companies will also look for the end-markets near their mine sites to reduce logistics cost for the transport and delivery of the product.

The Company believes it has the advantage of having better quality thermal coal, particularly from its Zamboanga-Sibugay site, and proximity of both sides to new coal plants being set-up in Mindanao. Against other prospective competitors, the Company has already made significant progress on exploration and drilling activities and expects that its coal reserves and projected production levels will result to advantages over other coal mining companies.

Expenses on Development Activities

As of 31 December, 2024 TMEC, has spent Nil on exploration and development activities.

Costs and Effects of Compliance with Environmental Laws

TMEC is required to conduct an environmental impact study prior to the start of development and production. In November 2012, TMEC contracted the services of Lichel Technologies, Inc. to do the environmental impact study of its coal mining project in Davao Oriental. A comprehensive ECC application was filed with the DENR already and released on May 16, 2014**.**

Employees

The present manpower complement, as well as the projected manpower complement for the next 12 months, is as follows:

	2024	Next 12 months (pending conversion of COC)
Administration and Accounting	1	1
Exploration and Development Regular Contractual	 2 1	 2 0

There is no collective bargaining agreement in effect between management and the employees.

Transaction with and/or Dependence of Related Parties

The term "Related Parties" covers the Corporation's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the Corporation. It also covers the Corporation's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

TMEC has transactions with related parties, particularly Pacifico Sul Mineracao Corporation, pertaining to working capital purposes. These advances are unsecured, non-interest bearing and generally settled in cash and payable on demand.

TMEC also leases office space from JTKC Equities. Dexter Y. Tiu of both TMEC and COAL and a major stockholder of COAL, and Alexander Y. Tiu, a major stockholder of COAL, are also stockholders of JTKC Equities, Inc.
The aforementioned companies and TMEC are related parties under common ownership with certain stockholders of COAL.

TMEC has no other transactions with other parties that the Company or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm's length basis.

Government Approvals on Products and Services

TMEC secured permits and licenses from the Philippine government for their exploration activities. There is no extraordinary government approval needed for TMEC'S present business activities. TMEC also does not foresee any effect of existing or probable government regulations on its business. It is important to note that the recently issued Executive Order No. 79 series of 2012 of the mining sector does not cover coal mining. Coal Mining is covered under Presidential Decree No.972, or the Coal Development Act, while E.O.79 pertains to mining activities under Republic Act No. 7492, or the Philippine Mining Act of 1995.

Environmental Laws

TMEC's COCs not only grants it rights over certain coal-mining assets but also prescribes guidelines for coal-mining operations among which include rules with respect to environmental protection, safe mining operations, and social and economic development of the surrounding areas. These guidelines include safety rules for underground and surface mine operations covering requirements for exit, escape ways, submission of mine maps, ventilation, allowable limit of toxic and explosive gases, control of coal dust, ground support, rescue organization for emergency situations, fire protection, handling of explosives, health and sanitation facilities and other miscellaneous safety rules, air, water, hazardous materials and waste management, and the rehabilitation of mine sites. In addition, TMEC is required to conduct an environmental impact study prior to start of development and production pursuant to securing an ECC from the DENR. There is also the possibility that existing laws and regulations may be amended or new laws may be enacted in the future.

TMEC has been issued Certificates of Non-Coverage by the Environmental Management Bureau for its COCs #159 and # 166. An Environmental Compliance Certificate (ECC) was granted to TMEC for COC # 159 on May 16, 2014.

ITEM 2: Properties

The mine sites under COC #159 are located in the Municipality of Manay, Davao Oriental, while mine sites under COCs #166 are located in the Municipality of Diplahan and Buug, Province of Zamboanga-Sibugay. Infrastructure such as living quarters, coal quality laboratory, road network (camp road and camp to pit) and pier facilities are some of the improvements made by TMEC on the mine sites. Properties of TMEC in the mine sites are primarily composed of the following: Drilling Equipment, Survey Equipment, Testing Equipment, Transpiration Equipment, and Office Furniture and Equipment.

TMEC also leases office space from its affiliate, JTKC Equities, Inc. which commenced in 2010 and renewable upon mutual consent of both parties. In 2017, the Group renewed the lease agreement with lesser area to save on costs.
All properties are free of any liens and encumbrances.

ITEM 3: Legal Proceedings

To the best of the Company's knowledge, there are no occurrences of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director or executive officer of the Company in the past five years and as of date:

- any bankruptcy petition filed by or against any business of which the incumbent's directors or senior management of the Company was a general partner or executive officer, either at the time of the bankruptcy or within five years prior to that time;

- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or senior management of the company;

- any order, judgment, or decree, not subsequent reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or senior management of the Company in any type of business, securities, commodities or banking activities; and

- any finding by documents or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization, that any of the incumbent Directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

ITEM 4: Submission of Matters to a Vote of Security Holders

There were no matters during the fourth quarter of the fiscal year covered by this report that were submitted to a vote of security holders.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5: Market for Issuer's Common Equity and Related Stockholders Matters
Market Information

The Company's common equity is listed and traded on the Philippines Stock Exchange on October 23, 2012.
The trading prices of the Corporation's shares at the PSE for the last trading day of each quarter for year 2024 are as follows:

Quarter	High	Low	Close
1Q 2024	0.144	0.14	0. 14
2Q 2024	0.194	0.0178	0.194
3Q 2024	0.15	0.141	0.141
4Q 2024			0.155

Holders of Common Equity

As of December 31, 2024, the Company had 23 (twenty-three) stockholders as per its stock and transfer agent, Professional Stock Transfer, Inc. The list of shareholders reported by the stock and transfer agent were as follows:

	Name of Stockholders	**No. of shares**	**Percentage**
	PCD NOMINEE CORPORATION (FILIPINO)	**1,418,813,122**	35.47%
	STERLING BANK OF ASIA - TRUST GROUP FAO DEXTER Y. TIU	**640,000,000**	16.00%
	STERLING BANK OF ASIA - TRUST GROUP FAO ALEXANDER Y. TIU	**640,000,000**	16.00%
	STERLING BANK OF ASIA - TRUST GROUP FAO GERTIM G. CHUAHIONG	**640,000,000**	16.00%
	STERLING BANK OF ASIA - TRUST GROUP FAO ERIC Y. ROXAS	**640,000,000**	16.00%
	PCD NOMINEE CORPORATION (FOREIGN)	**16,352,760**	0.41%
	YAN, LUCIO W. YAN &/OR CLARA Y.	**4,000,000**	0.10%
	TACUB, PACIFICO B.	**400,000**	0.01%
	REGINA CAPITAL DEVT CORP - 000351	**120,000**	0.00%
	SUCALDITO, ENRIQUE L.	**100,000**	0.00%
	MENDOZA, ROSELLER A.	**65,000**	0.00%
	COMIA JR., JUAN D.	**50,000**	0.00%
	PUNO, ORPHA C.	**22,000**	0.00%
	YOUNG, BARTHOLOMEW DYBUNCIO	**20,000**	0.00%
	ASUNCION, ALEXANDER G.	**15,000**	0.00%
	MARANA, CENON BIENVENIDO D. MARANA	**13,500**	0.00%
	MARANA, MARIE JANE C.	**13,500**	0.00%
	RAYOS DEL SOL, OSCAR M.	**10,000**	0.00%
	MARIANO, MARIA ANA B.	**2,000**	0.00%
	LIMGENCO, DONDI RON R.	**1,111**	0.00%
	GILI JR., GUILLERMO F.	**1,000**	0.00%

	BES, RONALD S.	**1,000**	0.00%
	FALCOTELO, MATTHEW HENRI H.	**10**	0.00%
	BAUTISTA, JOSELITO T.	**1**	0.00%
		4,000,000,004	**100.00%**

As of December 31, 2024, 16,352,760 common shares are held by non-Filipinos, placing the foreign ownership level of the Corporation at 0.41%. This is significantly below the foreign ownership limit of 40%.

Dividends

The Company has not declared any kind of dividend to its shareholders since its incorporation.

Recent Issuance of Securities Constituting an Exempt Transaction

For the year ended December 31, 2024, the Company has not issued any securities constituting an exempt transaction.

ITEM 6: Management's Discussion and Analysis or Plan of Operation

Plan of Operation

In 2018, the management plan was to proceed with the Macopa-Sagasa Development Work Program and Feasibility for its Davao Coal Project in connection with the signed Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation dated April 6, 2017 with initial delivery dated scheduled on November 2, 2018. However, this plan did not push through because the Company was not able to obtain from the Department of Energy (DOE), the conversion of Coal Operating Contract (COC) from exploration to Development/Production (D/P) phase and the related approval from National Commission on Indigenous Peoples (NCIP).

In 2019, the DOE approved the conversion of COC 159 from exploration to D/P Phase. As indicated in the terms and conditions, before the commencement of the D/P Phase, the company shall secure Certificate of Non-Overlap (CNO)/ Certification Precondition (CP) from the NCIP thus, the Company requested the DOE for a new endorsement to the NCIP for the issuance of CNO/CP. The estimated acquisition date of CNO is within three to six months.

The ECC shall be applied for in time for the Development and Production Phase. The estimated date of production is within 18 months. The estimated price of coal is USD58 per metric ton.

Conversion of COC 166 to Development and Production Phase by the DOE has a pending improvement of coal market price and peace and order situation in the general area where the COC is situated. The estimated date of conversion is within six months to one year.

Moreover, the Company will comply with the reportorial, documentary and permitting requirements in accordance with its Coal Operating Contract (COC), Environmental Compliance Certificate (ECC), and Local Government Unit (LGU) related laws and ordinances as applicable. The estimated amount of working capital needed to support the Group's operating cost before actual conversion is Php 23 Million. After the acquisition of the required permits and the required equipment, it will take around six (6) months, more or less, for the company to produce the saleable coal. The amount needed to meet the initial start-up cost and sustaining costs is estimated to be Php 500 Million with annual growth rate of 2.5%. This would require loan to finance the Group's start-up and sustaining costs. The composition of WACC is estimated to be 70% debt and 30% equity.

Aside from the maintenance of the physical assets of the Company, it will also continue the transferring of lot titles from the Old Macopa sellers to the Company.
The following tables present the summary financial Statements and Independent Auditor's Report for the ended December 31, 2024, 2023, and 2022.

COAL's Summary Audited Consolidated Financial Information			
as at			
	2024	**2023**	**2022**
	(One year)	**(One year)**	**(One year)**
Amounts are in Php			
Consolidated Statement of Comprehensive Income			
Sales	-	-	-
Cost of Sales	-	-	-
Gross Profit	-	-	-
General and Administrative Expenses	-22,272,894	-22,168,229	-31,502,566
Provision for Impairment Loss on EEA	-936,045,824	-211,922,923	-
Operating Income	-234,091,152	-234,091,152	-31,502,566
Other Income	-	750,000	-
Interest Income	8,360	1,171	965
Finance Cost	-	-	-
Income (loss) before income tax	-958,310,358	-233,339,981	-31,501,601
Provision For (Benefit From) Income Tax - Deferred	-11,507	-1,198	19,576
Net Income (loss)	-958,298,851	-233,338,783	-31,482,025
Consolidated Statement of Financial Position			
Assets			
Cash and cash equivalents	790,316	506,818	462,164
Funds held in escrow	-	-	-
Advances to Affiliates	2,050,940	2,070,917	2,063,862
Prepayments and other current assets	-	449,293	449,293
Total Current Assets	**2,841,256**	**3,027,028**	**2,975,319**
Exploration and evaluation assets	90,881,117	90,881,117	302,804,040
Property, plant and equipment –net	37,403,605	49,749,965	67,050,852
Coal Reserves	2,286,431,394	3,131,596,101	3,131,596,101
Deferred Tax Asset	-	-	-
Other Noncurrent Asset	1,089,465	1,082,925	1,082,925
Total Non-Current Assets	**2,324,924,464**	**3,273,310,108**	**3,502,533,918**
TOTAL ASSETS	**2,327,765,720**	**3,276,337,136**	**3,505,509,237**

Liabilities and Equity			
Trade and other payables	13,348,567	10,004,964	9,146,696
Advances from related parties	75,635,941	69,275,381	66,015,561
Current portion of loans payable	-	-	-
Income tax payable	-	11,250	-
Total Current Liabilities	**88,984,508**	**79,291,595**	**75,162,257**
Loan Payable-net of current portion	-	-	-
Retirement benefit liability	654,425	494,396	444,604
Deferred Tax Liability	1,179,796	1,191,303	1,203,751
Total Non-Current Liability	**1,720,221**	**1,685,699**	**1,648,355**
Capital Stock	4,000,000,004	4,000,000,004	4,000,000,004
Deficit	-1,766,267,935	-807,969,084	-574,630,301
Other Comprehensive income	3,328,922	3,328,922	3,328,922
Stockholders' Equity	**2,237,060,991**	**3,195,359,842**	**3,428,698,625**
TOTAL LIABILITIES AND EQUITY	**2,327,765,720**	**3,276,337,136**	**3,505,509,237**
Key Indicators			
Gross Profit Margin (%)	-	-	-
Net Income (loss) Margin (%)	-	-	-
Return on Asset (%)	-	-	-
Return on Equity (%)	-	-	-
Current Ratio(x)	0.03:1.00	0.04:1.00	0.06:1.00
Total Liabilities to Equity (x)	.04:1.00	.03:1.00	.02:1.00
Earnings Per Share (Basic) (Php 0.0000)	-0.240	-0.058	-0.0079
Book Value Per Share (Php 0.0000)	0.5593	0.7988	0.8571

A. Comprehensive Income for the year ended December 31, 2024 vs. Comprehensive Income for the year ended December 31, 2023 vs. Comprehensive Income for the year ended December 31, 2022

Sales

There were no sales for 2024, 2023 and 2022. TMEC focused on exploration of its COC areas and is awaiting conversion to development and production from the Department of Energy.

As at December 31, 2018, the Group has two Coal Operating Contracts (COC) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166). The Group has applied for a change in status of the COCs from exploration and evaluation stage to development and production stage.

On December 11, 2019, TMEC received the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the Pre-Condition Certificate (for Development and Production Phase) or Certificate of Non-Overlap (CNO) from the NCIP.

General and Administrative Expenses

General and administrative expenses amounted to ₱22.27M, due mainly to personnel costs, professional fees, communication expense, depreciation expense and taxes.

Interest Expense

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 Million. It bears an annual interest rate of 9%. On August 31, 2018, the Company fully paid its loans payable.

No interest expense incurred for the year 2024.

Interest Income

Interest income which came from interest earned from bank deposits, cash equivalents, restricted cash and funds held in escrow was Nil in 2024, 2023, and 2022, respectively.

Other Income

No sale of incidental produced coal since 2018.

Net Income

As a result of the foregoing, The Group realized net loss of ₱958.3 Million, ₱233.3 Million, ₱31.5 Million in 2024, 2023, and 2022, respectively.

B. Consolidated Statement of Financial Position

December 31, 2024 vs. December 31, 2023
Cash and Cash Equivalent

Cash and cash equivalents increased by ₱0.28 Million or 56%, to ₱0.50 Million as of December 31, 2024 from ₱0.50 Million as of December 31, 2023 was due mainly on additional exploration assets, rehabilitation of access roads, repayment of loan and other working capital expenses.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 31, 2024 was ₱2.05 Million.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. As of December 31, 2024, the balance is Nil.

Prepayments and Other Current Assets

Prepayments and other current assets decreased by ₱0.449 Million or 100%, to ₱0.00 Million as of December 31, 2024 from ₱0.449 Million as of December 31, 2023, mainly due to advances made to officers and employees.

Exploration and Evaluation Assets

Exploration and Evaluation Assets were decreased by ₱936.00 Million due to impairment.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by ₱12.3 Million or 25% due to depreciation incurred during the year.

Coal Reserves

Coal Reserves is now amounted to ₱2.29 Billion as of December 31, 2024. This represents the fair value of the coal reserve acquired as a result of the business combination. Based on the review of the recoverable amount of the Group's nonfinancial assets, management determined that there are no impairment losses in property and equipment.

Deferred Tax Assets

Deferred tax assets balance is Nil as of December 31, 2024 and December 31, 2023.

Other Noncurrent Asset

Restricted cash includes cash bond required by the NCIP upon the application of the Group's permit to proceed with its development phase for COC #159 and cash in bank set aside to settle obligations arising from a certain court case. During 2018, the National Labor Relations Commission released motion to issue order of release of the garnished deposit to execute the judgement award amounting to ₱1.08 Million.

Trade and Other Payables

Trade and other payables increased by ₱3.34 Million, to ₱13.34 Million as of December 31, 2024 from ₱10.0 Million as of December 31, 2024.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to ₱75.6 Million and ₱69.3 Million as at December 31, 2024 and 2023.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 Million. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%.

On August 31, 2018, the Company fully paid its loan payable.

Retirement Benefit Liability

Retirement Benefit Liability amounted to ₱0.54 Million of December 31, 2024, this is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to ₱1,766.27 Million as of end December 31, 2024. Deficit increased because of increased expenses and no sales during the year.

December 31, 2024 vs. December 31, 2023
Cash and Cash Equivalent

Cash and cash equivalents decreased by ₱0.28 Million or 55%, to ₱0.79 Million as of December 31, 2024 from ₱0.51 Million as of December 31, 2023 was due mainly on additional exploration assets, rehabilitation of access roads, repayment of loan and other working capital expenses.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 31, 2024 was ₱2.0 Million.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. As of December 31, 2024, the balance is Nil.

Prepayments and Other Current Assets

Prepayments and other current assets increased by ₱0.449 Million or 100%, to ₱0.00 Million as of December 31, 2024 from ₱0.449M as of December 31, 2023, mainly due to advances made to officers and employees.

Exploration and Evaluation Assets

There were no changes in Exploration and Evaluation due to the delay on exploration and pre-development phase of the mining properties in Davao Oriental.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by ₱12.34 Million or 25% due to depreciation incurred during the year.

Coal Reserves

Coal Reserves is now amounted to ₱2.29 Billion as of December 31, 2024. This represents the fair value of the coal reserve acquired as a result of the business combination. Based on the review of the recoverable amount of the Group's nonfinancial assets, management determined that there are no impairment losses in property and equipment.

Deferred Tax Assets

Deferred tax assets balance is Nil as of December 31, 2024 and December 31, 2023.

Other Noncurrent Asset

Restricted cash includes cash bond required by the NCIP upon the application of the Group's permit to proceed with its development phase for COC #159 and cash in bank set aside to settle obligations arising from a certain court case. During 2018, the National Labor Relations Commission released motion to issue order of release of the garnished deposit to execute the judgement award amounting to ₱1.08 Million.

Trade and Other Payables

Trade and other payables increased by ₱3.34 Million, to ₱13.34 Million as of December 31, 2024 from ₱10.00 Million as of December 31, 2023.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to ₱75.0 Million and ₱69.0 Million as at December 31, 2024 and 2023.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 Million. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%.

On August 31, 2018, the Company fully paid its loan payable.

Retirement Benefit Liability

Retirement Benefit Liability amounted to ₱0.54 Million of December 31, 2024, this is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to ₱1,766.27 Million as of end December 31, 2024. Deficit increased because of increased expenses and no sales during the year.

Notes on the COAL's Financial Information

Coal Reserves

The Parent Company acquired TMEC in 2012 in exchange for Parent Company's common shares valued at P3,200.0 million. The Parent Company recognized the portion of consideration amounting to ₱3,131.6 Million as coal reserves.

In 2024 and 2023, the Group carried out a review of the recoverable amount of its coal reserves, exploration and evaluation assets, property and equipment, and intangible assets. The impairment test is based on value in use calculations using discounted cash flow approach from the Group's operations.

The key assumptions used to determine the value in use of the nonfinancial assets are as follows:

	2024	2023
Coal price	**$197/MT**	**$197/MT**
Foreign exchange rate	**P=58.01:$1**	**P=55.57:$1**
Discount rate	**11.48%**	**10.35%**
Estimated coal	**17.3 MMT**	**17.3 MMT**

projections are based on the most recent feasibility study approved by the senior management and submitted to the DOE. The values assigned to each key assumption are estimated with reference to recent external market information.

Average forecast period for COC #159 and COC #166 is at 9 years and 5 years, respectively. The average forecast period for COC #159 is greater than 5 years as the management can reliably estimate the cash flow for the entire duration. The terminal value was computed based on a zero-growth assumption for forecasts beyond the average forecast period.

Based on the impairment test performed, management assessed that the recoverable amounts of the coal reserves and other nonfinancial assets exceed it carrying amount. Management also believes that no reasonably possible change in any of the key assumptions would cause the carrying amounts of the nonfinancial assets to materially exceed their respective recoverable amounts.

In 2012, the Group obtained an independent valuation report to estimate the value of TMEC's coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information.

The independent valuation determined the value of the Group's coal reserves at ₱12.5 Billion.

Exploration and Evaluation Asset

Exploration and evaluation activity involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the coal resource.

Exploration and evaluation activity include:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and

- Evaluating the technical feasibility and commercial viability of extracting the coal resource.

The account "Exploration and evaluation asset" is carried at cost less accumulated impairment losses.

Exploration and evaluation asset are no longer classified as such when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and evaluation asset are assessed for impairment, and any impairment loss recognized, before reclassification.

The assets, liabilities, income and expense and operating and investing cash flows as at and for the year ended December 31, 2024 from the exploration for and evaluation of coal resources are as follows:

	2024	2023
Total assets	**P626,803,146**	P694,459,716
Total liabilities	**619,331,319**	610,247,896
Expenses	**76,759,008**	19,745,303
Net cash used in operating activities	**267,642**	(2,411,127)
Net cash used in investing activities	**(6,604,550)**	(857,055)
Net cash provided by financing activities	**6,400,000**	3,250,000

Exploration and evaluation asset pertain to costs incurred for the exploration and evaluation of the mining property situated in the province of Davao Oriental and Zamboanga Sibugay, Philippines.

COC #159and COC #166 provide a certain minimum work expenditure obligation covered by the work program of exploration phase.

The recovery of the exploration and evaluation asset is dependent upon the success of future exploration and evaluation activities and events.

Movements of this account are as follows:

	2024
Balance at beginning of year	P90,881,117
Additions	-
Impairment for the year	-
Cost at the end of year	P90,881,117

The Group obtained an independent valuation report using the discounted cash flow approach to estimate the value of the coal reserves. The expected net present value of the coal reserve is estimated at ₱ 12.5 Billion.
The Group obtained an enterprise report dated March 15, 2013 to estimate the enterprise value of COC #159, Coal Blocks Nos. 217 (Macopa) and 136 (Bactinan). Discounted cash flow approach was used in the valuation of the coal reserve of COC #159, Coal blocks Nos. 217 (Macopa) and 136 (Bactinan) is estimated at ₱4.1 Billion.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash- generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less cost of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to 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. For an asset that does not generate largely independent cash inflows, the recoverable

amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of comprehensive income.

An assessment is made at each reporting 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. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Exploration and Evaluation Assets. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. One or more of the following facts and circumstances indicate that exploration and evaluation assets require impairment test:

a. the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.

b. substantive expenditure on further exploration for and evaluation of coal reserves in the specific area is neither budgeted nor planned.

c. exploration for and evaluation of coal reserves in the specific area have not led to the discovery of commercially viable qualities of coal reserves and the entity has decided to discontinue such activities in the specific area.

d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Revenue Recognition of Sale of Coal

Revenue is recognized to the extent that the revenue can be reliably measured, it is probable that the economic benefits will flow to the Group, and the costs incurred or to be incurred can be measured reliably. In addition, the following specific recognition criteria must also be met before revenue is recognized.

Specifically, revenue from coal sales is recognized when the goods are delivered, the title to the goods has passed to the buyer and the amount of revenue can be measured reasonably.

Other Financial Information

As of and for period ended December 31, 2024:

- No material changes on COAL's financial position (changes of 5.00% or more) can be computed as the Company has only been incorporated on June 11, 2012.
- COAL is not aware of any known trends, or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in COAL's liquidity increasing or decreasing in any material way.
- It is not aware of any event that would trigger direct or contingent financial obligation that is material to COAL, including any default or acceleration of an obligation.
- All material off-balance sheet transactions, arrangements, obligations and other relationships of COAL with unconsolidated entities or other persons created during the period were considered.
- There were no known trends, events, or uncertainties on net revenues or income from continuing operations.
- Coal Asia Holdings Incorporated.
- COAL is not aware of any significant elements of income and loss that did not arise from COAL's continuing operations.
- COAL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.
- COAL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.

ITEM 7: Financial Statements

Please refer to the attached audited consolidated financial statements of the Company as at and for the year ended December 31, 2024 and 2023, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes Tacandong & Co.

The Company was incorporated on June 11, 2012. Since the audit of Reyes Tacandong & Co., there has been no change in auditor and there has been no disagreement on accounting and financial disclosures.

The aggregate fees for each of last two (2) fiscal years for professional services rendered by the external auditors are as follows:

	2024	2023
Audit Fee	₱570,000	₱570,000
other fees	-	-
TOTAL	₱570,000	₱570,000

It is the policy of the Company that services to be rendered by independent auditors, as well as the corresponding fees thereof, must first be reviewed by the Audit and Risk Committee (the members of said Committee being composed of Messrs. Aristides S. Armas (Chairman), Arsenio M. Bartolome III, and Eric Y. Roxas) prior to said report being endorsed to the Board of Directors for approval.

ITEM 8: Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

Reyes Tacandong & Co. was appointed as external auditor for the year ended December 31, 2024.

There was no disagreement with the external auditor on any matter pertaining to accounting and financial disclosure.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9: Directors and Executive Officers

The Company's Board of Directors is responsible for the overall management of the business and assets of the Company. The Board of Directors is composed of seven (7) members, each of whom serves for a term of one (one) year until his /her successor is duly elected and qualified.

Board of Directors

The following are the incumbent members of the Board of Directors of the Company:

Name	Position with the Company	Date of First Election/Last Election
Harald R. Tomintz	Director and Chairman	July 2012/07 August 2018
Johnson A. Sanhi, Jr.	Director, President and Chief Operating Officer	21 July 2014/07 August 2018
Dexter Y. Tiu	Director and Treasurer	June 2012/07 August 2018
Eric Y. Roxas	Director	June 2012/07 August 2018
Juan Kevin G. Belmonte	Independent Director	July 2012/ 07 August 2018
Aristides Armas	Independent Director	July 2012/ 07 August 2018

Arsenio M. Bartolome III	Independent Director	August 2017/ 07 August 2018

Harald R. Tomintz, 71, Austrian, Chairman of the Board

Harald R. Tomintz is the Chairman of the Company. Mr. Tomintz is also the President of Rekom Manila Corporation and a Board Supervisor of Zhangzhou Stronghold Steelworks Corporation, in addition, since 2015 he also serves in the Board of Directors of Philippine Power and Development Corporation. His past positions include being the President of VATECH Phils., Inc. (2002-2004), member of the Executive Committee, Director of Semirara Coal Corporation (1992-1997), and Director of Ferrochrome Philippines (1992-1995). He holds a degree in Mechanical Engineering from BULME in Graz-Goesting and SZA Vienna, Austria.

Johnson A. Sanhi, Jr., 60, Filipino, President & Chief Operating Officer

Johnson A. Sanhi, Jr. has been with TMEC from 2010 to present. He was previously VP-Operations of Stronghold Steel Corporation. He was former Vice President and Plant Manager at Cathay Pacific Steel Corporation where he worked for 23 years. He has earned Masteral units in Chemical Engineering from the University of the Philippines Diliman. He obtained his Bachelor of Science degree in Chemical Engineering from De La Salle University.

Dexter Y. Tiu, 52, Filipino, Director and Treasurer

Dexter Y. Tiu, Filipino, is the Treasurer and a Director of the Company. Mr. Tiu is the Chairman and CEO of Pure Energy Holdings Corporation and the President and CEO of Philippine Power Development & Co. He is also a director of JTKC Equities, Inc. and Star Equities, Inc. He holds a Bachelor of Science degree in Mechanical Engineering from De La Salle University.

Eric Peter Y. Roxas, 61, Filipino, Director

Eric Y. Roxas is an incorporator and Director of the Company. Mr. Roxas is also a Director and Corporate Secretary of Pure Energy Holdings Corporation. Concurrently, he is the President of Husky Trading Corp., Supra Finishings Corporation, Philippine Welding Technology Skills & Services Center, Inc., and Husky Calibration Specialists, Inc. He is also a Director and Treasurer of Eagle Equities, Inc. He holds a Bachelor of Science degree in Industrial Engineering from De La Salle University**.**

Juan Kevin G. Belmonte, 60, Filipino, Independent Director

Juan Kevin G. Belmonte is an Independent Director of the Corporation. He is also currently the President and CEO of Philstar.com, a director of People Asia, and Vice Chairman of Nuvoland Philippines. He is also a director of Philstar Daily, Inc., IPVG Corporation, IP E-Games Corporation, EEI Corporation, and the Development Bank of the Philippines. He is also the current Chairman and immediate past President of the Cactus and Succulent Society of the Philippines. He was a former manager and partner of Arthur Andersen & Co. – SGV & Co., and senior consultant and manager of Andersen Consulting in Chicago, USA, and past director of BantayKalikasan and ABS-CBN Foundation Initiative. He holds a Master of Management degree from the J.L. Kellogg Graduate School of Management, Northwestern University and has a Bachelor of Arts degree in Economics from Ateneo de Manila University.

Aristides S. Armas, 79, Filipino, Independent Director

Aristides S. Armas is the President of Asia United Leasing & Finance Corporation and Asia United Fleet Management Services, Inc. He was previously the President of UCPB Leasing and Financing Corporation. He has 40 years of experience in banking and financing. He previously held executive positions in Citibank, BA Finance Corporation, UCPB Savings Bank, and United Coconut Planters Bank. He earned his Bachelor of Arts degree and Bachelor of Science degree in Commerce from the De La Salle University.

Arsenio M. Bartolome III, 83, Filipino, Independent Director

Arsenio M. Bartolome III is the Chairman and President of Amber Properties, Inc. Mr. Bartolome is likewise an independent director in I-Remit, Inc. He previously held several positions in the public sector, namely North Luzon Railway Corporation (Chairman and President), Philippine National Bank (President and Chief Executive Officer), Bases Conversion and Development Authority (First Chairman and President), Century Bank, Los Angeles, California (Chairman), PNB International Finance, Hong Kong (Chairman) and PNB Europe (Chairman). He also previously held positions in the following

private sector institutions: Urban Bank (Chairman and President), H&Q Philippine Ventures, Inc. (Chairman), First Philippine Fund, New York City (Chairman), Rizal Commercial Banking Corporation (Treasurer and Senior Vice President), Multinational Investment Bancorporation (General Manager), Citibank, Manila (Head, Treasury Group), Bancom Development Corporation (Head, Money Market Department) and Wells Farfo Bank, San Francisco, California (Negotiator, International Banking). Mr. Bartolome also served as President of the following professional associations: Management Association of the Philippines, Financial Executives of the Philippines, Asian Pacific Bankers Club, Development Bankers Association of the Philippines, and Money Market Association of the Philippines. He was also previously a director of Bankers Association of the Philippines and Philippine Chamber of Commerce and Industry, as well as governor of the Makati Stock Exchange. Mr. Bartolome has a degree in Business Administration from the University of the East (Manila). He also took up an Advanced Banking Program from American Institute of Banking (San Francisco Chapter) and a Top Management Program from the Asian Institute of Management (Manila).

Executive Officers

Harald R. Tomintz, Austrian, Chairman of the Board

Johnson A. Sanhi, Jr., Filipino, President & Chief Operating Officer

Dexter Y. Tiu, Filipino, Director and Treasurer

Please refer to the discussion on the Board of Directors above for the profiles of Messrs. Tomintz, Sanhi, and Tiu.

Rolando P. Domingo,78, Filipino, Chief Financial Officer – OIC

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

Eric Peter Y. Roxas, 61, Filipino, Director and Corporate Secretary

Rosanna T. Desiderio, 60, Filipino, Chief Information Officer and Acting Chief Compliance Officer

Rosanna T. Desiderio has been with the Company since its incorporation. She is concurrently the Accounting Manager of TMEC, COAL's wholly owned subsidiary. She is a Certified Public Accountant since 1985. She holds a Bachelor of Science degree in Accountancy from the Polytechnic University of the Philippines.

Principal Officers

Name	Nationality	Present Position	Period of Service in the Company
Harald R. Tomintz	Austrian	Chairman of the Board	July 2012-present
Johnson A. Sanhi, Jr.	Filipino	President & COO	July 21, 2014-present
Rolando P. Domingo	Filipino	Chief Financial Officer	June 2018-present
Dexter Y. Tiu	Filipino	Treasurer	June 11, 2012-present
Eric Peter Y. Roxas	Filipino	Corporate Secretary	March 24, 2025 - present
Rosanna T. Desiderio	Filipino	Chief Information Officer/ Compliance Officer	June 11, 2012-present

Significant Employees

No single person is expected to contribute more significant than others do the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's

performance. Other than standard employment contacts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

Family Relations

Mr. Dexter Y. Tiu and Alexander Y. Tiu, who are both major shareholders of the Company, are siblings. There are no other family relationships known to the Company other than the ones disclosed.

Involvement in Legal Proceedings

To the best of the Company's knowledge, there has been no occurrence during the past five (5) years of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or controlling person of the Company:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;
- any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

ITEM 10: Executive Compensation

COAL's directors and executive officers do not receive regular compensation for their services as they are seconded from TMEC.

The following table shows the aggregate compensation received by the directors and officers of the Company for calendar years 2024, 2023, and 2022.

Name and Principal Position	**Year**	**Salary**	**Bonus**	**Other Annual Compensation**
Johnson A. Sanhi, Jr. *President & COO*				
Total for the Executive Officers as a group	2024	₱1,300,000		
	2023	₱1,300,000		
	2022	₱1,300,000		
Total for the Executive Officers & Directors as a group	2024	₱1,300,000		
	2023	₱1,300,000		
	2022	₱1,300,000		

For 2024, the estimated aggregate compensation paid to all officers and directions as a group amount to ₱1,300,000.00

Compensation of Directors

Under the By-Laws, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and appropriated among the directors in such manner, as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular of special meeting of the stockholders.

Standard Arrangements and other Arrangements

As of the date of this Annual Report, the Company has no existing arrangements with members of the Board of Directors, executive officers and employees.

Employment Contracts, Termination of Employment, Change in Control of Arrangements

There are no special employment contracts between the Company and its executive officers. Furthermore, there are no special retirement plans for executives.

There is also no arrangement for compensation to be received from the Company.

Warrants and Options Outstanding

There are no outstanding warrants or options held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

ITEM 11: Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

The following persons or group are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of 31 December 2024:

Title of Class	Name and Address of Record Owner and Relationship with issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation [(1)] G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	*(see footnote)*	Filipino	799,588,000	19.99%
Common	Sterling Bank of Asia – Trust Group Sterling Bank Corporate Center	Dexter Y. Tiu Eric Y. Roxas Alexander Y. Tiu Gertim G. Chuahiong JTKC Equities, Inc.	Filipino	3,200,000,000	80.00%

[*] *PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in COAL are to be voted.*

Apart from the foregoing, there are no other persons holding more than 5% of the Company's outstanding capital stock.

Security Ownership of Management

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

Title of Class	Name and Citizenship	Amount and nature of beneficial ownership		Percent of Class
Common	Harald R. Tomintz (Austrian)	1,000	Direct	0.00
Common	Dexter Y. Tiu (Filipino)	640,000,000	Direct	16.00
Common	Johnson A. Sanhi, Jr. (Filipino)	1,000	Direct	0.00
Common	Eric Y. Roxas (Filipino)	640,200,000	Direct	16.00
Common	Arsenio M. Bartolome III (Filipino)	1	Direct	0.00
Common	Juan Kevin G. Belmonte (Filipino)	1	Direct	0.00
Common	Aristides Armas (Filipino)	210,001	Direct	0.00
Common	Rosanna Desiderio (Filipino)	1	Direct	0.00
Common	All directors and executive officers as a group	1,280,412,004		32.00

ITEM 12: Certain Relationships and Related Transactions

Transactions with and/or Dependence on Related Parties

The Company has no other transactions with other parties (outside the definition of "related parties ") that the Company or its related parties have relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly dependent, parties on arm's length basis, other than the following;

- TMEC has transactions with related parties, Pacifico Sul Mineracao pertaining to working capital purposes. These advances are unsecured, non-interest bearing and generally settled in cash and payable on demand.

- TMEC also leases office space from JTKC Equities, Inc. Dexter Y. Tiu, a director of both TMEC and COAL and a major stockholder of COAL, and Alexander Y. Tiu, a major stockholder of COAL, are also stockholders of JTKC Equities, Inc.

PART IV - CORPORATE GOVERNANCE

ITEM 13: Corporate Governance

The Company's Revised Corporate Governance Manual (the "Manual") was approved by the Board of Directors on May 30, 2017, in compliance with SEC Memorandum Circular No. 19, series of 2016. The Manual is a supplement to the Company's By-Laws.

Other portions of this Corporate Governance Section have been deleted pursuant to SEC Memorandum Circular No. 5, Series of 2013. The Integrated Annual Corporate Governance of the Corporation will be submitted to the SEC and PSE on or before May 30, 2024.

PART V - EXHIBITS AND SCHEDULES

Item 14: Exhibits and Reports on SEC Form 17-C

Exhibits

Please refer to the attached audited consolidated financial statements of the Company as at and for the year ended December 31, 2024, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes, Tacandong & Co.

Reports on SEC Form 17-C

The Company filed the following reports on 17-C for the calendar year 2024:

Date of event reported	Subject Matter
May 13, 2024	Annual Stockholders' Meeting Schedule and Record Date
May 23, 2024	Amendment of Articles of Incorporation
May 24, 2024	Board Approval of the Amendment of Articles of Incorporation
July 01, 2024	Results of Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on 28 APR 2025, 20___.

By:

HARALD R. TOMINTZ
Chairman of the Board

JOHNSON A SANHI JR.
President

ROLANDO P. DOMINGO
Chief Financial Officer

ERIC PETER Y. ROXAS
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 28 APR 2025 day of MAKATI CITY affiant(s) exhibiting to me his/ their Tax Identification Number, as follows:

NAMES	TAX IDENTIFICATION NUMBER
HARALD R. TOMINTZ	123-069-283-000
JOHNSON A SANHI JR.	105-618-140-000
ROLANDO P. DOMINGO	105-777-920-000
ERIC PETER Y. ROXAS	106-207-301-000

Notary Public

Doc. No. 343
Page No. 70
Book No. XVII
Series of 2025.

ATTY. RENE MA. M. VILLA
Notary Public of Makati City
Appointment No M-110
(Ren) (2025 2026)
Until December 31, 2026
PTR No.10467471, 01-03-2025; Makati City
IBP Lifetime No 013595, 12-27 2013, I C
Roll No 37226
MCLE Compliance No VIII-0012754, 08-27-2024
Ground Floor, Makati Terraces Condominium
3650 Davila St., Tejeros, Makati City

C	S	2	0	1	2	0	3	1	4		

SEC Registration Number

COAL ASIA HOLDINGS INCORPORATED
AND SUBSIDIARY

(Company's Full Name)

3F JTKC Centre 2155 Chino Roces
Avenue, Makati City

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

Johnson A. Sanhi Jr.	8818-8892
(Contact Person)	(Company Telephone Number)

1	2	3	1
Month	*Day*		
(Fiscal Year)			

	1	7	–	Q	

(Form Type)

0	4	3	0
Month	*Day*		
(Annual Meeting)			

(Secondary License Type, If Applicable)

CFD
Dept. Requiring this Doc.

Amended Articles Number/Section

19
Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

COAL ASIA HOLDINGS INCORPORATED

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

1. For the quarterly period ended **September 30, 2025**

2. Commission identification number **CS201210314**

3. BIR TIN: **008–297–271–000**

4. Exact name of issuer as specified in its charter **COAL ASIA HOLDINGS INCORPORATED**

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

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

7. Address of issuer's principal office Postal Code: **1230**

3RD Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City

8. Issuer's telephone number, including area code **(02)8813-8992**

9. Former name, former address and former fiscal year, if changed since last report **N.A.**

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	**40,000,000,040**

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

Yes [x] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange – Common Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)–1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.
Yes [x] No [ ]

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1 – Consolidated Financial Statements

a. Unaudited Interim Consolidated Statements of Financial Position
b. Unaudited Interim Consolidated Statements of Comprehensive Income
c. Unaudited Interim Consolidated Statements of Changes in Equity
d. Unaudited Interim Consolidated Statements of Cash Flows
e. Selected Notes to Unaudited Consolidated Financial Statements

Item 2 – Management Discussion and Analysis of Financial Conditions and Results of Operations

PART II – OTHER INFORMATION

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2025

(With Comparative Figures as of December 31, 2024)

	Note	**Unaudited September 30, 2025**	Audited December 31, 2024
ASSETS			
Current Assets			
Cash and cash equivalents	5	**727,011**	790,316
Advances to related parties	15	**3,497,495**	2,050,940
Funds held in escrow	6	–	–
Other current assets	7	**41,150**	–
Total Current Assets		**4,265,656**	2,841,256
Noncurrent Assets			
Coal reserves and exploration asset	4	**2,286,431,394**	2,286,431,394
Exploration and evaluation asset	8	–	–
Property and equipment	9	**26,604,080**	37,403,605
Net deferred tax assets	18	–	–
Other noncurrent asset	7	**1,089,465**	1,089,465
Total Noncurrent Assets		**2,314,124,939**	2,324,924,464
		2,318,390,595	2,327,765,720
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	10	**11,714,919**	13,348,567
Advances from related parties	15	**82,782,496**	75,635,941
Income tax payable		–	–
Total Current Liabilities		**94,497,415**	88,984,508
Noncurrent Liabilities			
Retirement benefits liability	14	**540,425**	540,425
Net deferred tax liability	10	**1,179,796**	1,179,796
Total Noncurrent Liabilities		**1,720,221**	1,720,221
Total Liabilities		**96,217,636**	90,704,729
Equity			
Capital stock		**4,000,000,004**	4,000,000,004
Deficit		**(1,781,155,967)**	(1,766,267,935)
Other equity reserve	14	**3,328,922**	3,328,922
Total Equity		**2,222,172,959**	2,237,060,991
		2,318,390,595	2,327,765,720

See accompanying Notes to Consolidated Financial Statements

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

(With Comparative Figures for the Year Ended December 31, 2024)

	Note	**Unadited** **September 30, 2025**	Audited December 31, 2024
GENERAL AND ADMINISTRATIVE EXPENSES	13	**(14,889,408)**	(22,272,894)
PROVISION FOR IMPAIRMENT LOSS ON EEA		–	(936,045,824)
INTEREST INCOME	5	**1,376**	8,360
OTHER INCOME		–	–
LOSS BEFORE INCOME TAX		**(14,888,032)**	(233,339,981)
PROVISION FOR (BENEFIT FROM) INCOME TAX	19		
Current		**–**	11,250
Deferred		**–**	(12,448)
		–	(1,198)
NET LOSS		**(14,888,032)**	(233,338,783)
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods			
Remeasurement gain (loss) on retirement benefits liability - net of deferred tax	15	**–**	–
Effect of change in tax rate		**–**	–
		–	–
TOTAL COMPREHENSIVE LOSS		**(14,888,032)**	(233,338,783)
BASIC/DILUTED LOSS PER SHARE	19	**(0.00)**	(0.058)

See accompanying Notes to Consolidated Financial Statements

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

(With Comparative Figures for the Nine Months Ended June 30, 2024)

		Unaudited September 30	
	Note	**2025**	2024
GENERAL AND ADMINISTRATIVE EXPENSES	13	**(14,889,408)**	(15,627,291)
INTEREST EXPENSE	12	–	–
INTEREST INCOME	5	**1,376**	1,351
LOSS BEFORE INCOME TAX		**(14,888,032)**	(15,625,940)
PROVISION FOR (BENEFIT FROM) INCOME TAX	19		
Current		**–**	–
Deferred		**–**	–
		–	–
NET LOSS		**(14,888,032)**	(15,625,940)
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods			
Remeasurement gain (loss) on retirement benefits liability - net of deferred tax	15	**–**	–
TOTAL COMPREHENSIVE LOSS		**(14,888,032)**	(15,625,940)
BASIC/DILUTED LOSS PER SHARE	19	**(0.00)**	(0.0039)

See accompanying Notes to Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025
(With Comparative Figures for the Three Months Ended September 30, 2024)

		Unaudited September 30	
	Note	**2025**	2024
GENERAL AND ADMINISTRATIVE EXPENSES	13	**(5,345,732)**	(4,952,419)
INTEREST EXPENSE	12	–	–
INTEREST INCOME	5	**458**	537
LOSS BEFORE INCOME TAX		**(5,345,274)**	(4,951,882)
PROVISION FOR (BENEFIT FROM) INCOME TAX	19		
Current		**–**	–
Deferred		**–**	–
		–	–
NET LOSS		**(5,345,274)**	(4,951,882)
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods			
Remeasurement gain (loss) on retirement benefits liability - net of deferred tax	15	**–**	–
TOTAL COMPREHENSIVE LOSS		**(5,345,274)**	(4,951,882)
BASIC/DILUTED LOSS PER SHARE	19	**(0.00)**	(0.0012)

See accompanying Notes to Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(With Comparative Figures for the Year Ended December 31, 2024)

	Note	**Unaudited** **September 30, 2025**	Audited December 31, 2024
CAPITAL STOCK - 1 par value			
Authorized - 50,000,000,000 shares			
Issued and outstanding - 40,000,000,004 shares		**4,000,000,004**	4,000,000,004
DEFICIT			
Balances at beginning of year		**(1,766,267,935)**	(807,969,084)
Net loss		**(14,888,032)**	(958,298,851)
Balances at end of year		**(1,781,155,967)**	(1,766,267,935)
OTHER COMPREHENSIVE INCOME (LOSS)			
Balances at beginning of year	15	**3,328,922**	3,328,922
Effect of change in tax rate			**–**
Remeasurement gain (loss) on retirement benefits liability		**–**	**–**
Balances at end of year		**3,328,922**	3,328,922
		2,222,172,959	2,237,060,991

See accompanying Notes to Consolidated Financial Statements

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

(With Comparative Figures for the Nine Months Ended September 30, 2024)

		Unuadited September 30	
	Note	**2025**	2024
CAPITAL STOCK - 1 par value			
Authorized - 50,000,000,000 shares			
Issued and outstanding - 40,000,000,004 shares		**4,000,000,004**	4,000,000,004
DEFICIT			
Balances at beginning of year		**(1,766,267,935)**	(807,969,084)
Net loss		**(14,888,032)**	(15,625,940)
Balances at end of year		**(1,781,155,967)**	(823,595,024)
OTHER COMPREHENSIVE INCOME (LOSS)			
Balances at beginning of year	15	**3,328,922**	3,328,922
Remeasurement gain (loss) on retirement benefits liability		**–**	–
Balances at end of year		**–**	3,328,922
		2,222,172,959	3,179,733,902

See accompanying Notes to Consolidated Financial Statements

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(With Comparative Figures for the NineMonths Ended September 30, 2024

		Unaudited September 30	
	Note	**2025**	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(14,888,032)**	(15,625,940)
Adjustments for:			
Provision for probable loass on input VAT		**–**	–
Depreciation and amortization	9	**11,280,377**	12,975,665
Interest income	5	**(1,376)**	(1,351)
Retirement benefits cost		**540,425**	–
Operating loss before change in working capital		**(3,068,606)**	(2,651,626)
Decrease (increase) in:			
Funds held in escrow		**–**	–
Other current assets		**41,150**	(68,940)
Restricted cash		**–**	–
Increase (decrease) in trade and other payables		**(2,737,225)**	9,989
Net cash generated from (used for) operations		**(5,764,681)**	(2,710,577)
Income tax paid		**–**	(11,250)
Interest received		**1,376**	1,351
Net cash provided by (used in) operating activities		**(5,763,304)**	(2,720,476)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances to related parties		**(1,446,555)**	(1,300,000)
Other non-current assets		**–**	(759,600)
Collections (advances) to related parties		**–**	–
Net cash used in investing activities		**(1,446,555)**	(2,059,600)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from advances from related parties		**7,146,555**	5,260,560
Payment of loan		**–**	–
Net cash provided by (used in) financing activities		**7,146,555**	5,260,560
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(63,305)**	480,484
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**790,316**	506,818
CASH AND CASH EQUIVALENTS AT END OF YEAR		**727,011**	987,302

See accompanying Notes to Consolidated Financial Statements

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2025 AND DECEMBER 31, 2024
AND FOR THE PERIOD ENDED SEPTEMBER 30, 2025 AND DECEMBER 31, 2024

1. **Corporate Information**

General Information

Coal Asia Holdings Incorporated (the Parent Company or CAHI) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 11, 2012. The Parent Company was organized primarily as a holding company of Titan Mining and Energy Corporation (the Subsidiary or TMEC) in which it owns 100%. The Parent Company and TMEC are collectively referred to as "the Group".

TMEC was incorporated and registered with the SEC on November 11, 2008. TMEC is engaged in the operations of coal mining and energy related business.

On October 23, 2012, the Parent Company became a publicly listed company. As at December 31, 2019 and 2018, 4,000,000,004 common shares of the Parent Company at ₱1 par value were listed in the Philippine Stock Exchange (PSE). Of those shares, 20% were publicly-owned.

As at June 30, 2025 and December 31, 2024, 4,000,000,004 common shares of the Parent Company at P=1 par value are listed in the Philippine Stock Exchange (PSE). Of those shares, 20% are publicly-owned.

The Board of Directors (BOD) and the stockholders of the Parent Company approved the amendment of its articles of incorporation on May 23, 2024 and July 1, 2024, respectively, for the following:

- Change in primary purpose that the Parent Company is organized primarily as a holding company to engage in different sources of energy and technologies for power or energy generation.

- Decrease in the par value of shares of stock from ₱1.00 to ₱0.10 per share with corresponding increase in the number of shares from 5 billion to 50 billion shares.

On February 18, 2025, the amended articles of incorporation was approved by the SEC.

The registered office address of the Parent Company and the Subsidiary is 3rd Floor, JTKC Center, 2155 Chino Roces Avenue, Makati City.

Status of Operations

As at March 31, 2020, the Group has two Coal Operating Contracts (COC) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166).

COC No. 159. On August 30, 2018, the Department of Energy (DOE) has re-evaluated the coal reserves in commercial quantity on Sagasa Area considering the corrected dipping angle of each coal seam, revised coal intercepts and number of coal seams, specific gravity of 1.4, inclusion of coal outcrops, and additional information on longitudinal sections. The Group agreed on the revised coal reserves and provided revised Five-Year Coal Development and Production Work Program and Budget, and revised Feasibility Study in accordance with the agreed delineated coal reserves on December 21, 2018.

On September 11, 2018, the Group submitted the required documents to the National Commission on Indigenous People (NCIP) for the issuance of Certificate of Precondition (CP). The CP is the final requirement for the conversion of COC No. 159.

On December 14, 2018, TMEC received the original copy of CP and the certified true copy approving the CP from the NCIP.

On December 11, 2019, TMEC received the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the CP (for Development and Production Phase) or Certificate of Non-Overlap (CNO) from the NCIP. The COC No. 159 for Development and Production Phase shall be effective from date hereof for a period of ten (10) years, and should there be remaining mineable reserves, extendible for another ten (10) years and thereafter renewable for a series of three (3) year periods not exceeding twelve (12) years under such terms and condition as may be agreed upon by the DOE and the Contractor.

COC No. 166. On September 18, 2018, TMEC has re-submitted the Five-Year Work Program in support for the processing of its application for the conversion of its COC.

On September 4, 2019, the Group requested for a suspension of the conversion to development and production phase due to difficulties in complying with its obligations due to peace and order in the area.

On December 9, 2019, the DOE required the TMEC to substantiate with supporting documents the above cited problems encountered, specifically documents attesting that TMEC has an existing application for Environmental Compliance Certificate (ECC) from the EMB-DENR, certification from concerned law enforcement units as to the peace and order problem in the area, and proof to the other constraints that TMEC has stated that hinder its compliance with its obligations for COC conversion.

The delays have significantly reduced the Group's operating funds. These conditions indicate a material uncertainty that may cast a significant doubt on the Group's ability to commence commercial operations and continue as a going concern.

Moreover, a stockholder representing majority of the stockholders has committed to provide continuous financial support to meet not only TMEC's pre-operating activities but also the start-up of the development and production phase when the CNO from NCIP has been obtained.

2. Summary of Significant Accounting and Reporting Policies

Basis of Preparation

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

Measurement Bases

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

The consolidated financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

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 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 on the most advantageous market must be accessible to 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 best interest.

A fair value measurement of nonfinancial 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.

Further information about the assumptions made in measuring fair value is included in Note 16.

Adoption of New and Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Group adopted effective for annual periods beginning on or after January 1, 2019:

- PFRS 16, *Leases*

  PFRS 16 replaced PAS 17, *Leases*, IFRIC 4, *Determining whether an Arrangement contains a Lease*, Standard Interpretations Committee (SIC)-15, *Operating Leases-Incentives,* and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. PFRS 16 requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard provides two recognition exemptions for lessees from this PFRS – leases of low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less).

  At the commencement date of a lease, the lessee shall recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The lessee is required to recognize the interest on the lease liability and to depreciate the right-of-use (ROU) asset.

  The lease liability shall be reviewed when there are changes in the lease term and other events affecting the lease, such as future lease payments resulting from a change in the index or rate used to determine those payments. The remeasurement of the lease liability should be recognized as an adjustment to the ROU asset.

  Lessor accounting under PFRS 16 is substantially unchanged from accounting under PAS 17. The lessor shall continue to classify leases using the same classification principle as in PAS 17 to distinguish the two types of leases: operating and finance leases.

  The Group's lease agreements covering the office space have terms of twelve (12) months, renewable upon the agreement of both parties and do not contain any purchase options. The Group assessed that it is not reasonably certain to exercise the renewal option on the leases. Accordingly, the Group decided to apply the recognition exemption on short-term leases and the related lease expenses are recognized in the profit or loss on a straight-line basis.

  The Group has adopted PFRS 16 using the modified retrospective method, which requires that the cumulative effect of applying the new standard is recognized at the beginning of the year of initial application. Accordingly, the comparative information presented for 2018 have not been restated.

- Philippine Interpretation IFRIC 23, *Uncertainty Over Income Tax Treatments* – The interpretation provides guidance on how to reflect the effects of uncertainty in accounting for income taxes under PAS 12, *Income Taxes,* in particular (i) matters to be considered in accounting for uncertain tax treatments separately, (ii) assumptions for taxation authorities' examinations, (iii) determinants of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and (iv) effect of changes in facts and circumstances.

- Amendments to PAS 19, *Employee Benefits - Plan Amendment, Curtailment or Settlement* – The amendments specify how companies remeasure a defined benefit plan when a change - an amendment, curtailment or settlement - to a plan takes place during a reporting period. It requires entities to use the updated assumptions from this remeasurement to determine current service cost and net interest cost for the remainder of the reporting period after the change to the plan.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS did not have any material effect on the consolidated financial statements of the Group. Additional disclosures were included in the notes to consolidated financial statements, as applicable.

Several other amendments apply for the first time in 2019, but are not relevant on the consolidated financial statements of the Group.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at December 31, 2019 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2020:

- Amendments to References to the Conceptual Framework in PFRS – The amendments include a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance-in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurements uncertainty in financial reporting. The amendments should be applied retrospectively unless retrospective application would be impracticable or involve undue cost or effort.

- Amendments to PFRS 3 - *Definition of a Business* – This amendment provides a new definition of a "business" which emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. To be considered a business, 'an integrated set of activities and assets' must now include 'an input and a substantive process that together significantly contribute to the ability to create an output'. The distinction is important because an acquirer may recognize goodwill (or a bargain purchase) when acquiring a business but not a group of assets. An optional simplified assessment (the concentration test) has been introduced to help companies determine whether an acquisition is of a business or a group of assets.

- Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material* – The amendments clarify the definition of "material" and how it should be applied by companies in making materiality judgments. The amendments ensure that the new definition is consistent across all PFRS standards. Based on the new definition, an information is "material" if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

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 a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

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

Basis of Consolidation

The consolidated financial statements include the accounts of wholly-owned subsidiary and the Parent Company.

Subsidiary. Subsidiary is an entity controlled by the Parent Company. The consolidated financial statements include the accounts of the Parent Company and its subsidiary, TMEC. The Parent Company has control when it is exposed, or has right, to variable returns from its involvement with the investee and it has the ability to affect those returns through its powers over the investee.

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

Transactions Eliminated on Consolidation. All intra-group balances, transactions, income and expenses and unrealized gains and losses are eliminated in full.

Accounting Policies of a Subsidiary. The consolidated financial statements of the subsidiary are prepared for the same reporting year using uniform accounting policies as that of the Parent Company.

Financial Assets and Liabilities

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

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

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

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification of financial assets largely depends on the Group's business model and its contractual cash flow characteristics. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at the end of this quarter, the Group does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at the end of this quarter, the Group's cash and cash equivalents, advances to related parties, receivables from incidental sale of coal and other receivables presented under "Other current assets" account and restricted cash presented as "Other noncurrent asset" account are classified under this category.

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

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

As at the end of this quarter, the Group has classified its trade and other payables (excluding statutory payables), and advances from related parties under this category.

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

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

Impairment of Financial Assets at Amortized Cost
The Group records an allowance for impairment losses on its financial assets measured at amortized cost based on expected credit loss (ECL).

ECL is the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for receivables on which credit risk has not increased significantly since initial recognition and for debt instruments that are determined to have low credit risk at the reporting date.

12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. ECL for credit-impaired financial assets is based on the difference between the gross carrying amount and present value of estimated future cash flows.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Receivable from Incidental Sale of Coal and Other Receivables. The Group has applied the simplified approach in measuring the ECL on accounts receivable from incidental sale of coal. Simplified approach requires that ECL should always be based on the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Other Financial Instruments Measured at Amortized Cost. For these financial instruments, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

Derecognition of Financial Assets and Liabilities

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

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

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

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

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

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

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying amount of the original liability and fair value of the new liability is recognized in profit or loss.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

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

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

- Deliver cash or another financial asset to another entity;

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

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

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

Otherwise, the financial instrument is classified as equity.

Other Current Assets

Other current assets mainly include input value-added tax (VAT), advances to officers and employees and prepayments.

Input VAT. Input VAT represents tax imposed on the Group by its suppliers for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset the Group's current VAT liability.

Advances to Officers and Employees. Advances to officers and employees pertain to expenses paid by the Group on behalf of its officers and employees. These are initially recorded at transaction price including transaction costs. Subsequently, these are charged to expense once liquidated.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepayments that are expected to be realized for not more than 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

Coal Reserves

Coal reserves are proven and probable coal reserves, which are defined as the estimated quantities of coal which geological data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Coal reserves are carried at historical cost less impairment losses, if any. Coal reserves are amortized upon the commencement of production on a unit of production basis, which is the ratio of coal production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period. Costs used in the unit of production calculation comprise the net book value of capitalized costs plus the estimated future development costs. Changes in the estimates of coal reserves or future development costs are accounted for prospectively.

Exploration and Evaluation Asset

Pre-license costs. Pre-license costs relate to costs incurred before the Group has obtained the legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analyzing that data. These costs are expensed in the period in which these are incurred.

Exploration and Evaluation Asset. Exploration and evaluation asset is carried at cost less accumulated impairment losses, if any.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the coal resource.

Exploration and evaluation activity includes:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the coal resource.

Exploration and evaluation expenditures are recognized as asset when future economic benefit is more likely than not to be realized. These costs include materials and fuels used, surveying costs, drilling costs and payments made to contractors. The Group capitalizes any further evaluation costs incurred to exploration and evaluation asset up to the point when a commercial reserve is established. Capitalized exploration and evaluation asset is considered as tangible assets.

Exploration and evaluation asset is transferred to development cost under "Property and equipment" account in the consolidated statements of financial position when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and evaluation asset is assessed for impairment before these are reclassified. Any impairment loss is recognized in profit or loss.

No amortization was charged during the exploration and evaluation phase.

Property and Equipment

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

The initial cost of property and equipment consists of its purchase price, including import duties, and other costs directly attributable to bring the asset to its working condition and location for its intended use. Cost also includes the cost of replacing parts such as property and equipment when the asset recognition criteria are met and the present value of the estimated cost of dismantling and removing the asset and restoring the site where the asset is located.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to current operations. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation is calculated on the straight-line basis over the estimated useful lives of the property and equipment as shown below:

	Number of Years
Drilling equipment	10
Land improvements	10
Laboratory and camp buildings	10
Survey equipment and machineries	3
Laboratory and testing equipment	5
Transportation equipment	5
Office furniture and equipment	3

The estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized to profit or loss.

Fully depreciated assets are retained in the accounts until these are no longer in use and no further change for depreciation is made in respect of these assets.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less cost of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting 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. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Exploration and Evaluation Asset. Exploration and evaluation asset is assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. One or more of the following facts and circumstances indicate that exploration and evaluation assets require impairment test.

a. The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;

b. substantive expenditure on further exploration for and evaluation of coal reserves in the specific area is neither budgeted nor planned;

c. exploration for and evaluation of coal reserves in the specific area have not led to the discovery of commercially viable qualities of coal reserves and the entity has decided to discontinue such activities in the specific area;

d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Capital Stock
Capital stock is measured at par value for all shares issued and paid.

Deficit
Deficit represents the cumulative balance of net losses.

Other Comprehensive Income
Other comprehensive income comprises of items of income and expense that are not recognized in profit or loss in accordance with PFRS. This pertains to cumulative remeasurement gain on retirement benefits liability.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group perform its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

Interest Income. Interest income is recognized as the interest accrues taking into account the effective yield on the asset, net of final tax.

Gain on Incidental Sale of Coal. Gain on incidental sale of coal is recognized when risks and rewards of ownership of goods have passed to the buyer and the amount of revenue can be measured reliably.

Other Income. Income from other sources is recognized when earned during the period.

Cost and Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

General and Administrative. General and administrative expenses constitute cost of administering the business. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method.

Leases

Accounting Policies beginning January 1, 2019

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customers has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

At the commencement date, the Group recognizes ROU asset and a lease liability for all leases, except for leases with lease terms of twelve (12) months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

Accounting Policies before January 1, 2019

Leases where the lessor retains substantially all the risk and rewards of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Cost. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs, past service costs and income, gains and losses on curtailments and non-routine settlements; and interest expense in profit or loss. Net interest is calculated by applying the discount rate to the net retirement liability or asset.

Past service costs and income are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment; and the date that the Group recognizes restructuring-related costs.

Remeasurement comprising actuarial gains and losses is recognized immediately in OCI in the period in which they arise. Remeasurement is not reclassified to profit or loss in subsequent periods.

The retirement benefits liability is the present value of the retirement liability. The present value of the defined benefit obligation (DBO) is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement benefits liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized. Deferred tax, however, is not recognized when it 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on the tax rate and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the net loss for the period attributable to equity holders of the Group by the weighted average number of issued and outstanding and subscribed common shares during the period, with retroactive adjustment for any stock dividends declared. Diluted loss per share is computed in the same manner, adjusted for the effects of convertible securities. The Group has no dilutive instruments.

Segment Reporting

Operating segments are components of the Group: (a) that engage in business activities from which they may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

For purposes of segment reporting, the Group's operating segment is related to mining operations (see Note 20).

Provisions and Contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Group's financial position at the end of reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements in compliance with PFRS requires management to exercise judgment, make estimates and assumptions that affect amounts reported in the consolidated financial statements and related notes. Judgment and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these estimates.

While the Group has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgment, accounting estimates and assumptions made by the Group:

Assessing Going Concern. As discussed in Note 1 to the consolidated financial statements, there are delays in the Group's conversion (through its subsidiary, TMEC) of its COC to the Development and Production Phase. The delays have significantly reduced the Group's operating funds.

A stockholder representing majority of the stockholders has committed to provide continuous financial support to meet not only TMEC's pre-operating activities but also the start-up of the development and production phase when the CNO from NCIP has been obtained.

Determining Operating Segments. Determination of operating segments is based on the information about components of the Group that management uses to make decisions about the operating matters. Operating segments use internal reports that are regularly reviewed by the Group's chief operating decision maker. The Group is organized into one reportable segment which is related to coal mining operations. All significant operating decisions are based upon the analysis of the Group as one segment.

Classifying Lease Commitment - Group as a Lessee. The Group has lease agreement for its office space. The Group has determined that the risk and rewards of ownership related to the leased property are retained by the lessor. Accordingly, the lease is accounted as operating lease.

Rent expense amounted to Nil since 2020 (see Note 19).

Assessing ECL on Financial Assets at Amortized Cost. The Group estimates ECL of receivables from incidental sale of coal and other receivables using provision matrix. The provision rates are based on days past due for groupings of receivables with similar credit risk characteristics and loss patterns. The provision matrix is based on the Group's historical default rates and is adjusted for forward-looking estimates, as appropriate. The Group has no observed default experience from receivables from incidental sale of coal, receivable from an officer and other receivables. Consequently, the resulting lifetime ECL on receivables from incidental sale of coal, receivable from an officer and other receivables is considered not significant.

The Group's advances to related parties are non-interest bearing and payable on demand. These exposures are considered to be in default when there is evidence that the related party is in significant financial difficulty such that it will have insufficient liquid assets to repay its obligation upon demand. This is assessed based on a number of factors including key liquidity and solvency ratios. Relying on the 90 days past due rebuttable presumption is not considered an appropriate backstop indicator given the lack of contractual payment obligations due throughout the life of the advances. After taking into consideration the related parties' ability to pay depending on the sufficiency of liquid assets and available forward-looking information, the risk of default of the related parties are assessed to be minimal.

For cash and cash equivalents, time certificates of deposit included in funds held in escrow and restricted cash, the Group applies low credit risk simplification. It is the Group's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The resulting ECL for these financial assets is considered insignificant because the counterparty banks have no history of default and have good credit ratings.

Financial assets at amortized cost are considered as credit-impaired when contractual payments are 90 days past due and the counterparty is unlikely to settle its obligation to the Group, as evidenced by the following, among others:

- Significant financial difficulty or insolvency;
- Breach of financial covenants;
- Probability that the counterparty will enter bankruptcy or other financial reorganization.

No provision for impairment losses on the Group's financial assets at amortized cost was recognized in September 30, 2025 and 2024.

The carrying amounts of financial assets at amortized cost that were subjected to ECL assessment are disclosed in Note 15.

Estimating Coal Reserves. The Group estimates its coal reserves based on information compiled by competent persons on geological and technical data on the size, depth, shape and grade of the mineral body and suitable production techniques and recovery rates. The analysis requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of commodity prices, foreign exchange rates, future capital requirements, discount rate, and production costs along with geological assumptions and judgments made in estimating the size and grade of the mineral body.

Management assumes conservative forecasted sales prices, based on current and long-term historical average price trends. Conservative forecasted sales price assumptions generally result in lower estimates of reserves.

As the economic assumptions used may change and as additional geological information is obtained during the exploration and evaluation of the mine properties, estimates of reserves may change. The changes may impact the Group's reported financial position and results which include:

- The carrying amounts of exploration and evaluation asset and property and equipment may be affected due to changes in estimated future cash flows; and
- The recognition and carrying amount of deferred tax assets may change due to changes in the judgment regarding the existence of such assets and in estimates of the likely recovery of such assets.

Capitalizing Exploration and Evaluation Expenditure. The capitalization of exploration and evaluation expenditure requires judgment in determining whether there are future economic benefits from future exploitation or sale of coal reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

As at September 30, 2025 and December 31, 2024, exploration and evaluation asset is both amounted to ₱90,881,117.

Estimating Useful Lives of Property and Equipment. The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property 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, estimation of the useful lives of property and equipment are based on collective assessment of industry practice, 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 factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Based on management's assessment, there is no change in estimated useful lives of property and equipment in 2024, 2023 and 2022. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

Depreciation and amortization presented under "General and administrative expenses" account amounted to ₱11,280,377, ₱17,300,887 and ₱17,300,887 in September 30, 2025, December 31, 2024 and 2023, respectively. As at the end of this quarter, depreciable property and equipment, net of accumulated depreciation and amortization amounted to ₱7.07 million (see Note).

Assessing Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends;
- Significant changes or planned changes in the use of the assets;
- Significant changes in the estimation of coal reserves;

- Expiration of the right to explore the areas;
- Significant unbudgeted or unplanned expenditures for exploration and evaluation; and
- Management's decision to discontinue activities in specific areas.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Recoverable amount of an asset is higher of is its fair value less costs to sell or value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the Group's expected mining operations. The estimated cash flows are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

No impairment loss on other nonfinancial assets was recognized in September 30, 2025 and December 31, 2024. The carrying amounts of other nonfinancial assets are as follows:

	Note	**June 30, 2025**	December 31, 2024
Coal reserves and exploration asset	4	**₱2,286,431,394**	₱2,286,431,394
Exploration and evaluation asset	8	**–**	–
Property and equipment	9	**26,604,080**	37,403,605
Advances to officers and employees and prepayments*	7	**41,150**	–

**Presented under "Other current assets" account.*

Assessing Recoverability of Input VAT. The carrying amount of input VAT is adjusted to the extent that it is probable that revenue subject to output VAT will be available to allow all or part of the input VAT to be utilized. Any allowance for probable loss is maintained at a level considered adequate to provide for potentially probable loss. The level of allowance is based on past application experience and other factors that may affect recoverability.

Estimating Retirement Benefits Cost. The determination of the obligation and cost of retirement and other long-term employee benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 13 to the consolidated financial statements and include, among others, discount rates and salary increase rates. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

Recognizing Deferred Tax Assets. The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Group recognized deferred tax assets amounting to Nil as at December 31, 2024 and 2023 as management has assessed that the Group may not be able to utilize these deductible temporary differences against future taxable income.

4. **Coal Reserves**

The balances and movements of this account are as follows:

	2024		
	COC No. 159	COC No. 166	Total
Coal Reserves			
Balance at beginning and end of year	₱1,705,785,888	₱1,425,810,213	₱3,131,596,101
Exploration and Evaluation Asset			
Balance at beginning and end of year	580,645,506	56,580,572	637,226,078
	2,286,431,394	1,482,390,785	3,768,822,179
Allowance for Impairment Loss			
Balance at beginning of year	–	546,344,961	546,344,961
Provision for impairment loss	–	936,045,824	936,045,824
Balance at end of year	–	1,482,390,785	1,482,390,785
Carrying Amount	₱2,286,431,394	₱–	₱2,286,431,394

The Parent Company acquired TMEC in 2012 (see Note 1) in exchange for the Parent Company's common shares valued at ₱3,200.0 million. Of the total consideration, the Parent Company allocated ₱3,131.6 million as coal reserves.

In 2012, the Group obtained an independent valuation report to estimate the value of TMEC's coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information. The fair value measurement used is categorized as Level 2 using Market Approach. The inputs used to determine the market value of Group's coal reserves include location characteristics, size, time element, quality and marketability.

Exploration and evaluation asset are costs incurred on the mining properties situated in the provinces of Davao Oriental and Zamboanga Sibugay, Philippines.

COC Nos. 159 and 166 provide a minimum work expenditure on obligations covered by the work program at the exploration phase (see Note 17). The recovery of these costs depends on the conversion of the COCs to development and production phase.

Impairment Assessment on Coal Reserves and Exploration and Evaluation Asset

The Group carried out a review of the recoverable amount of its coal reserves and exploration and evaluation asset due to the delays in obtaining the necessary approval of its COCs from the Government which has significantly reduced the Group's operating funds and resulted to continuing net losses. The impairment test is based on value in use calculations using discounted cash flow approach. The key assumptions used to determine the value in use of the nonfinancial assets include the projected coal price, foreign exchange rate, discount rate and estimated volume of coal reserves. The discount rates used are 11.48%, 10.35% and 10.58% in 2024, 2023 and 2022, respectively.

The cash flow projections, which have a period of five years, are based on the most recent feasibility study approved by the senior management. The values assigned to each key assumption are estimated with reference to recent external market information and take 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.

In 2023, management assessed that the recoverable amount of the coal reserves and exploration and evaluation asset related to COC No. 166 is lower than its aggregate carrying amount and recognized an impairment loss of ₱211.9 million. The recognition of the impairment loss is driven by the reduction in coal price and unplanned expenditures caused by the delays in the conversion of COCs and start of commercial operations.

In 2024, management assessed that the carrying amount of the coal reserves and exploration and evaluation asset related to COC No. 166 is fully impaired and recognized an additional impairment loss of ₱936.0 million. The recognition of the additional impairment loss is driven by the notice from the DOE informing TMEC of the term expiration of COC No. 166 (see Notes 1 and 17).

Movement in the allowance for impairment loss is as follows:

	September 30, 2025	December 31, 2024
Balance at beginning of year	**₱1,482,390,785**	₱546,344,961
Provision	**–**	936,045,824
Balance at end of year	**₱1,482,390,785**	₱1,482,390,785

The recoverable amount as at September 30, 2025 and December 31, 2024, based on the discounted cash flow approach, is classified as Level 3 of the fair value hierarchy. Management also believes that no reasonably possible change in any of the key assumptions would cause in a significantly higher or lower fair value measurement.

5. Cash and Cash Equivalents

This account consists of:

	September 30, 2025	December 31, 2024
Cash on hand	**₱15,000**	₱15,000
Cash in banks	**712,011**	790,316
Cash equivalents	**–**	–
	₱727,011	₱790,316

Cash in banks earn interest at the prevailing market interest rates.

Cash equivalents refer to a two-month time deposit in a local bank which earns interest of 2.5% annually.

Interest income consists of:

	Note	**September 30, 2025**	December 31, 2024	December 31, 2023
Cash in banks		**₱1,376**	₱1,820	₱1,171
Cash equivalents		**–**	–	–
Funds held in escrow	6	**–**	–	–
Restricted cash	7	**–**	–	–
		₱1,376	₱1,820	₱1,171

6. **Funds Held in Escrow**

Proceeds of IPO are kept separate from other Group's funds and managed by a commercial bank in accordance with the work program approved by the SEC and PSE.

The funds held in escrow consist of the following:

	September 30, 2025	December 31, 2024
Assets:		
Time certificates of deposit	**₱–**	₱–
Other assets	**–**	–
	₱–	₱–
Equity:		
Net proceeds	**₱748,209,915**	₱748,209,915
Net accumulated income	**13,414,560**	13,414,560
Withdrawals	**(761,624,475)**	(761,624,475)
	₱–	₱–

The balance of fund held in escrow is Nil since 2021.

Interest income earned amounted to Nil since 2021.

Other Current and Noncurrent Assets

This account consists of:

	September 30, 2025	December 31, 2024
Current:		
Input VAT	**₱2,575,025**	₱2,533,875
Receivables from incidental sale of coal	**–**	–
Advances to officers and employees	**–**	–
Prepayments	**–**	–
Others	**–**	–
	2,568,675	2,856,628
Less allowance for probable loss	**(2,533,875)**	(2,533,875)
	₱41,150	₱–
Noncurrent -		
Restricted cash	**₱1,089,465**	₱1,089,465

The input VAT is fully provided with allowance for probable loss. Management has assessed that the Group may not be able to utilize its input VAT.

Movements in the allowance for probable loss are as follow:

	Note	**September 30, 2025**	December 31, 2024
Balance at beginning of year		**₱2,533,875**	₱2,407,293
Provision	11	**–**	126,540
Balance at end of year		**₱2,533,875**	₱2,533,875

Receivables from incidental sale of coal pertain to uncollected proceeds from the sale of incidentally produced coal, which is in accordance with the Permits to Transport and Sell (PTS) issued by the DOE.

Advances to officers and employees pertain to the advances made for business purposes.

Others pertain to receivables from third parties. These are noninterest-bearing and are generally collected in cash within one year.

Restricted cash includes cash bond required pursuant to the application of the permit to proceed with the development phase for COC No. 159 and cash set aside to settle obligations arising from a court case.

Interest income earned from the restricted cash amounted to Nil in September 30, 2025, 2024 and 2023 (see Note 5).

7. Exploration and Evaluation Asset

Exploration and evaluation asset are costs incurred on the mining properties situated in the provinces of Davao Oriental and Zamboanga Sibugay, Philippines.

COC Nos. 159 and 166 provide a minimum work expenditure on obligations covered by the work program at the exploration phase (see Note 19). The recovery of these costs depends on the conversion of the COCs to development and production phase.

Balances and movements of this account are as follows:

	September 30, 2025	December 31, 2024
Balance at beginning of year	**₱–**	₱–
Additions	**–**	–
Impairment	**–**	–
Balance at end of year	**₱–**	₱–

Others include office and camp supplies, repairs and maintenance, miscellaneous, taxes and licenses, fuel and oil, and meals.

Included as part of additions to the exploration and evaluation asset are noncash items as follows:

	Note	**September 30, 2025**	December 31, 2024
Depreciation and amortization	9	**₱–**	₱–
Retirement benefits cost	13	**–**	–
		₱–	₱–

8. Property and Equipment

The balances and movements of this account are as follows:

	September 30, 2025								
	Land	Land Improvements	Drilling Equipment	Laboratory and Camp Buildings	Survey Equipment and Machineries	Laboratory and Testing Equipment	Transportation Equipment	Office Furniture and Equipment	Total
Cost									
Balances at beginning of year	**₱18,139,580**	**₱155,308,567**	**₱194,212,031**	**₱25,429,304**	**₱3,264,334**	**₱12,606,310**	**₱8,227,574**	**₱1,783,130**	**₱418,970,830**
Additions	**5,080,852**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,080,852**
Disposal	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balances at end of year	**23,220,432**	**155,308,567**	**194,212,031**	**25,429,304**	**3,264,334**	**12,606,310**	**8,227,574**	**1,783,130**	**424,051,682**
Accumulated Depreciation and Amortization									
Balance at beginning of year	**–**	**148,235,430**	**194,212,031**	**25,429,304**	**3,264,334**	**12,606,310**	**8,684,774**	**1,818,835**	**393,758,113**
Depreciation and amortization	**–**	**3,689,489**	**–**	**–**	**–**	**–**	**–**	**–**	**3,689,489**
Balances at end of year	**–**	**151,924,919**	**194,212,031**	**25,429,304**	**3,264,334**	**12,606,310**	**8,684,774**	**1,818,835**	**397,447,602**
Carrying Amount	**₱23,220,432**	**₱3,383,648**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱26,604,080**

	December 31, 2024								
	Land	Land Improvements	Drilling Equipment	Laboratory and Camp Buildings	Survey Equipment and Machineries	Laboratory and Testing Equipment	Transportation Equipment	Office Furniture and Equipment	Total
Cost									
Balances at beginning of year	₱18,139,580	₱154,954,040	₱194,212,031	₱25,429,304	₱3,264,334	₱12,606,310	₱8,684,774	₱1,818,835	₱419,109,208
Additions	4,600,000	354,527	–	–	–	–	–	–	4,954,527
Disposal	–	–	–	–	–	–	–	–	–
Balances at end of year	22,739,580	155,308,567	194,212,031	25,429,304	3,264,334	12,606,310	8,684,774	1,818,835	424,063,735
Accumulated Depreciation and Amortization									
Balances at beginning of year	–	126,098,496	194,212,031	22,674,463	3,264,334	12,606,310	8,684,774	1,818,835	369,359,243
Depreciation and amortization	–	14,757,956	–	2,542,931	–	–	–	–	17,300,887
Balances at end of year	–	140,856,452	194,212,031	25,217,394	3,264,334	12,606,310	8,684,774	1,818,835	386,660,130
Carrying Amount	₱22,739,580	₱14,452,115	₱–	₱211,910	₱–	₱–	₱–	₱–	₱49,749,965

Depreciation and amortization are charged as follows:

	Note	**September 30, 2025**	December 31, 2024	December 31, 2023
Exploration and evaluation asset	8	**₱–**	₱–	₱–
General and administrative expenses	11	**11,280,377**	17,300,887	17,300,887
		₱11,280,377	₱17,300,887	₱17,300,887

Fully depreciated property and equipment that are still being used by the Group amounted to ₱246.01 million as at September 30, 2025 and December 31, 2023.

Based on the review of the recoverable amount of the Group's nonfinancial assets, management determined that there are no impairment losses in property and equipment in 2025, 2024 and 2023 (see Note 4).

9. Trade and Other Payables

This account consists of:

	September 30, 2025	December 31, 2024
Trade	**₱10,074,495**	₱10,074,495
Accrued expenses	**1,616,601**	3,252,795
Statutory payables	**23,823**	21,277
	₱11,714,919	₱13,348,567

Trade payables are noninterest-bearing and are due and demandable.

Accrued expenses pertain to accruals for security and janitorial services, and interest which are expected to be settled within one year.

Statutory payables pertain to the payable to other government agencies which are normally settled in the following month.

10. **General and Administrative Expenses**

This account consists of:

	Note	**September 30, 2025**	September 30, 2024
Personnel costs	12	**₱1,563,454**	₱1,275,206
Professional fees		**222,000**	663,020
Rental	19	**–**	–
Representation and entertainment		**16,093**	31,268
Outside services		**–**	–
Transportation and communication		**73,593**	43,919
Listing fee		**–**	250,000
Penalties		**–**	–
Stock Transfer Fee		**90,000**	95,000
Taxes and licenses		**1,304,694**	82,180
Provision for probable loss	7	**–**	–
Repairs and maintenance		**47,889**	21696
Office supplies		**1,390**	470
Insurance		**1,122**	10,265
Depreciation	9	**11,280,377**	12,975,665
Others		**288,795**	178,602
		₱14,889,408	₱15,627,291

11. **Personnel Costs**

Personnel costs charged to "Exploration and evaluation asset" account (see Note 8) consist of:

	Note	**September 30, 2025**	September 30 2024
Salaries and wages		**₱–**	₱–
Employee benefits		**–**	–
Retirement benefits cost	13	**–**	–
		₱–	₱–

Personnel costs classified under "General and administrative expenses" account (see Note 11) consist of:

	Note	**September 30, 2025**	December 31, 2024
Salaries and wages		**₱1,481,264**	₱1,949,763
Retirement benefits cost	13	**–**	–
Employee benefits		**82,190**	90,951
		₱1,563,454	₱2,040,714

12. **Retirement Benefits Liability**

The Group has an unfunded defined benefit plan covering all of qualified regular employees of TMEC. The benefits are based on years of service and compensation. The plan provides for a lump-sum benefit payment upon retirement which shall not be less than the minimum mandated retirement benefit plan under Republic Act (RA) No. 7641 Retirement Pay Law. The latest actuarial valuation as at December 31, 2019 was prepared by an independent actuary using the projected unit credit method. The Group has no retirement benefits cost recognized and retirement benefits liability as at the end of this quarter.

The components of retirement benefits cost are as follows:

	September 30, 2025	December 31, 2024	December 31, 2023
Current service cost	**₱–**	₱–	₱–
Interest cost	**–**	–	–
	₱–	₱–	₱–

Retirement benefits costs are charged as follows:

	Note	**September 30, 2025**	December 31, 2024	December 31, 2023
Exploration and evaluation asset	8	**₱–**	₱–	₱–
General and administrative expenses	11	**–**	–	–
		₱–	₱–	₱–

The changes in the present value of the retirement benefits liability are as follows:

	September 30 2025	December 31, 2024
Balance at beginning of year	**₱540,425**	₱244,458
Current service cost	**–**	–
Interest cost	**–**	–
Remeasurement gain	**–**	46,029
Benefits paid	**–**	–
Balance at end of year	**₱540,425**	₱540,425

13. **Related Party Transactions**

The transactions of the Group, in the normal course of business, with its related parties, and the outstanding balances from related parties arising from such transactions are as follows:

	Nature of Transactions	Amount of Transactions		Outstanding Balances	
		September 30 2025	December 31, 2024	**September 30, 2025**	December 31, 2024
Advances to related parties -					
Entities under common ownership	Advances for working capital	**₱1,446,555**	₱19,977	**₱3,497,495**	₱2,050,940
Advances from related parties:					
Stockholders	Advances for working capital	**₱–**	₱–	**₱–**	₱–
Entities under common ownership	Advances for working capital	**7,146,555**	6,360,560	**82,782,496**	75,635,941
		₱7,146,555	₱6,360,560	**₱82,782,496**	₱75,635,941
Trade payables -					
Entities under common ownership	Rental	**₱–**	₱–	**₱–**	₱–

Terms and Conditions

Advances to/from related parties are unsecured, noninterest-bearing, generally settled in cash and due on demand. No impairment loss on advances to related parties was recognized in 2024, 2023 and 2022.

Trade payables to related parties are unsecured, noninterest-bearing, generally settled in cash and are due and demandable.

Other Transactions

The advances of the Parent Company to TMEC amounting to ₱565.3 million and ₱565.3 million as at December 31, 2024 and 2023, respectively, were eliminated during consolidation. These advances were for working capital purposes. No impairment loss on these advances was recognized in 2024, 2023 and 2022.

The Group has a lease agreement for its office space with its related party under common control, JTKC Equities, Inc., valid until July 31, 2015 and renewable upon mutual consent of both parties. Rental expense amounted to Nil in 2024, 2023 and 2022 (see Note 19).

Key Management Personnel Compensation

The compensation of key management personnel of the Group are as follow:

	September 30, 2025	December 31 2024	December 31, 2023
Short-term employee benefits	**₱900,000**	₱1,300,000	₱1,300,000
Post-employment benefits	**-**	-	-
	₱900,000	₱1,300,000	₱1,300,000

14. Financial Assets and Liabilities

The Group's financial instruments consist mainly of financial assets and financial liabilities directly related to operations, specifically cash and cash equivalents, advances to related parties, receivables from incidental sale of coal, other receivables (presented under "Other current assets" account), restricted cash (presented as "Other noncurrent asset" account), trade and other payables (excluding statutory payables) and advances from related parties.

Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and agrees on policies for managing each of these risks.

Credit Risk. Credit risk is a risk due to uncertainty in counterparty's ability to meet its obligations. When counterparty defaults, the maximum exposure is equal to the carrying amount of the related financial asset. The Group's credit risk arises principally from cash and cash equivalents, advances to related parties, time certificates of deposit included in funds held in escrow, receivables from incidental sale of coal and other receivables (presented under "Other current assets" account) and restricted cash (presented as "Other noncurrent asset" account).

The Group transacts mainly with recognized and creditworthy third parties as well as with related parties. In addition, the Group only deals with financial institutions duly evaluated and approved by the BOD.

The following tables summarize the credit quality of the Group's financial assets at amortized cost as at September 30, 2025 and December 31, 2024:

	September 30, 2025					
	Neither Past Due nor Impaired					
	High Grade	**Standard Grade**	**Substandard Grade**	**Past Due but not Impaired**	**Credit-impaired**	**Total**
Financial assets at amortized cost:						
Cash and cash equivalents*	**₱712,011**	**₱–**	**₱–**	**₱–**	**₱–**	**₱712,011**
Advances to related parties	**3,497,495**	**–**	**–**	**–**	**–**	**3,497,495**
Funds held in escrow	**–**	**–**	**–**	**–**	**–**	**–**
Receivables from incidental sale of coal and other receivables**	**–**	**–**	**–**	**–**	**–**	**–**
Restricted cash***	**1,089,465**	**–**	**–**	**–**	**–**	**1,089,465**
	₱5,298,971	**₱–**	**₱–**	**₱–**	**₱–**	**₱5,298,971**

**Excluding cash on hand amounting to ₱15,000*
*** Presented under "Other current assets" account.*
**** Presented under "Other noncurrent asset" account.*

	December 31, 2024					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Credit-impaired	Total
Financial assets at amortized cost:						
Cash and cash equivalents*	₱775,316	₱–	₱–	₱–	₱–	₱775,316
Advances to related parties	2,050,940	–	–	–	–	2,050,940
Funds held in escrow	–	–	–	–	–	–
Receivables from incidental sale of coal and other receivables**	–	–	–	–	–	–
Restricted cash***	1,089,465	–	–	–	–	1,089,465
	₱3,915,721	₱–	₱–	₱–	₱–	₱3,915,721

**Excluding cash on hand amounting to ₱15,000*
*** Presented under "Other current assets" account.*
**** Presented under "Other noncurrent asset" account.*

The credit quality of the financial assets is managed by the Group using internal credit quality ratings.

High grade consists of financial assets from counterparties with good financial condition and with relatively low defaults. This also includes transactions with related parties with sufficient liquid assets to settle its obligation upon demand of the Group. Financial assets having risks of default but are still collectible are considered as standard grade accounts. Financial assets that require persistent effort from the Group to collect are considered substandard grade accounts.

Cash in banks, cash equivalents, time certificates of deposit included in funds held in escrow and restricted cash are considered high grade as these pertain to deposits and placements in reputable banks with prime ratings. The Group considers that these financial assets have low credit risk based on the external ratings of the counterparties.

Advances to related parties are mainly exposures to related parties and are considered as high grade because the related parties are operating entities with sufficient liquid assets to repay the receivables upon demand by the Group.

Receivables from incidental sale of coal and other receivables which are always subject to lifetime ECL, impairment of financial assets at amortized cost has been measured on 12-month ECL basis and reflects the short maturities of the exposures. The resulting ECL is not significant because the financial assets are considered high grade with minimal risk of default.

Liquidity Risk. Liquidity risk arises from the Group's inability to raise sufficient funds at the least possible cost to meet its financial commitments. The Group's objectives in liquidity management are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

The table below summarizes the maturity profile of the financial liabilties at amortized cost of the Group based on remaining contractual undiscounted cash flows as at September 30, 2025 and December 31, 2024:

	September 30, 2025			
	On Demand	**Within 1 Year**	**Over 1 Year**	**Total**
Trade and other payables*	**₱11,691,096**	**₱–**	**₱–**	**₱11,691,096**
Advances from related parties	**82,782,496**	**–**		**82,782,496**
	₱94,473,592	**₱–**	**₱–**	**₱94,473,592**

**Excluding statutory payables amounting to ₱0.02 million*

	December 31, 2024			
	On Demand	Within 1 Year	Over 1 Year	Total
Trade and other payables*	₱13,327,290	₱–	₱–	₱13,327,290
Advances from related parties	75,635,941	–	–	75,635,941
	₱88,963,231	₱–	₱–	₱88,963,231

** Excluding statutory payables amounting to ₱0.03 million*
***Including future interest payments.*

Interest Rate Risk. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's market risk policy requires it to manage interest rate risk by maintaining fixed rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and liabilities. Any gap between the maturities of the instruments is effectively managed by the Group. Interest rate changes are not significant to affect the Group's financial performance.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations.

The Group manages the capital structure and makes adjustments when there are changes in the economic conditions, its business activities, expansion programs and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust its borrowings or raise capital.

In determining reasonable leverage, the Group evaluates its cost of capital and manages its level of debt to maintain an optional cost of capital based in current conditions. The Group considers its equity, excluding OCI, as capital amounting to ₱2,231.83 million and ₱2,237.06 million as at June 30, 2025 and December 31, 2024, respectively.

TMEC is subject to externally-imposed capital requirements applicable to applicants for exploration permits. The minimum paid-up capital is ₱6.25 million. TMEC has complied with the capital requirements during the reported financial periods and no changes were made to its capital base, objectives, policies and processes from the previous years.

15. Fair Value Measurement of Financial Instruments

Presented below is a comparison category of the carrying amount and fair values of all the Group's financial assets and liabilities as at September 30, 2025 and December 31, 2024.

	September 30, 2025	December 31, 2024	
		Carrying Amount	Fair Value
Financial Assets at Amortized Cost:			
Cash and cash equivalents	**₱727,011**	₱775,316	₱775,316
Advances to related parties	**3,497,495**	2,050,940	2,050,940
Funds held in escrow	**–**	–	–
Receivables from incidental sale of coal*	**–**	**–**	**–**
Other receivables*	**41,150**	**–**	**–**
Restricted cash**	**1,089,465**	1,089,465	1,089,465
	₱5,355,121	₱1,915,721	₱1,915,721
Financial Liabilities at Amortized Cost:			
Trade and other payables***	**₱11,691,096**	₱13,327,290	₱13,327,290
Advances from related parties	**82,782,496**	75,635,941	75,635,941
	₱94,473,592	₱88,963,231	₱88,963,231

**Presented under "Other current assets" account.*
***Presented as "Other noncurrent asset" account.*
****Excluding statutory payables amounting to ₱0.02 million and ₱0.03 as at September 30, 2025 and December 31, 2024, respectively.*

Cash and Cash Equivalents, Advances to Related Parties, Receivables from Incidental Sale of Coal, Other Receivables, Trade and Other Payables and Advances from Related Parties. The carrying amounts of these financial assets and liabilities approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

Restricted Cash. The carrying amounts of this financial instrument approximate its fair value. The effects of not discounting the cash flows from these instruments were determined by management to be insignificant.

16. Income Taxes

TMEC is entitled to the following incentives under the COC:

- Exempt from all national taxes except for income tax; and
- Exempt from payment of tariff duties, compensating tax and value-added tax on importations of machinery and equipment, spare parts and materials required for the Coal Operation subject to terms and conditions in the COC.

The Group has no provision for current income tax as at the end of the quarter since it has no taxable income.

17. Basic and Diluted Loss Per Share

Basic and diluted loss per share are computed as follows:

	September 30, 2025	June 30, 2024
Net loss	**14,888,032**	**10,674,058**
Divided by weighted average number of common shares outstanding	**40,000,000,004**	**4,000,000,004**
Basic/diluted loss per share	**0.0002**	**0.0027**

Diluted loss per share equal the basic loss per share as the Group does not have any dilutive potential common shares at the end of each period.

18. Commitments and Contingencies

The Group has the following contractual commitments:

Lease Agreement
The Group has a lease agreement for its office space with its related party under common control, JTKC Equities, Inc., valid until July 31, 2015 and renewable upon mutual consent of both parties. In 2017, the Group renewed the lease agreement but with lesser area. Rental expense amounted to Nil in 2023 and 2022 (see Note 11).

COCs with DOE
The Government, through the DOE, awarded COCs to TMEC. The exploration phase under the COCs is for 2 years and can be extended for another 2 years upon the approval of the DOE. The development and production phase commences when the DOE and TMEC agrees on the existence of Coal Reserves in Commercial Quantity subject to the terms and conditions in the COC. As at December 31, 2019, TMEC has two COCs (COC No. 159 and COC No. 166).

COC No. 159 covers 7,000 hectares in Davao Oriental while COC No. 166 which is located in Zamboanga Sibugay covers 4,000 hectares. Completed activities include surface geological investigation which involves surface field geologic mapping, geodetic surveying and trenching and subsurface geologic investigation through cored diamond drilling. As at December 31, 2019 and 2018, TMEC has incurred ₱631.2 million and ₱585.8 million, respectively, for the direct implementation of the work program for the exploration phase of these COCs (see Note 8).

COC No. 159. In 2013, the Group applied for the start-up of the development and production stage in COC No. 159. The Group has submitted to the DOE the Final Exploration Report, 10-Year Work Program and Feasibility Study and Environmental Compliance Certificate (ECC) as issued by the Department of Environment and Natural Resources (DENR).

On August 30, 2018, the Department of Energy (DOE) has re-evaluated the coal reserves in commercial quantity on Sagasa Area considering the corrected dipping angle of each coal seam, revised coal intercepts and number of coal seams, specific gravity of 1.4, inclusion of coal outcrops, and additional information on longitudinal sections. The Group agreed on the revised coal reserves and provided revised Five-Year Coal Development and Production Work Program and Budget, and revised Feasibility Study in accordance with the agreed delineated coal reserves on December 21, 2018.

On September 11, 2018, the Group submitted the required documents to NCIP for the issuance of CP. The CP is the final requirement for the conversion of COC No. 159.

On December 14, 2018, TMEC received the original copy of CP and the certified true copy approving the CP from the NCIP.

On December 11, 2019, TMEC received the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the CP (for Development and Production Phase) or CNO from the NCIP. The COC No. 159 for Development and Production Phase shall be effective from date hereof for a period of ten (10) years, and should there be remaining mineable reserves, extendible for another ten (10) years and thereafter renewable for a series of three (3) year periods not exceeding twelve (12) years under such terms and condition as may be agreed upon by the DOE and the Contractor.

In 2017, the DOE granted various PTS for incidentally produced coal within the Group's COC No. 159 area. Gain on incidental sale of coal presented as "Other income" account amounted to ₱0.9 million.

Under Presidential Decree 972, *The Coal Development Act of 1976*, as Government share, the DOE will be paid the balance of the gross income after deducting all operating expenses and operator's fee and special allowance. The operating expenses shall not exceed 90% of the gross income. Excess operating expenses can be recovered from the gross income in succeeding years. TMEC will be entitled to a fee and a special allowance, the net amount of which shall not exceed 40% and 30%, respectively, of the net operating income. TMEC remitted ₱45,278 in 2017.

COC 166. In 2014, COC No. 166's term for exploration expired. The Group, however, is working on the extension of the COC. As required, the Group has submitted to the DOE the Result of Exploration covering the exploration activities conducted and estimates of the resultant coal resource and reserve of the property, which have been verified by the DOE. In 2016, the DOE evaluated the documents submitted and requested additional information to further process the application for conversion.

On September 18, 2018, TMEC has re-submitted the Five-Year Work Program in support for the processing of TMEC's application for the conversion of its COC.

On September 4, 2019, TMEC requested for a suspension of the conversion to development and production phase due to difficulties in complying with its obligations due to peace and order disturbances in the area, security threats to its employees by lawless elements, dwindling competitiveness of coal.

On December 9, 2019, the DOE required TMEC to substantiate with supporting documents the above cited problems encountered, specifically documents attesting that TMEC has an existing application for Environmental Compliance Certificate (ECC) from the EMB-DENR, certification from concerned law enforcement units as to the peace and order problem in the area, and proof to the other constraints that TMEC has stated that hinder its compliance with its obligations for COC conversion.

19. **Operating Segment**

For management reporting purposes, the Group is organized based on its activities and has one operating segment which is the coal mining segment. This segment undertakes the exploration and evaluation activities of the coal reserves of the Group which is within the Group's country of domicile.

20. **Events After the Reporting Period**

The country is currently experiencing a pandemic virus crisis resulting in a slowdown in the Philippine economy because of mandated lockdowns all over the country. While the financial impact is considered a non-adjusting subsequent event as at the end of the quarter the effect on Group operations and financial performance, however, cannot be reasonably determined as at the report date.

Nonetheless, the Group strongly believes that it can remain a going concern given that a stockholder representing majority of the stockholders has committed to provide continuous financial support to the Group.

MANAGEMENT'S DISCUSSION ON COAL'S FINANCIALS

Summary of Financial Information

The following table represents the summary of financial information for COAL from January 1 to September 30, 2025.

COAL's Summary Unaudited Consolidated Financial Information as at the end of this quarter	
Amounts are Php	
Consolidated Statement of Comprehensive Income	
Sales	–
Cost of Sales	–
Gross Profit	–
Operating Income	–
Income (loss) before income tax	(14,888,032)
Net Income (loss)	(14,888,032)
Consolidated Statement of Financial Position	
Assets	
Cash	727,011
Funds held in escrow	–
Advances to Affiliates	3,497,945
Prepayments and other current assets	41,150
Total Current Assets	**4,265,656**
Exploration and evaluation assets	–
Property, plant and equipment –net	26,604,080
Intangible asset	–
Coal Reserves and Exploration Asset	2,286,431,394
Deferred Tax Asset	–
Other Noncurrent Asset	1,089,465
Total Non–Current Assets	**2,314,124,939**
TOTAL ASSETS	**2,318,390,595**
Liabilities and Equity	
Trade and other payables	11,714,919
Advances from related parties	82,782,496
Total Current Liabilities	**94,497,415**
Retirement benefit liability	1,720,221
Total Non–Current Liability	**1,720,221**
Capital Stock	4,000,000,004
Deficit	(1,781,155,967)
Remeasurement loss on retirement benefit liability	–
Stockholders' Equity	**2,222,172,959**
TOTAL LIABILITIES AND EQUITY	**2,318,390,595**
Key Indicators	
Gross Profit Margin (%)	–
Net Income (loss) Margin (%)	–
Return on Asset (%)	(0.064)
Return on Equity(%)	(0.067)
Current Ratio(x)	0.05:1.00
Total Liabilities to Equity (x)	0.04:1.00
Earnings Per Share (Basic) (Php 0.0000)	(00.00)
Book Value Per Share (Php 0.0000)	0.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

September 30, 2025 vs. September 30, 2024

General and Administrative Expenses
General and administrative expenses decreased by ₱0.74 million or 5% due to decrease in depreciation and other expenses during the period.

Operating Income and Operating Income Margin
Operating loss decreased by ₱0.74 million or 5% due to decrease on general and administrative expenses.

Interest Income
Interest income increased by 2% due to increase on balance of cash and cash equivalents.

Interest Expense
Interest expense is Nil since the Group has no existing loans payable.

Net Income and Net Income Margin
The net loss of the Group decreased by ₱0.74 million or 5%. This represents decrease on general and administrative expenses.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2025 vs. December 31, 2024

Cash and Cash Equivalents
Cash and cash equivalents decreased by ₱0.26 million or 26% from ₱0.99 million to ₱0.73 million due to collection from related parties of the Group.

Funds Held in Escrow
The balance of fund held in escrow of the group is Nil.

Prepayments and Other Current Assets
The increase of ₱0.48 million from ₱0.52 million to ₱0.04 million due to additional input Value-Added Tax (VAT).

Exploration and Evaluation Assets
The exploration and evaluation assets of the group is Nil.

Property and Equipment
The net 28% decrease from ₱37 million to ₱26 million of property and equipment pertains to depreciation. There was no additional purchase of property and equipment during the period.

Liabilities
Total liabilities of the Group have minimal increase in trade and other payables.

Equity
Capital position of the Group went down by ₱957.56 million due to net loss for the period.

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

SEPTEMBER 30, 2025 AND DECEMBER 31, 2024

Ratio	Formula	**September 30, 2025**	December 31, 2024
Current ratio			
	Total Current Assets	**4,265,656**	2,841,256
	Divided by: Total Current Liabilities	**94,497,415**	88,984,508
	Current ratio	**0.05:1**	0.03:1
Acid test ratio			
	Total Current Assets	**4,265,656**	2,841,256
	Less: Other current assets	**(41,150)**	–
	Quick assets	**4,224,506**	2,841,256
	Divide by: Total Current Liabilities	**94,497,415**	88,984,508
	Acid test ratio	**0.04:1**	0.03:1
Solvency ratio			
	Net loss before depreciation	**(3,607,654)**	(216,037,896)
	Divide by: Total liabilities	**96,217,636**	90,704,729
	Solvency ratio	**(0.04:1)**	(0.03:1)
Debt-to-equity ratio			
	Total liabilities	**96,217,636**	90,704,729
	Divide by: Total equity	**2,222,172,959**	2,237,060,991
	Debt-to-equity ratio	**0.04:1**	0.04:1
Asset-to-equity ratio			
	Total assets	**2,318,390,595**	2,327,765,720
	Divide by: Total equity	**2,222,172,959**	2,237,060,991
	Asset-to-equity ratio	**1.04:1**	1.04:1
Return on equity			
	Net loss	**(14,888,032)**	(233,338,783)
	Divide by: Total equity	**2,222,172,959**	2,237,060,991
	Return on equity	**(0.67%)**	(10.43%)
Return on assets			
	Net loss	**(14,888,032)**	(233,338,783)
	Divide by: Total assets	**2,318,390,595**	2,327,765,720
	Return on asset	**(0.64%)**	(10.02%)

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE OF PROCEEDS FROM INITIAL OFFERING

SEPTEMBER 30, 2025

(i) GROSS AND NET PROCEEDS AS DISCLOSED IN THE FINAL PROSPECTUS

The estimated gross proceeds from the offer will amount to ₱800,000,000. The estimated net proceeds from the offer of the shares, after deducting the estimated related expenses to the offer, will amount to ₱726,868,750 and will accrue to the Group.

The following table shows the breakdown of the estimated offer proceeds:

Gross proceeds	₱800,000,000
Estimated expenses	73,131,250
Net proceeds	₱726,868,750

(ii) ACTUAL GROSS AND NET PROCEEDS

Gross proceeds	₱800,000,000
Actual expenses	51,790,085
Net proceeds	₱748,209,915

(iii) USE OF PROCEEDS

Working capital	₱126,868,750
Exploration work for Davao Oriental Project	581,796,367
Exploration work for Zamboanga Sibugay Project	52,283,378
	₱760,948,495

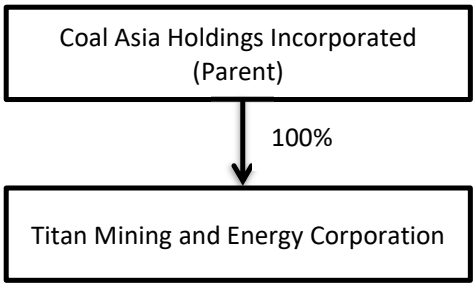
(iv) BALANCE OF PROCEEDS AS AT THE END OF THE REPORTING PERIOD

Net proceeds	₱748,209,915
Accumulated interest income	13,414,560
Disbursements	(761,624,475)
	₱ -

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

CONGLOMERATE MAP

SEPTEMBER 30, 2025



COAL ASIA HOLDINGS INCORPORATED

SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION OF THE PARENT COMPANY

SEPTEMBER 30, 2025

Deficit, beginning of year	(₱1,766,267,935)
Net loss closed to deficit	(14,888,032)
Deficit, as adjusted, end of year	(₱1,781,155,967)

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

SEC Supplementary Schedule as Required by Part II of SRC Rule 68 as Amended

SEPTEMBER 30, 2025

Table of Contents

Schedule	Description	Page
A	Financial Assets	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	N/A
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	1
D	Long-term Debt	N/A
E	Indebtedness to Related Parties	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	2

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements

SEPTEMBER 30, 2025

			Deductions		*Ending Balance*		
Name and designation of debtor	***Balance at beginnning of period***	***Additions***	***Amounts collected***	***Amounts written off***	***Current***	***Not current***	***Balance at end of period***
Advances to TMEC	₱565,309,431	₱–	₱–	₱–	₱565,309,431	₱–	₱565,309,431

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

G. Capital Stock

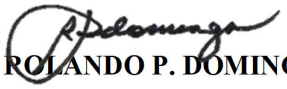
SEPTEMBER 30, 2025

				Number of shares held by		
Title of Issue	***Number of shares authorized***	***Number of shares issued and outstanding as shown under the related statements of financial position caption***	***Number of shares reserved for options, warrants, conversion and other rights***	***Related parties***	***Directors, officers and employees***	***Others***
Capital stock - ₱0.10 par value	50,000,000,000	40,000,000,004	–	12,800,000,000	12,804,120,040	14,395,880,000

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

Issuer: **COAL ASIA HOLDINGS INCORPORATED**
By:

JOHNSON A. SANHI JR.
President/Chief Operating Officer
October 17, 2025



ROLANDO P. DOMINGO
Chief Financial Officer
October 17, 2025

ANNEX "A"

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
Ground Floor. Secretariat Building, PICC
City Of Pasay, Metro Manila

COMPANY REG. NO. CS201421025

CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the amended articles of incorporation of the

TUBIG PILIPINAS GROUP INC.

(Amending Article II Secondary Purpose thereof)

copy annexed, adopted on October 14, 2019 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on his date pursuant to the provision of Section 15 of the Revised Corporation Code of the Philippines, Republic Act No. 11232, which took effect on February 23, 2019, and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing/lending company and time shares/club shares/membership certificates issuers or selling agents thereof; nor to operate a fiat money to virtual currency exchange. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 17th day of January, Twenty Twenty.

DANIEL P. GABUYO
Assistant Director
SO Order 1188 Series of 2018

JV/qba

COVER SHEET

for Applications at
COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application

AMENDMENT

SEC Registration Number

CS201421025

Former Company Name

TUBIG PILIPINAS GROUP, INC.

AMENDED TO:
New Company Name

Principal Office (No./Street/Barangay/City/Town)Province)

3F JTKC CENTRE, 2155 DON CHINO

AVENUE MAKATI CITY

ZIP CODE

COMPANY INFORMATION

Company Email Address	Company's Telephone Number/s	Mobile Number
contact@tubigpilipinas.com	(02) 813-8892	-

CONTACT PERSON INFORMATION

*The designated person **MUST** be a Director/Trustee/Partner/Officer/Resident Agent of the Corporation*

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ryan Wesley T. Yapkianwee	ryan.yap@pureenergy.com.ph	(02) 813-8892	-

Contact Person's Address

3F JTKC Centre ,2155 Chino Roces Avenue, Makati City

To be accomplished by CRMD Personnel

	Date	Signature
Assigned Processor		

PRESENTED ON:
COUNTER OFFICER:
PROCESSOR:

Document I.D.

Received by **Corporate Filing and Records Division (CFRD)**

Forwarded to:

- ☐ Corporate and Partnership Registration Division
- ☐ Green Lane Unit
- ☐ Financial Analysis and Audit Division
- ☐ Licensing Unit
- ☐ Compliance Monitoring Division

AMENDED
ARTICLES OF INCORPORATION
of
TUBIG PILIPINAS GROUP INC.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned incorporators, all Filipinos, of legal ages and all of whom are residents of the Republic of the Philippines, have this day voluntarily associated together for the purpose of forming a stock corporation under the laws of the Philippines.

AND WE CERTIFY THAT-

FIRST: The name of the corporation shall be:

TUBIG PILIPINAS GROUP INC.

SECOND: That the purposes for which the said corporation is formed are as follows:

PRIMARY PURPOSE

To carry on the general business of operating, managing, maintaining and rehabilitating waterworks, sewerage, and sanitation systems and services, specifically, for the distribution, supply and sale of potable water; the provision of sewerage and sanitation systems; the maintenance, development, repair and upgrading of water and wastewater facilities including water supply, treatment, distribution of water, sewerage and sanitation, metering and leakage control, customer service and billing; the construction, maintenance and operation of all necessary and convenient buildings, structures, dams, reservoirs, conduits, aqueducts, tunnels, purification plants, water mains, pipes, pumping stations, machineries, sanitary sewerages and other waterworks and the acquisition, lease, occupation or use of land rights of way and easement therein; the provision of allied and ancillary services; undertaking such other activities incidental to the foregoing.

SECONDARY PURPOSES

1. To purchase, acquire, own, build, construct, lease (except financial leasing), mortgage, sell and convey real properties such as lands, buildings, factories and warehouse and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business; and to pay in cash, shares of its capital stock, debentures and other indebtedness, or other securities as may be deemed expedient, for any business or property acquired by the Corporation;

2. To borrow or raise money from not more than nineteen (19) lenders including its stockholders necessary to meet the financial requirements of its business by the issuance of bonds, promissory notes and other evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the corporation or to issue pursuant to law shares of its capital stock, debentures and other evidences of indebtedness in payment for properties acquired by the Corporation for money borrowed in the prosecution of its lawful business;

3. To invest and deal with the money and properties of the Corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell, dispose of or transfer the business, properties and goodwill of the Corporation or any part thereof for such consideration and under such terms as it shall see fit to accept;

4. To acquire or obtain from any government, or authority, national, provincial, municipal or otherwise, or any corporation, company, partnership or person, such charter, contract, franchise, privileges, exemption, licenses and concessions as may be conducive to any of the objects of the Corporation;

5. To establish and operate one or more branch of office or agencies and to carry on any or all of its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge and convey or otherwise deal in and with real or personal property anywhere within the Philippines;

6. To conduct and transact any and all lawful activities, or to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation;

7. **TO MAKE ANY KIND OF GUARANTEE OR ACT AS SURETY AND/OR SECURE, IN WHATEVER MAY BE NECESSARY OR INCIDENTAL TO THE BUSINESS OF THE COMPANY, SOLELY OR JOINTLY, ANY DEBT, OBLIGATION OR LOAN OF ANY PARENT, SISTER, SUBSIDIARY CORPORATION, INCORPORATED OR UNINCORPORATED JOINT VENTURE, OR ANY CORPORATION OR PROJECT OR FINANCING WHERE THE COMPANY HAS INTEREST. (As amended by the stockholders representing at least 2/3 of the outstanding capital stock, and the Board of Directors constituting the entire membership thereof, at the meeting held on 14 October 2019 at the principal office address.)**

THIRD: That the place where the principal office of the corporation is to be established is at 3rd Floor JTKC Centre, 2155 Don Chino Roces Ave. Makati City, Philippines without prejudice to the opening or maintenance of branches or correspondent or representative offices in or outside the Republic of the Philippines as the exigencies of the business or operations of the Corporation may require from time to time.

FOURTH: That the term for which said corporation is to exist is FIFTY (50) years from and after the date of the issuance of the Certificate of Incorporation, renewable for such terms as may be permitted under the laws of the Republic of the Philippines.

FIFTH: That the names, nationalities and addresses of the incorporators of the Corporation are as follows:

NAME	NATIONALITY	ADDRESS
DEXTER Y. TIU	Filipino	3F JTKC Centre, 2155 Don Chino Roces Ave., Makat City
RYAN WESLEY T. YAPKIANWEE	Filipino	26 Sto. Domingo St., Urdaneta Village, Makati City

GERTIM G. CHUAHIONG	Filipino	31 Guava Road, Malabon City
PAULO M. CALUGAY	Filipino	1006 A De Leon St. Brgy. Village, Sucat, Parañaque City
ERIC Y. ROXAS	Filipino	26 Carillo St., Corinthian Gardens, Quezon City

SIXTH: That the number of directors of the corporation shall be five (5) and the names, nationalities and addresses of the first directors of the Corporation who are to serve until their successors are elected and qualified as provided in its By-Laws are as follows:

NAME	NATIONALITY	ADDRESS
DEXTER Y. TIU	Filipino	3F JTKC Centre, 2155 Don Chino Roces Ave., Makat City
RYAN WESLEY T. YAPKIANWEE	Filipino	26 Sto. Domingo St., Urdaneta Village, Makati City
GERTIM G. CHUAHIONG	Filipino	31 Guava Road, Malabon City
PAULO M. CALUGAY	Filipino	1006 A De Leon St. Brgy. Village, Sucat, Parañaque City
ERIC Y. ROXAS	Filipino	26 Carillo St., Corinthian Gardens, Quezon City

SEVENTH: That the authorized capital stock of the corporation is FIFTY MILLION (P50,000,000.00) Pesos in lawful money of the Philippines, divided into FIFTY MILLION (50,000,000) shares with a par value of One Peso (P1.00) per share.

EIGHTH: That at least twenty five percent (25%) of the authorized capital stock above stated have been subscribed as follows:

NAME	NATIONALITY	NO. OF SHARES SUBSCRIBED	AMOUNT SUBSCRIBED
PURE WATER CORPORATION	Filipino	6,249,997	Php6,249,997.00
QUADWATER CORPORATION	Filipino	6,249,998	PHP6,249,998.00
DEXTER Y. TIU	Filipino	1	1.00
RYAN WESLEY T. YAPKIANWEE	Filipino	1	1.00
ERIC Y. ROXAS	Filipino	1	1.00
GERTIM G. CHUAHIONG	Filipino	1	1.00
PAULO M. CALUGAY	Filipino	1	1.00
TOTAL		12,500,000	12,500,000.00

NINTH: That at least twenty-five percent (25%) of the total subscription has been paid as follows:

NAME	NATIONALITY	NO. OF SHARES SUBSCRIBED	AMOUNT SUBSCRIBED
PURE WATER CORPORATION	Filipino	1,562,497	Php1,562,497.00
QUADWATER CORPORATION	Filipino	1,562,498	Php1,562,498.00
DEXTER Y. TIU	Filipino	1	1.00
RYAN WESLEY T. YAPKIANWEE	Filipino	1	1.00
ERIC Y. ROXAS	Filipino	1	1.00
GERTIM G. CHUAHIONG	Filipino	1	1.00
PAULO M. CALUGAY	Filipino	1	1.00
TOTAL		3,125,000	3,125,000.00

TENTH: That DEXTER Y. TIU has been elected by subscribers as Treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the by-laws; and that as such Treasurer-in-Trust, he has been authorized to receive for and in the name and for the benefit of the corporation, all subscriptions paid by the subscribers.

ELEVENTH: No transfer of stocks or interest which would reduce the stock ownership of Filipino citizen to less the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the corporation and this restriction shall be indicated in all the stock certificates issued by the corporation.

TWELVETH: That the corporation manifest its willingness to change its corporate name in the event another person, firm or entity has acquired prior rights to use the firm name or one deceptively or confusingly similar to it.

IN WITNESS WHEREOF, we have set our hands this 10th day of October 2014 at Makati City, Philippines.

(SGD) DEXTER Y. TIU
(TIN: 106-218-920)

(SGD) GERTIM G. CHUAHIONG
(TIN: 100-810-709)

(SGD) RYAN WESLEY T. YAPKIANWEE
(TIN: 209-815-350)

(SGD) PAULO M. CALUGAY
(TIN: 246-948-489)

(SGD) ERIC Y. ROXAS
(TIN: 106-207-301)

SIGNED IN THE PRESENCE OF:

_____ _____

Republic of the Philippines)
QUEZON CITY) S.S.

Before Me, a Notary Public in and for QUEZON CITY, Philippines, this ____ day of OCT 22 2014 personally appeared :

NAMES	TIN NO.
DEXTER Y. TIU	106-218-920
RYAN WESLEY T. YAPKIANWEE	209-815-350
PAULO M. CALUGAY	246-948-489
GERTIM G. CHUAHIONG	100-810-709
ERIC Y. ROXAS	106-207-301

Personally known to me to be the same persons who executed the foregoing instrument as identified through their competent evidence of identity as defined by the Rules of Notarial Practice and they acknowledged to me that the same is their free and voluntary act and deed.

This instrument refers to an Articles of Incorporation of **TUBIG PILIPINAS GROUP INC.** which consists of six (6) pages including the page whereon the acknowledgement is written and which is signed by the parties and their instrumental witnesses on each and every page thereof.

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

Doc. No. 52;
Page No. 11;
Book No. 275;
Series of 2014.

Tomas F. Dulay Jr.
ATTY. TOMAS F. DULAY JR.
NOTARY PUBLIC
Until December 31, 2014
ADM MATTER #. NP-061-2014-2015
PTR# [illegible] 01-07-14 Q.C.
IBP# [illegible] Q.C.
Roll No. [illegible]
TIN# 410225916
Add. 92 Legaspi St. Proj. 4 Q.C.
MCLE EXEMPTED - [illegible]

Date: 15-11-2019 Time: 9:29:18 AM

www.sec.gov.ph User Name: 4secexpressc

CERTIFIED TRUE COPY 3
Page 10 of 14 pages
Verified by L. ALDAY Date Issued NOV 18 2019

DIRECTORS' CERTIFICATE OF AMENDMENT
OF THE
ARTICLES OF INCORPORATION OF
TUBIG PILIPINAS GROUP, INC.

SEC RECEIVED JAN 07 2020 Time: By:

We the undersigned, being the Presiding Officer and Secretary of the Stockholders' meeting and majority of the members of the Board of Directors of TUBIG PILIPINAS GROUP, INC. (the "Company") hereby certify that the following amendment in Article II - That the purposes for which the said corporation is formed particularly the Secondary Purposes now indicates Item No. 7 which provides:

7. **TO MAKE ANY KIND OF GUARANTEE OR ACT AS SURETY AND/OR SECURE, IN WHATEVER MAY BE NECESSARY OR INCIDENTAL TO THE BUSINESS OF THE COMPANY, SOLELY OR JOINTLY, ANY DEBT, OBLIGATION OR LOAN OF ANY PARENT, SISTER, SUBSIDIARY CORPORATION, INCORPORATED OR UNINCORPORATED JOINT VENTURE, OR ANY CORPORATION OR PROJECT OR FINANCING WHERE THE COMPANY HAS INTEREST.**

We further certify that the said amendment was unanimously approved by the majority vote of the Board of Directors and ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock at the 14 October 2019 meeting held at the Company's principal office.

IN WITNESS THEREOF, we have hereunto set out hands on the 25th day of November 2019 at Makati City, Philippines.

DEXTER Y. TIU
Director

RYAN WESLEY T. YAPKIANWEE
Director

GERTIM G. CHUAHIONG
Director

CONRADO MA. LEANDRO FRANCISCO G. BELISARIO
Director

ERIC PETER Y. ROXAS
Director

Countersigned:

RYAN WESLEY T. YAPKIANWEE
Presiding Officer/President

MARK ERIC C. ROXAS
Corporate Secretary

DEC 05 2019

SUBSCRIBED AND SWORN to before me, this ___ day of November, 2019 at Makati City, Metro Manila, Philippines, declarants being identified as follows:

NAME	I.D.
Dexter Y. Tiu	TIN: 106-218-920
Ryan Wesley T. Yapkianwee	TIN: 209-815-350
Eric Peter Y. Roxas	TIN: 106-207-301
Gertim G. Chuahiong	TIN: 100-810-709
Conrado Ma. Leandro Francisco G. Belisario	TIN: 214-109-431
Mark Eric C. Roxas	TIN: 462-016-246

Doc. No. 156;
Page No. 33;
Book no. IX;
Series of 2019.

SHERLUCK JUN C. VILLEGAS NOTARY PUBLIC ROLL NO. 70942 MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-555 until December 2020
Unit 3C LFA Building, 178 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 077619 /06-21-2019/ Pasig City
PTR No. 7623640 /04-16-2019/ Makati City
MCLE Compliance No.-VI-0028223

Republic of the Philippines)
City of Makati) S.S.

SECRETARY'S CERTIFICATE

I, **MARK ERIC C. ROXAS**, of legal age, single, with office address at 3rd Flr. JTKC Centre, 2155 Don Chino Roces Ave., Makati City, being duly sworn, depose and state that:

1. I am the duly elected and qualified Corporate Secretary of Tubig Pilipinas Group, Inc. (the Corporation), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, Metro Manila.

2. To the best of my knowledge, no action or proceeding has been filed or is pending before any Court involving an intra-corporate dispute and/or claim by any person or group against the Board of Directors, individual directors and/or major corporate officers of the Corporation as its duly elected and/or appointed directors or officers or vice versa.

Makati City, 25th day of November 2019.

MARK ERIC C. ROXAS
Corporate Secretary

SUBSCRIBED AND SWORN TO before me on this DEC 05 2019 day of November, 2019 in Makati City, Philippines, affiant exhibiting to me his TIN No. 462-016-246.

Notary Public

Doc. No. 157;
Page No. 33;
Book No. IX;
Series of 2019.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-555 until December 2020
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 077619 /06-21-2019/ Pasig City
PTR No. 7623640 /04-16-2019/ Makati City
MCLE Compliance No.-VI-0028223

ANNEX "B"

COVER SHEET

COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application: REGISTRATION

SEC Registration Number:

Company Name: TUBIG PILIPINAS GROUP INC.

Principal Office (No./Street/Barangay/City/Town)Province): 3RD FLOOR JTKC CENTER 2155 CHINO ROCES AVE. MAKATI CITY

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Company's Fascimile Number/s
[redacted]	818-6772	813-3536

CONTACT PERSON INFORMATION

Name of Contact Person	Email Address	Telephone Number/s	Facsimile Number/s
R.DESIDERIO	ros22_des@yahoo.com	0917-5960910	

Contact Person's Address: 5D Lopez Jaena St.Tanyong Marikina City

---

To be accomplished by CRMD Personnel

	Date	Signature
Assigned Processor :		

Document I.D.

Received by **Corporate Filing and Records Division (CFRD)**

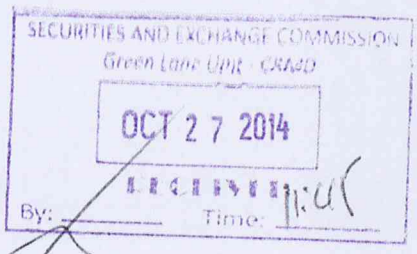
Forwarded to:

- ☐ Corporate and Partnership Registration Division
- ☐ Green Lane Unit
- ☐ Financial Analysis and Audit Division
- ☐ Licensing Unit

ARTICLES OF INCORPORATION

OF

TUBIG PILIPINAS GROUP INC.



KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned incorporators, all Filipinos, of legal age and all of whom are residents of the Republic of the Philippines, have this day voluntarily associated together for the purpose of forming a stock corporation under the laws of the Philippines.

AND WE CERTIFY THAT-

FIRST: The name of the Corporation shall be

TUBIG PILIPINAS GROUP INC.

SECOND: That the purposes for which said corporation is formed are as follows:

PRIMARY PURPOSE

To carry on the general business of operating, managing, maintaining and rehabilitating waterworks, sewerage, and sanitation systems and services, specifically, for the distribution, supply and sale of potable water; the provision of sewerage and sanitation systems; the maintenance, development, repair and upgrading of water and wastewater facilities including water supply, treatment, distribution of water, sewerage and sanitation, metering and leakage control, customer service and billing; the construction, maintenance and operation of all necessary and convenient buildings, structures, dams, reservoirs, conduits, aqueducts, tunnels, purification plants, water mains, pipes, pumping stations, machineries, sanitary sewerages and other waterworks and the acquisition, lease, occupation or use of land rights of way and easement therein; the provision of allied and ancillary services; and undertaking such other activities incidental to the foregoing.

SECONDARY PURPOSES

1. To purchase, acquire, own, build, construct, lease (except financial leasing), mortgage, sell and convey real properties such as lands, buildings, factories and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business; and to pay in cash, shares of its capital stock, debentures and other indebtedness, or other securities as may be deemed expedient, for any business or property acquired by the Corporation;

2. To borrow or raise money from not more than nineteen lenders including its stockholders necessary to meet the financial requirements of its business by the issuance of bonds, promissory notes and other evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the corporation or to issue pursuant to law shares of its capital stock, debentures and other evidences of indebtedness in payment for properties acquired by the Corporation of for money borrowed in the prosecution of its lawful business;

3. To invest and deal with the money and properties of the Corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell, dispose of or transfer the business, properties and goodwill of the Corporation or any part thereof for such consideration and under such terms as it shall see fit to accept;

4. To acquire or obtain from any government or authority, national, provincial, municipal or otherwise, or any corporation, company or partnership or person, such charter, contracts, franchise, privileges, exemption, licenses and concessions as may be conducive to any of the objects of the Corporation;.

5. To establish and operate one or more branch offices or agencies and to carry on any or all of its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge and convey or otherwise deal in and with real or personal property anywhere within the Philippines;

6. To conduct and transact any and all lawful activities, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation.

THIRD: That the place where the principal office of the corporation is to be established is at 3rd Floor JTKC Centre, 2155 Don Chino Roces Ave. Makati City, Philippines without prejudice to the opening or maintenance of branches or correspondent or representative offices in or outside the Republic of Philippines as the exigencies of the business or operations of the Corporation may require from to time.

FOURTH: That the term of for which the corporation is to exist is FIFTY (50) years from and after the date of issuance of the Certificate of Incorporation, renewable for such terms as may be permitted under the laws of the Republic of the Philippines.

FIFTH: The names, nationalities, and addresses of the incorporators of the Corporation are as follows:

NAMES	NATIONALITY	ADDRESSES
DEXTER Y. TIU	Filipino	3rd Flr. JTKC Centre, 2155 Don Chino Roces Ave., Makati City
RYAN WESLEY T. YAPKIANWEE	Filipino	26 Sto. Domingo St. , Urdaneta Village, Makati City
GERTIM G. CHUAHIONG	Filipino	31 Guava Road, Malabon City
PAULO M. CALUGAY	Filipino	1006 A De Leon St. Brgy Village Sucat Paranaque City
ERIC V. ROXAS	Filipino	26 Castrillo St., Corinthian Gardens, Quezon City

SIXTH: That the number of directors of the corporation shall be five (5) who and the names, nationalities, and addresses of the first directors of the Corporation who are to serve as such until their successors are duly elected and qualified as provided in its By-Laws are as follows:

NAMES	NATIONALITY	ADDRESSES
DEXTER Y. TIU	Filipino	3rd Flr. JTKC Centre, 2155 Don Chino Roces Ave., Makati City
RYAN WESLEY T. YAPKIANWEE	Filipino	26 Sto. Domingo St., Urdaneta Village, Makati CIty
GERTIM G. CHUAHIONG	Filipino	31 Guava Road, Malabon City
PAULO M. CALUGAY	Filipino	1006 A De Leon St. Brgy Village Sucat Paranaque City
ERIC V. ROXAS	Filipino	26 Castrillo St., Corinthian Gardens, Quezon Ciy

SEVENTH: That the authorized capital stock of the corporation is FIFTY MILLION (P 50,000,000.00) Pesos in lawful money of the Philippines, divided into FIFTY MILLION (50,000,000) shares with a par value of One (P1.00) Peso per share.

EIGHTH: That at least twenty five percent (25%) of the authorized capital stock above stated have been subscribed as follows:

NAME	NATIONALITY	No. of Subscribed		Amount Subscribed
PURE WATER CORPORATION	Filipino	6,249,997	P	6,249,997.00
QUADWATER CORPORATION	Filipino	6,249,998		6,249,998.00
DEXTER Y. TIU	Filipino	1		1.00
RYAN WESLEY T. YAPKIANWEE	Filipino	1		1.00
ERIC Y. ROXAS	Filipino	1		1.00
GERTIM G. CHUAHIONG	Filipino	1		1.00
PAULO M. CALUGAY	Filipino	1		1.00
TOTAL		**12,500,000**	**P**	**12,500,000.00**

NINTH : That least twenty five percent (25%) of the total subscription has been paid as follows;

NAME	NATIONALITY	Subscribed/ Paid in		Amount Paid Up
PURE WATER CORPORATION	Filipino	1,562,497	P	1,562,497.00
QUADWATER CORPORATION	Filipino	1,562,498		1,562,498.00
DEXTER Y. TIU	Filipino	1		1.00
RYAN WESLEY T. YAPKIANWEE	Filipino	1		1.00
ERIC Y. ROXAS	Filipino	1		1.00
GERTIM G. CHUAHIONG	Filipino	1		1.00
PAULO M. CALUGAY	Filipino	1		1.00
TOTAL		**3,125,000**	**P**	**3,125,000.00**

TENTH: That **DEXTER Y. TIU** has been elected by the subscribers as treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the by-laws; and that as such Treasurer-in-Trust, he has been authorized to receive for and in the name and do the benefit of the corporation, all subscriptions paid in by the subscribers;

ELEVENTH: No transfer of stock or interest which would reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the corporation and this restriction shall be indicated in all the stock certificates issued by the corporation;

TWELVETH: - That the corporation manifests its willingness to change its corporate name in the event another person, firm or entity has acquired prior right to use the firm name or one deceptively or confusingly similar to it.

IN WITNESS WHEREOF, we have set our hands this 10th day of October 2014 at Makati City, Philippines.

DEXTER Y. TIU
(TIN: 106-218-920)

GERTIM G. CHUAHIONG
(TIN: 100-810-709)

RYAN WESLEY T. YAPKIANWEE
(TIN : 209-815-350)

PAULO M. CALUGAY
(TIN: 246-948-489)

ERIC Y. ROXAS
(TIN: 106-207-301)

SIGNED IN THE PRESENCE OF:

_____ _____

Republic of the Philippines)
_____) S.S.
QUEZON CITY

QUEZON CITY OCT 22 2014

Before Me, a Notary Public in and for _____, Philippines , this _____ day of _____ personally appeared :

NAMES	TIN NO.
DEXTER Y. TIU	106-218-920
RYAN WESLEY T. YAPKIANWEE	209-815-350
PAULO M. CALUGAY	246-948-489
GERTIM G. CHUAHIONG	100-810-709
ERIC Y. ROXAS	106-207-301

Personally known to me to be the same persons who executed the foregoing instrument as identified through their competent evidence of identity as defined by the Rules of Notarial Practice and they acknowledged to me that the same is their free and voluntary act and deed.

This instrument refers to an Articles of Incorporation of **TUBIG PILIPINAS GROUP INC.** which consists of six (6) pages including the page whereon the acknowledgement is written and which is signed by the parties and their instrumental witnesses on each and every page thereof.

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

Doc. No. 52;
Page No. 11;
Book No. 275;
Series of 2014.

Tomas F. Dulay Jr.
ATTY. TOMAS F. DULAY JR.
NOTARY PUBLIC
Until December 31, 2014
ADM MATTER #. NP-061-2014-2015
PTR# 9043226/01-02-/01-07-14 Q.C.
IBP# 915073 CY-2014 Q.C.
Roll No. 16553/03/13-61
TIN# 410225916
Add. 92 Legaspi St. Proj. 4 Q.C.
MCLE EXEMPTED # [illegible]

REPUBLIC OF THE PHILIPPINES }
CITY OF MAKATI }S.S.

TRESURER'S AFFIDAVIT

I, **DEXTER Y. TIU** , of legal age, married, with office address at 3rd Floor JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, being duly sworn, depose and says:

That I am the elected Treasurer of **TUBIG PILIPINAS GROUP INC.;**

That as Treasurer, I am authorized to act as such until my successor has been duly elected and qualified in accordance with the by-laws of the corporation;

That I certify that at least twenty five percent (25%) of the authorized capital stock of the abovementioned corporation has been subscribed and at least twenty five (25%) of the subscription in the amount of **THREE MILLION ONE HUNDRED TWENTY FIVE THOUSAND (Php 3,125,000.00)** has been paid, and received by me in cash/property for the benefit and credit of the corporation.

IN WITNESS THEREOF, I hereby sign this Affidavit this 10th day of October, 2014 in Makati City, Metro Manila.

DEXTER Y. TIU
Treasurer

SUBSCRIBED AND SWORN to before me this OCT 2 2 2014 day of _____, 20___ affiant exhibiting to me his/her Tin No 106-218-920.

NOTARY PUBLIC

ATTY. DWIGHT M. GALARITA
NOTARY PUBLIC
APPOINTMENT No. M-264 / MAKATI CITY
UNTIL DECEMBER 31, 2015
PTR No. [illegible] CITY
IBP No. [illegible] CITY
MCLE COMPLIANCE No. IV-0021150
ROLL NO. 42425
Suite 252 Cityland Pasong Tamo, Inc.,
62nd Estacion Street, Bel-Air,
Makati City, Metro Manila

Doc. No. 120
Page No. 24
Book No. LVII
Series of 2014

BY – LAWS

OF

TUBIG PILIPINAS GROUP INC.

ARTICLE I
SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES

Section 1. Subscriptions- Subscribers to the capital stock of the corporation shall pay the value of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

Section 2. The stockholder shall be entitled to one or more certificates for fully paid stock subscription in his name in the books of the corporation. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificate shall be signed by the President, countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal.

Section 3. Transfer of Shares - Subject to the restrictions, terms and conditions contained in the Articles of Incorporation , shares may be transferred, sold , assigned or pledged by delivery of the certificates duly indorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the corporation only upon record thereof in the books of the corporation. The Secretary shall cancel the stock certificates and issue new certificates to the transferee.

No share of stock against which the corporation holds unpaid claim shall be transferable in the books of the corporation.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

Section 4. Lost Certificates – In case any stock certificate is lost, stolen, or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 1. Annual /Regular Meetings – The annual/ regular meetings of stockholders shall be held at the principal office on June 30 of each year, if a legal holiday, then on the day following.

Section 2. Special Meeting - The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock, (b) President.

Section 3. Place of Meeting – Stockholders meetings, whether regular or special, shall be held in the principal office of the corporation or at any place designated by the Board of Directors in the city or municipality where the principal office of the corporation is located.

Section 4. Notice of Meeting - Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail at least two (1) weeks prior to the date of the meeting to each stockholder of record at his last known address. The notice shall state the place, date, and hour of the meeting, and the purpose or purposes for which the meeting is called. When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Section 5. Quorum - Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

Section 6. Conduct of Meeting - Meeting of the stockholders shall be presided over by the President, or in his absence, by a chairman to be chosen by the stockholders. The Secretary, shall act as Secretary of every meeting, but if not present, the Chairman of the meeting shall appoint a secretary of the meeting.

Section 7. Manner of Voting - At all meetings of stockholders, a stockholder may vote in person or by proxy. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting or by their personal presence at the meeting.

Section 8. Closing of Transfer of Books or Fixing of Record Date - For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, the Board of Directors may provide that the stock and transfer books be closed for ten (10) working days immediately preceding such meeting.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Powers of the Board - Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors to be elected by and from among the stockholders. Without prejudice to such powers as may be granted by law, the Board of Directors shall also have the following powers:

a. From time to time, to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation' s business and affairs;
b. To purchase, received, take or otherwise acquire for and in the name of the corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;
c. To invest the funds of the corporation in other corporations or for purposes other than those for which the corporation was organized, subject to such stockholders' approval as may be required by law;
d. To incur such indebtedness as the Board may deem necessary, to issue evidence of indebtedness including without limitation, notes, deeds of trust, bonds, debentures, or securities, subject to such stockholders approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the corporation;
e. To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and directors of the corporation;
f. To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officer are either plaintiffs or defendants in connection with the business of the corporation;
g. To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business of the corporation to any standing or special committee or to any officer or agent and to appoint any person to be agent of the corporation with such powers and upon such terms as may be deemed fit;
h. To implement these by-laws and to act on any matter not covered by these by-laws, provided such matter does not require the approval or consent of the stockholders under the Corporation Code.

Section 2. Election and Term - The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

same person, except that no one shall act as President and Treasurer or Secretary at the same time.

Section 2. President - The President shall be the Chief Executive Officer of the corporation and shall exercise the following functions:

a. To preside at the meetings of the stockholders;
b. To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, compensation; including those for executive training, development and
c. To supervise and manage the business affairs of the corporation upon the direction of the Board of Directors;
d. To implement the administrative and operational policies of the corporation under his supervision and control;
e. To appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;
f. To oversee the preparation of the budgets and the statements of accounts of the corporation;
g. To represent the corporation at all functions and proceedings;
h. To execute on behalf of the corporation all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board of Directors;
i. To make reports to the Board of Directors and stockholders;
j. To sign certificates of stock;
k. To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

Section 3. The Vice-President – He shall, if qualified, act as President in the absence of the latter. He shall have such other powers and duties as may from time to time be assigned to him by the Board of Directors or by the President.

Section 4. The Secretary - The Secretary must be a resident and a citizen of the Philippines. He shall have the following specific powers and duties;

a. To record the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;
b. To keep record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;
c. To keep the corporate seal and affix it to all papers and documents requiring a seal, requiring the same;
d. And to attest by his signature all corporate documents to attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;
e. To certify to such corporate acts, counter-sign corporate documents or certificates, and make reports and statements as may be required of him by law or by government rules and regulations;

f. To act as inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine questions, in connection with the right to vote, count and tabulate all votes, determine the result, and do such acts as are proper to conduct the election;
g. To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.

Section 5. The Treasurer -The Treasurer of the corporation shall have the following duties;

a. To keep full and accurate accounts of receipts and disbursements in the books of the corporation;
b. To have custody of, and be responsible for, all the funds, securities and bonds of the corporation;
c. To deposit in the name and to the credit of the corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the corporation which may come under his control;
d. To render an annual statements showing the financial condition of the corporation and such other financial reports as the Board of Directors, or the President may, from time to time require;
e. To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;
f. To exercise such powers and perform such duties and functions as may be assigned to him by the President.

Section 6. Term of Office – The term of office of all officers shall be one year and until their successors are duly elected and qualified.

Section 7. Vacancies –If any position of the officers becomes vacant by reason of death , resignation, disqualification or for any other cause, the Board of Directors, by majority vote may elect a successor who shall hold office for the unexpired term.

Section 8. Compensation – The officers shall receive such remuneration as the Board of Directors may determine. A director shall not be precluded from serving the corporation in any other capacity as an officer, agent or otherwise and receiving compensation therefor.

ARTICLE V
OFFICES

Section 1. The principal office of the corporation shall be located at the place stated in Article III of the Articles of Incorporation. The corporation may have such other branch offices, either within or outside the Philippines as the Board of Directors may designate.

ARTICLE VI
AUDIT OF BOOKS, FISCAL YEAR AND DIVIDENDS

Section 1. External Auditor - At the regular stockholders' meeting , the external auditor of the corporation for the ensuing year shall be appointed. The external auditor shall examine, verify and report on the earnings, and expenses of the corporation.

Section 2. Fiscal Year –The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

Section 3. Dividends –Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law.

ARTICLE VII
SEAL

Section 1. Form and Inscriptions –The corporate seal shall be determined by the Board of Directors.

ARTICLE VIII
AMENDMENTS

Section 1. These by-laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock; provided, however, that any such delegation of powers to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of stockholders representing a majority of the outstanding capital stock at a regular or special meeting.

IN WITNESS WHEREOF, we, the undersigned stockholders have adopted the foregoing by-laws and hereunto affixed our signatures this 10th day of October at Makati City, Philippines.

DEXTER Y. TIU
(TIN: 106-218-920)

RYAN WESLEY T. YAPKIANWEE
(TIN: 209-815-350)

GERTIM G. CHUAHIONG
(TIN: 100-810-709)

PAULO M. CALUGAY
(TIN: 246-948-489)

ERIC Y. ROXAS
(TIN: 106-207-301)

Republic of the Philippines)
Makati City QUEZON CITY)S.S.

JOINT AFFIDAVIT OF UNDERTAKING TO CHANGE NAME

We, DEXTER Y. TIU and ERIC Y. ROXAS, all of legal age, Filipinos and with business address at 3RD Floor JTKC Centre, 2155 Don Chino Roces Avenue, Makati City, after having been sworn to in accordance with law hereby depose and state:

That we are the incorporators of **TUBIG PILIPINAS GROUP INC.** which is in the process of registering its corporate name with the Securities and Exchange Commission.

That we, in behalf of said corporation, hereby undertake to change its corporate name or as herein provided, as amended thereafter immediately upon receipt of notice or directive from the Commission that another corporation, partnership or person has acquired a prior right to the use of that name or that the name has been declared as misleading, deceptive, confusingly similar to a registered name, or contrary to public morals, good custom or public policy.

That this affidavit is executed to attest to the truth of the foregoing and for whatever legal purpose and intent it may serve.

IN WITNESS WHEREOF, we hereby signed this affidavit this OCT 14 2014 day of _____ at QUEZON CITY.

DEXTER Y. TIU
TIN 106-218-920

ERIC Y. ROXAS
TIN 106-207-301

SUBSCRIBED AND SWORN to before me in the City of Makati this OCT 14 2014 day of _____ by Dexter Y. Tiu and Eric Y. Roxas , all personally known to me , who are the same persons who personally signed before me the foregoing Joint Affidavit and acknowledged that they executed the same.

ATTY. TOMAS F. DULAY JR.
NOTARY PUBLIC
Until December 31, 2014
ADM MATTER #, NP-051-2014-2015
PTR# 9243830-01-07-14 Q.C.

Doc. No. 220;
Page No. 44;
Book No. 267;
Series of 2014.

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

ANNEX "C"

The following document has been received:

Receiving: Ryan Piramide
Receipt Date and Time: September 12, 2025 04:38:37 PM

Company Information

SEC Registration No.: CS201421025
Company Name: TUBIG PILIPINAS GROUP INC.
Industry Classification: E41000
Company Type: Stock Corporation

Document Information

Document ID: OST10912202583749331
Document Type: GENERAL_INFORMATION_SHEET
Document Code: GIS
Period Covered: August 19, 2025
Submission Type: Annual Meeting
Remarks: None

Acceptance of this document is subject to review of forms and contents

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2025

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURRED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: TUBIG PILIPINAS GROUP INC.	**DATE REGISTERED:** OCTOBER 27,2014
BUSINESS/TRADE NAME: TUBIG PILIPINAS GROUP INC.	**FISCAL YEAR END:** DECEMBER 31
SEC REGISTRATION NUMBER: CS201421025	
DATE OF ANNUAL MEETING PER BY-LAWS: JUNE 30	**CORPORATE TAX IDENTIFICATION NUMBER (TIN)** 008-893-422-000
ACTUAL DATE OF ANNUAL MEETING: AUGUST 19,2025	**WEBSITE/URL ADDRESS:** www.tubigpilipinas.com
COMPLETE PRINCIPAL OFFICE ADDRESS: 7th Floor, One Oculus Center, 2120 Chino Roces Ave., Makati City	**E-MAIL ADDRESS:** contact@tubigpilipinas.com
COMPLETE BUSINESS ADDRESS: 7th Floor, One Oculus Center, 2120 Chino Roces Ave., Makati City	**FAX NUMBER:** N.A.

OFFICIAL E-MAIL ADDRESS	ALTERNATE E-MAIL ADDRESS	OFFICIAL MOBILE NUMBER	ALTERNATE MOBILE NUMBER
contact@tubigpilipinas.com	mark.roxas@tubigpilipinas.com	09178988260	09171527378

NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: REYES TACANDONG AND CO.	**SEC ACCREDITATION NUMBER (if applicable):**	**TELEPHONE NUMBER(S):** 88003898
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: WATER DISTRIBUTION	**INDUSTRY CLASSIFICATION:** OTHER SERVICE ACTIVITIES	**GEOGRAPHICAL CODE:** 1380300000

========== INTERCOMPANY AFFILIATIONS ==========

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
QUADWATER CORPORATION	CS201400082	PROGRESO ST. UMINGAN PANGASINAN,2443
PURE WATER CORPORATION	CS201320614	3F JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
SAN JOSE CITY(N.E.) WATER COMPANY INC.	2021070020251-12	2675 G/F SAN JOSE CITY (N.E.) WATER DISTRICT, MAHARLIKA ROAD 2ND DISTRICT ABAR 1ST, SAN JOSE CITY, NUEVA ECIJA, REGION III
BACOLOD BULK WATER INC.	CS201637936	3F JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY
TUBIG NABUA INC.	CS201914612	NABUA WATER DISTRICT,LOURDES HOSPITAL ROAD, SAN FRANCISCO (POB), NABUA, CAMARINES SUR,4434
TUBIG TRECE MARTIRES CORP.	202011000331005	SUNSHINE VILLE 2 TRECE MARTIRES CITY CABUCO, TRECE MARTIRES CITY CAVITE, REGION IV-A CALABARZON, 4109
TUBIG CADIZ INC.	202103000906201	LOT 21BLOCK 30 ANTONIO HEIGHTS VILLA LUISA HOUSING WESTERN NUATICAL HIGHWAY 2ND DISTRICT LUNA, CADIZ CITY, NEGROS OCCIDENTAL, REGION VI, 6121
TUBIG CORON, INC.	CS201914178	CORON MUNICIPAL HALL COMPOUND, DON PEDRO ST., BRGY. 2(POB), CORON, PALAWAN,5316
TUBIG CATBALOGAN CORP.	2023090117187-50	CATBALOGAN WATER DISTRICT ALLEN AVENUE EXTENSION POBLACION 4(BARANGAY 4), CITY OF CATBALOGAN(Capital), SAMAR (WESTERN SAMAR), REGION VIII (EASTERN VISAYAS), 6700
TUBIG ECHAGUE CORP.	2023090118775-22	2155 3F JTKC CENTRE CHINO ROCES AVE. PIO DEL PILAR MAKATI CITY, 1230
ALV TUBIG NG MANDAUE INC.	2024050152149-15	2155 3RD FLOOR JTKC CENTRE DON CHINO ROCES AVE., PIO DEL PILAR, MAKATI CITY FOURTH DISTRICT, NCR, 1230
TUBIG PILIPINAS GLOBAL GROUP INC.	2022020040514-00	2155 3F JTKC CENTRE CHINO ROCES AVE. PIO DEL PILAR MAKATI CITY, 1230
PRINCESS URDUJA WATERWORKS SYSTEM INC.	CS201200558	GRD FLR LITTLE STAR'S LITTLE PLAZA COMMERCIAL BUILDING, PADILLA STREET, POBLACION, SUAL.
WMTP BULK WATER CORP.	2025050202358-02	2120 7TH FLOOR ONE OCULUS CENTER DON CHINO ROCES AVE, PIO DEL PILAR, MAKATI CITY, 1230

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

Corporate Name: TUBIG PILIPINAS GROUP INC.

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) ○ Yes ◉ No

Please check the appropriate box:

1.

a. Banks
b. Offshore Banking Units
c. Quasi-Banks
d. Trust Entities
e. Non-Stock Savings and Loan Associations
f. Pawnshops
g. Foreign Exchage Dealers
h. Money Changers
i. Remittance Agents
j. Electronic Money Issuers
k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

a. Insurance Companies
b. Insurance Agents
c. Insurance Brokers
d. Professional Reinsurers
e. Reinsurance Brokers
f. Holding Companies
g. Holding Company Systems
h. Pre-need Companies
i. Mutual Benefit Association
j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

a. Securities Dealers
b. Securities Brokers
c. Securities Salesman
d. Investment Houses
e. Investment Agents and Consultants
f. Trading Advisors
g. Other entities managing Securities or rendering similar services
h. Mutual Funds or Open-end Investment Companies
i. Close-end Investment Companies
j. Common Trust Funds or Issuers and other similar entities
k. Transfer Companies and other similar entities
l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
m. Entities administering of otherwise dealing in valuable objects
n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

a. acting as a formation agent of juridical persons
b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

a. managing of client money, securities or other assets
b. management of bank, savings or securities accounts
c. organization of contributions for the creation, operation or management of companies
d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. None of the above

Describe nature of business:	WATER DISTRIBUTION

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? ○ Yes ◉ No

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: TUBIG PILIPINAS GROUP INC.

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	2,000,000,000	1.00	2,000,000,000.00
	TOTAL	**2,000,000,000**	**TOTAL P**	**2,000,000,000.00**

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	8	COMMON	537,500,001		1.00	537,500,001.00	100.00
		TOTAL	**537,500,001**	**TOTAL**	**TOTAL P**	**537,500,001.00**	

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
DUTCH	1	COMMON	94,852,942		1.00	94,852,942.00	100.00
Percentage of Foreign Equity :		**TOTAL**	**94,852,942**	**TOTAL**	**TOTAL P**	**94,852,942.00**	
					TOTAL SUBSCRIBED P	**632,352,943.00**	

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	8	COMMON	189,348,513	1.00	189,348,513.00	100.00
		TOTAL	**189,348,513**	**TOTAL P**	**189,348,513.00**	

FOREIGN	NO. OF	TYPE OF SHARES *	NUMBER OF	PAR/STATED VALUE	AMOUNT (PhP)	% OF
DUTCH	1	COMMON	43,418,600	1.00	43,418,600.00	100.00
18.65 %		**TOTAL**	**43,418,600**	**TOTAL P**	**43,418,600.00**	
				TOTAL PAID-UP P	**232,767,113.00**	**100.00**

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: TUBIG PILIPINAS GROUP INC.

DIRECTORS / OFFICERS

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. DEXTER Y. TIU 3F JTKC CENTRE, 2155 DON CHINO ROCES AVE. MAKATI CITY	FILIPINO	Y	M	M	Y	N.A.		106-218-920
2. RYAN WESLEY T. YAPKIANWEE 3F JTKC CENTRE, 2155 DON CHINO ROCES AVE. MAKATI CITY	FILIPINO	Y	C	M	Y	PRESIDENT		209-815-350
3. CONRADO MA. LEANDRO FRANCISCO G. BELISARIO SCOUT RALLOS ST., LAGING HANDA, QUEZON CITY	FILIPINO	N	M	M	Y	TREASURER		211-109-431
4. ERIC PETER Y. ROXAS CASTRILLO ST., CORINTHIAN GARDENS, QUEZON CITY	FILIPINO	Y	N/A	M	Y	CORPORATE SECRETARY		106-207-301
5. HOWARD CONRAD TANCUAN SY 11 HARVARD ROAD, FORBES PARK, MAKATI CITY	FILIPINO	N	M	M	Y	N/A		249-708-317
6. JOHN BENEDICT B. VICTORINO KINGS COURT, DON CHINO ROCES AVE, MAKATI CITY	FILIPINO	N	M	M	Y	N/A		210-353-285
7. MARK ERIC C. ROXAS 26 CASTRILLO ST., CORINTHIAN GARDENS, QUEZON CITY	FILIPINO	N	N/A	M	N	COO		462-016-246
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:	TUBIG PILIPINAS GROUP INC.		
TOTAL NUMBER OF STOCKHOLDERS:	9	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH**	3
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:	**PHP 1,319,048,868.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
1 PURE WATER CORPORATION FILIPINO 3F JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY	COMMON	268,749,998	268,749,998.00	42.50%	94,674,254.00	008-645-943
	TOTAL	**268,749,998**	**268,749,998.00**			
2. QUADWATER CORPORATION FILIPINO 3F JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY	COMMON	268,749,997	268,749,997.00	42.50%	94,674,253	201-346-374-000
	TOTAL	**268,749,997**	**268,749,997.00**			
3. DEXTER Y. TIU FILIPINO 3F JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY	COMMON	1	1.00		1.00	106-218-920
	TOTAL	**1**	**1.00**			
4. RYAN WESLEY T. YAPKIANWEE FILIPINO 3F JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY	COMMON	1	1.00		1.00	209-815-350
	TOTAL	**1**	**1.00**			
5. ERIC PETER Y. ROXAS FILIPINO CASTRILLO ST., CORINTHIAN GARDENS, QUEZON CITY	COMMON	1	1.00		1.00	106-207-301
	TOTAL	**1**	**1.00**			
6. HOWARD CONRAD TANCUAN SY FILIPINO 11 HARVARD ROAD, FORBES PARK, MAKATI CITY	COMMON	1	1.00		1.00	249-708-317
	TOTAL	**1**	**1.00**			
7. CONRADO MA. LEANDRO FRANCISCO G. BELISARIO FILIPINO SCOUT RALLOS ST., LAGING HANDA, QUEZON CITY	COMMON	1	1.00		1.00	211-109-431
	TOTAL	**1**	**1.00**			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			632,352,943.00	**85.00%**		
TOTAL AMOUNT OF PAID-UP CAPITAL					**232,767,113.00**	
ADDITIONAL PAID-IN CAPITAL					**378,636,901.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET
STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:	TUBIG PILIPINAS GROUP INC.		
TOTAL NUMBER OF STOCKHOLDERS:	9	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	3
TOTAL ASSETS BASED ON LATEST AUDITED FS:	PHP 1,319,048,868.00		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFCATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8. CEF2 A09 B.V. DUTCH KORTE VIJVERBERG 4,2153 AB, THE HAGUE, THE NETHERLANDS	COMMON	94,852,942	94,852,942.00	15.00%	43,418,600.00	663-147-943
	TOTAL					
9. JOHN BENEDICT VICTORINO FILIPINO 7F KING'S COURT,BUILDING 2, 2129 DON CHINO ROCES AVE., MAKATI CITY	COMMON	1	1.00		1.00	210-353-285
	TOTAL					
10.						
	TOTAL					
11.						
	TOTAL					
12.						
	TOTAL					
13.						
	TOTAL					
14.						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			632,352,943.00	**100.00%**		
TOTAL AMOUNT OF PAID-UP CAPITAL					**232,767,113.00**	
ADDITIONAL PAID-IN CAPITAL					**378,636,901.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET
STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:	TUBIG PILIPINAS GROUP INC.		
TOTAL NUMBER OF STOCKHOLDERS:	9	NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:	3
TOTAL ASSETS BASED ON LATEST AUDITED FS:	PHP 1,319,048,868.00		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
15.						
	TOTAL					
16.						
	TOTAL					
17.						
	TOTAL					
18.						
	TOTAL					
19.						
	TOTAL					
20.						
	TOTAL					
21. **OTHERS (Indicate the number of the remaining stockholders)**						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			632,352,943.00	0.00%		
				TOTAL AMOUNT OF PAID-UP CAPITAL	**232,767,113.00**	
				ADDITIONAL PAID-IN CAPITAL	**378,636,901.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: TUBIG PILIPINAS GROUP INC.

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS		
BACOLOD BULK WATER INC.	147,487,217.00	MARCH 01,2021
TUBIG NABUA INC.	4,687,494.00	JANUARY 18,2021
TUBIG CORON,INC.	2,499,995.00	SEPTEMBER 05,2022
TUBIG CADIZ INC.	1,562,499.00	NOVEMBER 16,2020
TUBIG TRECE MARTIRES CORP.	3,124,998.00	JUNE 15,2020
SAN JOSE CITY(N.E.) WATER COMPANY INC.	73,542,000.00	MARCH 08,2021
CALBAYOG WATER COMPANY INC.	2,240,000.00	JANUARY 07,2019
TUBIG ECHAGUE CORP.	874,998.00	MARCH 04,2024
TUBIG CATBALOGAN CORP.	4,999,995.00	MARCH 04,2024
ALV TUBIG NG MANDAUE INC.	318,747.00	JUNE 03,2024
TUBIG PILIPINAS GLOBAL GROUP INC.	20,399,997.00	DECEMBER 06,2021
WMTP BULK WATER CORP.	2,825,997.00	OCTOBER 7, 2024
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	N.A.	N.A.
1.3 LOANS/ CREDITS/ ADVANCES	N.A.	N.A.
1.4 GOVERNMENT TREASURY BILLS	N.A.	N.A.
1.5 OTHERS	N.A.	N.A.

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION
N.A.	N.A.	N.A.

3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED
N.A.	N.A.	

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH	N.A.	N.A.
5.2 STOCK	N.A.	N.A.
5.3 PROPERTY	N.A.	N.A.
TOTAL	P	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:

DATE	NO. OF SHARES	AMOUNT
N.A.	N.A.	N.A.

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	BSP	IC
TYPE OF LICENSE/REGN.			
DATE ISSUED:			
DATE STARTED OPERATIONS:			

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT
	4		

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **ERIC PETER Y. ROXAS** Corporate Secretary of **TUBIG PILIPINAS GROUP INC.** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.
I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.
I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this _____ day of SEP 10 2025 20____ in MAKATI CITY.

ERIC PETER Y. ROXAS
Corporate Secretary

SUBSCRIBED AND SWORN TO before me in MAKATI CITY on SEP 10 2025 by affiant who personally appeared before me and exhibited to me his/her competent evidence of identity consisting of PN EC-207-301 issued at _____ on _____.

NOTARY PUBLIC

Doc. No. 69
Page No. 13
Book No. 2
Series of 20 25

ATTY. SUZETTE A. ANCIRO
Notary Public for the City of Makati
Appointment No. M-333 (2024-2025)| until 31 Dec. 2025
Roll No. 81569 | 23 May 2022
IBP OR No. 429097 | 24 Jan. 2024 | Cavite Chapter
PTR. No. MKT-10475580 | 08 Jan. 2025 | Makati City
MCLE Compliance No. VIII - 0024449 | until 14 Apr. 2028
JTKC Centre, 2155 Don Chino Roces Ave., Makati City

BENEFICIAL OWNERSHIP DECLARATION
FOR THE YEAR: 2025

SEC REGISTRATION NUMBER: CS201421025
CORPORATE NAME: TUBIG PILIPINAS GROUP INC.

Instructions:

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"**Beneficial Owner**" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category	Description
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
E	Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
F	Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
G	Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
H	Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
I	Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III)	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP[1] / % OF VOTING RIGHTS[2]	TYPE OF BENEFICIAL OWNER[3] Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
RYAN WESLEY T. YAPKIANWEE	3F JTKC CENTRE, 2155 DON CHINO ROCES AVE., MAKATI CITY	FILIPINO	JUNE 22,1982	209-815-350	31.88%	D	A,C,D

Note: This page is not for uploading on the SEC iView.

1 For Stock Corporations.
2 For Non-Stock Corporations.
3 For Stock Corporations.

ANNEX "D"

Tubig Pilipinas Group Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2022 and 2021

With independent auditors' report provided by

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Accreditation No. 4782 SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Tubig Pilipinas Group Inc.
3F JTKC Centre
2155 Don Chino Roces Avenue
Makati City

Opinion

We have audited the consolidated financial statements of Tubig Pilipinas Group Inc. (the Parent Company) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' 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 the 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which indicate that the Group has a capital deficiency amounting to ₱5.28 million as at December 31, 2022. This condition indicates the existence of a material uncertainty about the Group's ability to continue as a going concern. To address this condition, the stockholders of the Parent Company have agreed to provide continuing financial support to the Group. The Group also plans to increase revenue through expansion and improving customer portfolio.

As at December 31, 2022, the Parent Company received deposits for future stock subscription aggregating ₱129.15 million. On June 30, 2023, the Parent Company filed its application for the increase in authorized capital stock with the SEC. As a result, the deposits for future stock subscription were reclassified as part of equity in 2023. As at the report date, the application is still subject to approval. Our opinion is not modified in respect of this matter.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

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 PFRS, 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.

Auditors' 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 auditors' 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 PSA 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, these 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 PSA, 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 auditors' 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 auditors' 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 group audits. 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

ARTHUR VINSON U. ONG
Partner
CPA Certificate No. 120745
Tax Identification No. 253-222-555-000
BOA Accreditation No. 4782; Valid until April 13, 2024
SEC Accreditation No. 120745-SEC Group A
Issued March 29, 2022
Valid for Financial Periods 2021 to 2025
BIR Accreditation No. 08-005144-015-2023
Valid until June 4, 2026
PTR No. 9564572
Issued January 3, 2023, Makati City

December 1, 2023
Makati City, Metro Manila

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2022	2021
ASSETS			
Current Assets			
Cash	5	**₱67,917,191**	₱18,706,085
Trade and other receivables	6	**78,400,310**	76,341,601
Due from related parties	15	**222,926,940**	108,877,469
Creditable withholding taxes		**6,231,675**	5,569,601
Other current assets	7	**4,510,173**	2,224,930
Total Current Assets		**379,986,289**	211,719,686
Noncurrent Assets			
Investment in associates	8	**101,273,391**	105,062,982
Goodwill	4	**66,410,279**	66,410,279
Property and equipment	9	**567,866,238**	540,695,943
Service concession asset	17	**394,193,620**	406,887,966
Right-of-use assets	18	**14,480,283**	15,627,833
Deferred tax asset	16	**11,215,440**	6,189,044
Other noncurrent assets	7	**51,027,617**	16,834,242
Total Noncurrent Assets		**1,206,466,868**	1,157,708,289
		₱1,586,453,157	₱1,369,427,975
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	10	**₱122,528,879**	₱106,617,014
Due to related parties	15	**467,012,065**	393,331,851
Current portion of:			
Loans payable	11	**63,106,633**	33,494,628
Service concession liability	17	**12,666,359**	11,006,596
Lease liabilities	18	**1,121,055**	313,352
Income tax payable		**2,232,865**	1,499,427
Total Current Liabilities		**668,667,856**	546,262,868

(Forward)

	Note	December 31 **2022**	2021
Noncurrent Liabilities			
Noncurrent portion of:			
Service concession liability	17	**₱393,951,421**	₱396,465,906
Loans payable	11	**372,796,078**	241,328,598
Lease liabilities	18	**18,401,078**	18,022,927
Deposits for future stock subscription	15	**129,145,472**	129,145,472
Deferred tax liability	16	**8,767,628**	5,826,439
Total Noncurrent Liabilities		**923,061,677**	790,789,342
Total Liabilities		**1,591,729,533**	1,337,052,210
Equity			
Capital stock		**50,000,000**	50,000,000
Additional paid-in capital		**51,500,000**	51,500,000
Deficit		**(123,427,273)**	(72,104,516)
Equity attributable to equity holders of the Parent Company		**(21,927,273)**	29,395,484
Non-controlling interest	4	**16,650,897**	2,980,281
Total Equity		**(5,276,376)**	32,375,765
		₱1,586,453,157	₱1,369,427,975

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	**2022**	2021
REVENUES	12	**₱139,819,466**	₱92,725,924
COST OF SERVICES	13	**(87,251,778)**	(56,725,496)
GROSS INCOME		**52,567,688**	36,000,428
OPERATING EXPENSES	14	**(91,091,823)**	(76,501,695)
LOSS FROM OPERATIONS		**(38,524,135)**	(40,501,267)
INTEREST EXPENSE	11	**(31,206,421)**	(16,770,121)
EQUITY SHARE IN NET LOSS OF ASSOCIATES	8	**(3,789,591)**	(7,439,225)
OTHER INCOME (EXPENSE) - Net			
Reversal of liabilities	10	**5,573,758**	–
Management fees	15	**3,751,572**	2,533,988
Construction revenue	17	**3,113,944**	8,143,057
Construction costs	17	**(3,113,944)**	(8,143,057)
Exploration and feasibility study fees	6	**–**	20,000,000
Others		**5,710,406**	(585,183)
		15,035,736	21,948,805
LOSS BEFORE INCOME TAX		**(58,484,411)**	(42,761,808)
INCOME TAX EXPENSE (BENEFIT)	16		
Current		**852,935**	1,873,527
Deferred		**(2,085,207)**	(884,515)
		(1,232,272)	989,012
NET LOSS		**(57,252,139)**	(43,750,820)
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE LOSS		**(₱57,252,139)**	(₱43,750,820)
NET LOSS/TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Equity holders of the Parent Company		**(₱51,322,757)**	(₱36,402,103)
Non-controlling interest		**(5,929,382)**	(7,348,717)
		(₱57,252,139)	(₱43,750,820)

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31 **2022**	2021
CAPITAL STOCK			
Authorized - 50,000,000 shares at ₱1 par value			
Issued and outstanding - 50,000,000 shares		**₱50,000,000**	₱50,000,000
ADDITIONAL PAID-IN CAPITAL		**51,500,000**	51,500,000
DEFICIT			
Balance at beginning of year		**(72,104,516)**	(35,702,413)
Net loss attributable to the equity holders of the Parent Company		**(51,322,757)**	(36,402,103)
Balance at end of year		**(123,427,273)**	(72,104,516)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**(21,927,273)**	29,395,484
NON-CONTROLLING INTEREST			
Balance at beginning of year, as previously reported		**5,444,828**	8,766,498
Prior period adjustment	4	**(2,464,547)**	–
Balance at beginning of year, as restated		**2,980,281**	8,766,498
Additional non-controlling interest		**19,599,998**	1,562,500
Net loss attributable to non-controlling interest		**(5,929,382)**	(7,348,717)
Balance at end of year		**16,650,897**	2,980,281
		(₱5,276,376)	₱32,375,765

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2022**	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱58,484,411)**	(₱42,761,808)
Adjustments for:			
Interest expense	11	**31,206,421**	16,770,121
Depreciation and amortization	9	**29,701,942**	20,912,048
Equity share in net loss of associates	8	**3,789,591**	7,439,225
Provision for expected credit losses (ECL)	6	**1,004,402**	6,773,575
Interest income	5	**(212,085)**	(10,432)
Reversal of allowance for ECL	6	**–**	(8,067,269)
Operating income before working capital changes		**7,005,860**	1,055,460
Decrease (increase) in:			
Trade receivables		**(3,063,111)**	9,563,998
Other assets		**(36,478,617)**	7,526,003
Increase in trade and other payables		**11,222,468**	11,507,214
Net cash provided by (used for) operations		**(21,313,400)**	29,652,675
Income tax paid		**(781,571)**	(9,745,644)
Interest received		**212,085**	10,432
Net cash provided by (used in) operations		**(21,882,886)**	19,917,463
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment		**(26,192,396)**	(19,213,910)
Service concession assets	17	**(3,113,944)**	(7,340,828)
Advances made to related parties		**(114,049,471)**	(51,996,824)
Net cash used in investing activities		**(143,355,811)**	(78,551,562)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Loans payable	11	**(91,112,717)**	(27,770,000)
Advances from related parties	11	**(40,903,943)**	(20,328)
Interest	11	**(19,025,697)**	(24,234,954)
Service concession liability	17	**(18,418,245)**	(6,118,072)
Lease liabilities	18	**(273,750)**	(4,092,731)
Proceeds from:			
Availment of loan	11	**250,000,000**	–
Advances from related parties	11	**114,584,157**	136,313,473
Additional non-controlling interests		**19,599,998**	–
Net cash provided by financing activities		**214,449,803**	74,077,388

(Forward)

		Years Ended December 31	
	Note	**2022**	2021
NET INCREASE IN CASH		**₱49,211,106**	₱15,443,289
CASH AT BEGINNING OF YEAR		**18,706,085**	3,262,796
CASH AT END OF YEAR		**₱67,917,191**	₱18,706,085
NONCASH FINANCIAL INFORMATION			
Property and equipment acquired through loan	9	**₱1,952,000**	₱–
Subscriptions payable	10	**–**	46,930,000

See accompanying Notes to Consolidated Financial Statements.

1. General Information

Tubig Pilipinas Group Inc. (TPGI or the Parent Company)

Tubig Pilipinas Group Inc. (TPGI or the Parent Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 2014 primarily to engage in operating, managing, maintaining and rehabilitating waterworks, sewerage and sanitation systems and services. The Parent Company is a bulk water supplier and direct water distributor.

The Parent Company directly, through subsidiaries and affiliates, is currently the contracted water supplier of multiple cities and municipalities around the Philippines including Bacolod, Negros Occidental, Sual, Labrador, Malasiqui Pangasinan, Coron, Palawan, Nabua, Camarines Sur, San Jose City, Nueva Ecija, Calbayog City, Samar, Borbon, Cebu, Iloilo City, Iloilo Province, and Echague Isabella, as well as subdivisions in Trece Martires City, Cavite and Cadiz City, Negros Occidental.

The Group's ultimate parent company is DYT Equities Corporation (DEC or the Ultimate Parent Company). All Companies are incorporated in the Philippines. In addition, Mr. Ryan Wesley T. Yapkianwee is identified as one of the beneficial owners of the Group with dominant influence over the management being its President.

The Parent Company's principal office address is located at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City.

Subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (collectively referred herein as "the Group"):

				Effective Percentage of Ownership	
Subsidiaries	Nature of Business	Place of Incorporation	Principal Place of Business	**2022**	2021
Tubig Trece Martires Corp. (TTMC)	Direct water distributor	Philippines	Sunshine Ville 2, Cabuco, Trece Martires City, Cavite	**100%**	100%
San Jose (N.E.) Water Company Inc. (SJWCI)	Direct water distributor	Philippines	2675 G/F San Jose City (N.E.) Water District, Maharlika Road, San Jose City, Nueva Ecija	**100%**	100%
Tubig Coron Inc. (TCI)	Direct water distributor	Philippines	Coron Municipal Hall Compound Don Pedro St. Barangay II (Pob.) Coron, Palawan	**95%**	95%
Bacolod Bulk Water Inc. (BBWI)	Bulk water supplier	Philippines	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**93%**	93%
Tubig Nabua Inc. (TNI)	Direct water distributor	Philippines	Nabua Water District Lourdes Hospital Road San Francisco (Pob.) Nabua, Camarines Sur	**70%**	70%
Tubig Pilipinas Global Group Inc. (TPGGI)	Water supply, sewerage, waste management and remediation activities	Philippines	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**51%**	–
Tubig Cadiz Inc. (TCAI)	Direct water distributor	Philippines	Lot 21 Block 30 Antonio Heights Villa Luisa Housing Western Nuatical Highway 2nd District Luna, Cadiz City, Negros Occidental	**50%**	50%

TCI and TNI were incorporated and registered in the SEC in 2019 and have commenced operations on October 1, 2020 and May 1, 2020, respectively. TTMC was incorporated and registered in the SEC in 2020 and have commenced operations on October 8, 2020.

SJWCI and TCAI were incorporated and registered in the SEC in 2021 and have commenced operations on July 21, 2021 and March 17, 2021, respectively.

TPGGI was incorporated in the SEC on February 4, 2022 and have not commenced operations as at the report date.

Status of Operations

The Group has a capital deficiency amounting to ₱5.28 million as at December 31, 2022 that may cast significant doubt about the Group's ability to continue as a going concern. To address this condition, the stockholders of the Parent Company have agreed to provide continuing financial support to the Group. The Group also plans to increase revenue through expansion and improving customer portfolio.

In 2018, the Parent Company converted its advances from Quadwater Corporation (QWC) and Pure Water Corporation (PWC) aggregating ₱129.15 million into deposits for future stock subscription. On June 30, 2023, the Parent Company filed its application for the increase in authorized capital stock with the SEC. As a result, the deposits for future stock subscription were reclassified as part of equity in 2023. As at the report date, the application is still subject to approval.

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at and for the years ended December 31, 2022 and 2021 were approved and authorized for issue by the Board of Directors (BOD) on December 1, 2023.

2. Summary of Significant Accounting Policies

Basis of Preparation and Statement of Compliance

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

Measurement Bases

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

The consolidated financial statements have been prepared on a historical cost basis, except for right-of-use (ROU) assets and lease liabilities that are carried at present value of minimum lease payments. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

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 transaction date. The Group uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 19 to the consolidated financial statements.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS:

- Amendments to PFRS 3, *Business Combinations - Reference to Conceptual Framework* – The amendments replaced the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement ensures that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarify that an acquirer shall not recognize contingent assets acquired in a business combination.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss.

- Amendments to *PAS 37, Onerous Contracts - Cost of Fulfilling a Contract* – The amendments specify which costs shall be included when assessing whether a contract is onerous or loss-making. The 'costs of fulfilling' a contract comprise the 'costs that relate directly to the contract'. These costs can either be incremental (e.g., the costs of direct labor and materials) or can be an allocation of costs directly related to fulfilling a contract (e.g., depreciation of fixed assets). At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as applicable. Accordingly, the comparatives are not restated.

- Annual Improvements to PFRS 2018 to 2020 Cycle –

  - Amendment to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity shall include when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendment applies to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendment.

  - Amendment to PFRS 16, *Leases - Lease Incentives* – The amendment removed from Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

The adoption of the amended PFRS did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at December 31, 2022 and have not been applied in preparing the consolidated financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if and accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in

accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments should be applied on a modified retrospective basis. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Group shall also apply Amendments to PAS 1 - *Noncurrent Liabilities with Covenants* for that period.

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Group shall also apply Amendments to PAS 1 - Classification of Liabilities as Current or Noncurrent for that period

- Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, Revenue from Contracts with Customers, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated. The amendments must be applied retrospectively. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2025 –

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 a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

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

Basis of Consolidation

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

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

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

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

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

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

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

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

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

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

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

Business Combinations. 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 non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are recognized as expense.

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 is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with changes in fair value recognized either in profit or loss or other comprehensive income. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss. If the initial accounting for business combination can be determined only provisionally by the end of the period by which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group accounts the combination using provisional values.

Adjustments to these provisional values as a result of completing the initial accounting shall be made within 12 months from the acquisition date. The carrying amount of an identifiable asset, liability or contingent liability that is recognized as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date and goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted.

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

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

Classification of Assets and Liabilities between Current and Noncurrent

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

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

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

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

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

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

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

Financial Assets and Financial Liabilities

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

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

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

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

As at December 31, 2022 and 2021, the Group does not have financial instruments at FVPL and FVOCI.

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2022 and 2021, the Group's cash, trade and other receivables, due from related parties, deposits, and refundable deposits (presented as part of "Other noncurrent assets account") are classified under this category.

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

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

As at December 31, 2022 and 2021, the Group's trade and other payables (excluding statutory payables), due to related parties, loans payable, lease liabilities, deposits for future stock subscription and service concession liability are classified under this category.

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

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

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

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial instruments measured at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

Derecognition of Financial Assets and Liabilities

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

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the profit or loss.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

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

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

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

Creditable withholding taxes (CWT)
CWT is deducted from income tax payable in the same year the revenue was recognized. CWT in excess of income tax payable are carried forward to the succeeding year. CWT are stated at face amount, less any impairment in value.

Other Assets
Other assets consist of input value-added tax (VAT), advances to employees, prepayments, deposit, refundable deposits (financial assets), and advances to contractors and suppliers.

Input VAT. Revenue, expenses and assets are recognized net of the amount of VAT. The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" account in the consolidated statements of financial position.

Advances to employees. Advances to employees are carried in the consolidated statements of financial position at face amount and are recognized as expense in profit or loss or to the corresponding asset account when incurred.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in the profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the financial reporting date are classified as current assets. Otherwise, prepayments are classified as noncurrent asset.

Advances to contractors and suppliers. Advances to contractors and suppliers represent advance payments on services to be incurred in connection with the Group's operations. These are capitalized in the consolidated statements of financial position, upon actual receipt of services or supplies. These are charged to the construction in progress account when the goods or services for which the advances were made are received. These are considered as nonfinancial instruments as these will be applied against future billings from contractors and suppliers.

Investment in Associates

The Group's investment in associates are accounted for using the equity method. An associate is an entity in which the Group has significant influence, but not control, over the entity's financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

Under the equity method, the investment in associates is carried in the consolidated statements of financial position at cost plus post-acquisition changes of the Group's share in net assets of the associate, less any impairment in value. The consolidated statements of comprehensive income reflect the Group's share in the financial performance of the associate. Unrealized gains arising from transactions with the associate are eliminated to the extent of the Group's interest in the associate, against the investment in an associate. Unrealized losses are eliminated similarly but only to the extent that there is no evidence of impairment of the asset transferred.

The reporting date of the associate and that of the Group are identical and the associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances. When necessary, adjustments are made to conform the associate's accounting policies in line with those of the Group.

The share in net loss of the associate is shown "Equity share in net loss of associates" in the consolidated statements of comprehensive income.

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

The Group determines at the end of each reporting year whether there is any evidence that the investment is impaired. If this is the case, the amount of impairment is calculated as the difference between the carrying value of the investment and recoverable amount.

Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

The Group recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.

Property and Equipment

Property and equipment (except land and construction in progress) are stated at cost less accumulated depreciation and any impairment in value. Land and construction in progress are stated at cost, net of accumulated impairment losses, if any.

The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged in profit or loss in the year the costs are incurred. In situations where it can clearly demonstrated that the expenditures have resulted in increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost to the property and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of Years
Water supply facility and equipment	5 to 25
Site facilities and offices	5 to 20
Transportation equipment	5 to 8
Computer equipment	2 to 5
Furniture, fixtures and equipment	5

The assets' useful lives and depreciation method are reviewed annually, and adjusted prospectively, as appropriate, if there is an indication of a significant change since the last reporting date.

Depreciation commence when the property and equipment is in its location or condition capable of being operated in the manner intended by management. Depreciation ceases at the earlier of the date that the property and equipment is classified as held-for-sale and the date the property and equipment is derecognized.

Fully depreciated or amortized property and equipment are retained in the accounts until these are no longer in use and no further charge for depreciation is made in respect of those property and equipment.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from 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 statements of comprehensive income in the year the property and equipment is derecognized.

Construction in progress represents properties under construction and is stated at cost, including cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction are capitalized during the construction period. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for operational use.

Reclassifications from construction in progress to relevant asset accounts are made upon completion of the construction.

Borrowing Costs

Borrowing costs are recognized as expense in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when all such activities are substantially complete.

Service Concession Arrangement

Service concession asset represents the cost incurred to obtain the concession rights and construction costs of water facilities (including borrowing costs during the construction period). Except for the portion of the annual fixed fee, which is recognized immediately as a service concession asset, the right is earned and recognized by the Group as the project progresses. Service concession asset is recognized initially at the fair value (discounted cash flow basis) of the construction services. Following initial recognition, the service concession assets are carried at cost less accumulated amortization and any impairment losses. Subsequent expenditures related to the water facility arising from concession contracts or that increase future revenues are recognized as part of the service concession asset and are stated at cost.

Service Concession Asset. Service concession asset represents the right to primarily operate a license to distribute water to its subscribers and construction costs of water facilities. Service concession asset are recognized initially on a discounted cash flow basis of the revenue share per annum given to Nabua Water District (NAWAD) and San Jose City (N.E.) Water District (SJCWD). Following initial recognition, the service concession assets are carried at cost less accumulated amortization and any accumulated impairment in value. Subsequent expenditures incurred to maintain the expected future economic benefits of the service concession asset are normally recognized in profit or loss.

The service concession assets are amortized on a straight-line basis over the year stated in the Joint Venture Agreement which is 30 years from the start of commercial operations and is being assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method are reviewed at least each reporting date or when an indication of impairment arises during the reporting year.

Changes in the term of the contract or the expected future economic benefits embodied in the asset is accounted for by changing the amortization period and method, as appropriate, and treated as changes in accounting estimates. The amortization expense is recognized in profit or loss consistent with the functions of intangible assets.

The service concession asset will be derecognized upon turnover to NAWAD with no consideration. There will be no gain or loss upon derecognition of the concession rights which is expected to be fully amortized.

Service Concession Liability. Service concession liability is recognized at the date of inception as the present value of the fixed portion of concession fees if the arrangement qualifies under service concession arrangements in accordance with IFRIC 12, *Service Concession Arrangements*. This account is debited upon payment of concession fees to the grantor. Such payments are apportioned between interest payment and payment of the principal. Accretion of interest on service concession obligation is presented under “Interest expense” account in the consolidated statement of comprehensive income.

Service concession obligation that is expected to be settled for no more than 12 months after the reporting period is classified under current liabilities. Otherwise, this is classified under noncurrent liabilities.

Impairment of Nonfinancial Assets

The carrying amounts of the Group's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash generating unit (CGU) is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Group. Impairment losses are recognized in profit or loss in the period incurred.

The recoverable amount of a nonfinancial asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while the fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized.

Deposits for Future Stock Subscription

Deposits for future stock subscription represents funds received from existing or potential stockholders to be applied as payment for future issuance of capital stock. Deposits for future stock subscription are recognized as equity if, and only if, all of the following elements set forth by the SEC are present as at reporting date:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD's approval on the proposed increase in authorized capital stock for which a deposit was received by the Group);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as a liability.

Capital Stock and Additional Paid-in Capital (APIC)

Capital stock is measured at par value for all shares issued and outstanding. Proceeds or fair value of consideration in excess of par value is recognized as APIC.

Deficit
Deficit represents the cumulative balance of net income or loss.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group perform its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources. Moreover, collectability is assessed before revenue is recognized.

The following specific recognition criteria must also be met before revenue is recognized:

Revenue. Revenue is recognized when the related water services are rendered. Water is billed every month according to the bill cycles of the customers. Monthly revenue earned are billed to the customer and recorded in the same month. Penalty and reconnection fee and subscription income are recognized when earned.

Construction Revenue. Construction revenue is recognized by reference to the stage of completion of the construction activity at the reporting date. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Management Fees and Exploration and Feasibility Study Fees. Revenue is recognized as services are performed.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset, net of final taxes.

Other Income. Other income is recognized as revenue when earned.

Cost and Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Services. Cost of services are recognized as expense when the related services are rendered.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method, net of final tax.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customers has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as Lessee

At the commencement date, the Group recognizes ROU assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value, in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Assets. At commencement date, the Group measures the ROU assets at cost. The cost comprises:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs incurred by the Group; and
- An estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

The ROU assets are recognized under the same basis with property and equipment at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are depreciated over the shorter of the lease term or the useful life of the underlying asset.

Lease Liabilities. At commencement date, the Group measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonable certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonable certain not to terminate early.

Lease liabilities are subsequently measured at amortized cost. Interest on the lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liabilities are remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liabilities are also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is recognized on all temporary differences at the reporting date between the carrying amount of the assets and liabilities in the consolidated financial statements and their corresponding tax bases. Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable income in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable income in the future, carry forward benefits of unused tax credits from the unused net operating loss carryover (NOLCO).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Related Party Transactions

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties. Related party relationships exist when one party has the ability, directly or indirectly, to control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Group; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual; and (d) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directly to the substance of the relationship and not merely on the legal form.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and 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.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefit is probable.

Events After the Reporting Date

Post year-end events that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

In the application of the Group's accounting policies, management is required to exercise judgment and make accounting estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The accounting estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgments, accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the significant judgments, accounting estimates and assumptions affecting the Group:

Judgments

Defining Default and Credit-Impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit- impaired, when it meets one or more of the following criteria:

a. Quantitative Criteria - the borrower is more than 30 or 45 days past due on its contractual payments, which is consistent with the Group's definition of default.

b. Qualitative Criteria - The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

   - The borrower is experiencing financial difficulty or is insolvent;
   - The borrower is in breach of financial covenants; and
   - It is probable that the borrower will enter bankruptcy or other financial reorganization.

Determining Significant Influence. The Group assessed that it has the ability to exercise significant influence, but not control, over its associates as at December 31, 2022 and 2021 by virtue of holding directly more than 20% but less than 50% of the voting power of the associates.

Classifying Joint Arrangements. The Group entered into joint agreements with third party entities involving operations of water projects. The Group determined that it has joint control over the arrangements and have rights to the assets, and obligations for the liabilities, relating to the agreements. Accordingly, the agreements were accounted for as joint operations (see Note 17).

Determining Lease Commitments – Group as a Lessee. The Group recognized ROU assets and lease liabilities for all of its existing lease agreements, except for the lease of parcel of land situated in Brgy. Murcia, Negros Occidental, lease of generator equipment and lease of office space for a period of not more than one (1) year. The Group did not recognize ROU assets and lease liabilities since the lease consideration is variable and application of short-term lease recognition exemption.

Rental expense from short-term leases in 2022 and 2021 are disclosed in Note 18 to the consolidated financial statements.

Estimates and Assumptions

Estimating the Allowance for ECL on Trade Receivables. The Group uses a provision matrix based on historical default rates for trade receivables. The provision matrix specify provision rates depending on the number of days that a trade receivable is past due. The Group then calibrates the provision matrix to adjust historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual experience.

The Group adjust historical default rates if forecasted economic conditions such as gross domestic product are expected to deteriorate which can lead to increased number of defaults in the industry. The Group regularly review the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for ECL of trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

Allowance for ECL and carrying amount of trade receivables are disclosed in Note 6 to the consolidated financial statements.

Assessing the Impairment of ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group's other financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12-month ECL.

The Group has assessed that the ECL for financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2022 and 2021.

The carrying amounts of other financial assets at amortized cost as at December 31, 2022 and 2021 are disclosed in Notes 5, 6, 7, and 15 to the consolidated financial statements.

Estimating the ROU Assets and Lease Liabilities. The Group determines lease payments, lease term and discount rate at the commencement date of a lease. The lease term comprises non-cancellable period of a lease contract. Period covered by an option to extend a lease if the Group is reasonably certain to exercise the option, or periods covered by an option to terminate a lease if the Group is reasonably certain not to exercise that option, are included in the lease term. The Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise, or not to exercise, the option such as, but not limited to, significant leasehold improvements undertaken and the importance of the underlying asset to the Group's operations.

The Group uses its incremental borrowing rate as basis for the discount rate which is the rate 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 ROU asset in a similar economic environment.

As at December 31, 2022 and 2021, the carrying amount of ROU assets and lease liabilities are disclosed in Note 18 to the consolidated financial statements.

Estimating the Useful Lives of Property and Equipment. The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed and 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, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, 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 factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Assessing the Impairment of Nonfinancial Assets. Assessing nonfinancial assets for impairment includes considering certain indicators of impairment such as significant changes in asset usage, significant decline in market value, obsolescence or physical damage of an asset. If such indicators are present, and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

No impairment loss was recognized in 2022 and 2021. The carrying amounts of the Group's nonfinancial assets are disclosed in Notes 7, 8, and 9 to the consolidated financial statements.

Assessing the Impairment of Goodwill. The Group tests annually whether any impairment in goodwill should be recognized, in accordance with the related accounting policy. The recoverable amount of CGU have been determined based on value in use calculations which require the use of estimates.

Based on the impairment assessment, the recoverable amount of the CGU as at December 31, 2022 and 2021, calculated based on value in use are greater than the corresponding carrying values (including goodwill) of the CGU.

The carrying amount of goodwill is disclosed in Note 4 to the consolidated financial statements.

Recognizing Construction Revenue and Costs. The Group measures contract revenue at the fair value of the consideration received or receivable. Given that the Group has subcontracted the construction to outside contractors, the construction revenue recognized is equal to the construction costs. Construction revenue and costs are disclosed in Note 17 to the consolidated financial statements.

Recognizing Deferred Tax Assets. The Group reviews the carrying amounts of deferred tax asset at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Group's recognized deferred tax assets and unrecognized deferred tax assets as at December 31, 2022 and 2021 are disclosed in Note 16 to the consolidated financial statements.

4. Business Combination, Goodwill and Material Non-controlling Interest

Business Combination and Goodwill

In 2021, the Parent Company incorporated SJWCI and TCAI for a total consideration of ₱201.97 million. The Parent Company conducted a preliminary assessment of its equity interest in SJCWCI and has recognized provisional amounts as at December 31, 2021. As permitted by PFRS 3, *Business Combinations*, the Parent Company assessed that based on new information and circumstances that existed at the date of acquisition it identified adjustments to the provisional amounts of goodwill amounting to ₱2.46 million.

The goodwill arising from the business combination based on the finalized purchase price allocation are as follows:

	2021
Fair value of consideration at acquisition date - net of subscription receivable	₱126,664,670
Fair value of non-controlling interests	1,562,500
	128,227,170
Less fair value of net assets	76,667,006
	₱51,560,164

The fair value of the identified assets and liabilities as at the date of acquisition is equivalent to its carrying amount.

The acquisitions of SJWCI, TCAI, TCI, and TNI were expected to result in synergies, economies of scale and efficiency of operations.

Goodwill acquired from business combinations consists of:

	2022	2021
SJWCI	**₱51,521,409**	₱51,521,409
TCI	**9,610,915**	9,610,915
TNI	**5,239,200**	5,239,200
TCAI	**38,755**	38,755
	₱66,410,279	₱66,410,279

For purposes of impairment testing, the Group determined the recoverable amount of goodwill based on value in use. Value in use is based on discounted cash flow model using the subsidiaries' financial forecasts for the next five years.

Key assumptions used to which the recoverable amounts are most sensitive are revenue growth rates, estimated operational costs, weighted average long-term growth rates and discount rates. Revenue growth rates are based on expected operating results with reference to projected cash flows from stress testing. Operational costs are determined based on average fixed and variable costs adjusted for inflationary increases but not reflecting any future restructurings or cost saving measures.

The Group has assessed that there is no goodwill impairment based on a discounted cash flow model using projected budget for the next five years. The Parent Company assessed that goodwill from business combinations are not deductible for tax purposes.

Material Non-controlling Interests

The following table summarizes the subsidiaries with material effective percentage of ownership held by non-controlling interests.

	2022	2021
TCAI	**50%**	50%
TPGGI	**49%**	–
TNI	**30%**	30%
BBWI	**7%**	7%
TCI	**5%**	5%

The accumulated balance of material non-controlling interest amounted to ₱16.65 million and ₱2.98 million as of December 31, 2022 and 2021, respectively.

The summarized financial information of the material partly-owned subsidiaries is presented below. These information are based on the amounts before intercompany eliminations.

	2022			
	Total Assets	**Total Liabilities**	**Total Equity**	**Net Income (Loss)**
BBWI	**₱580,037,245**	**₱435,236,940**	**₱144,800,305**	**(₱9,900,115)**
TCI	**5,114,903**	**2,433,900**	**2,681,003**	**545,992**
TNI	**183,345,205**	**222,922,547**	**(39,577,342)**	**(17,498,715)**
SJWCI	**474,562,247**	**411,867,282**	**62,694,965**	**(7,914,831)**
TCAI	**2,589,337**	**237,001**	**2,352,336**	**(573,690)**
TTMC	**50,041,625**	**44,192,438**	**5,849,187**	**420,709**
TPGGI	**41,011,394**	**1,011,400**	**39,999,994**	**–**

	2021			
	Total Assets	Total Liabilities	Total Equity	Net Income (Loss)
BBWI	₱551,367,710	₱398,667,198	₱152,700,512	(₱7,576,433)
TCI	4,858,167	2,981,612	1,876,555	(146,185)
TNI	180,670,127	202,748,754	(22,078,627)	(22,599,174)
SJWCI	313,170,725	242,560,929	70,609,796	(2,932,209)
TCAI	3,192,811	298,991	2,893,820	(231,180)
TTMC	39,783,308	34,354,830	5,428,478	2,342,233

5. Cash

This account consists of:

	2022	2021
Cash on hand	**₱2,256,005**	₱1,059,206
Cash in banks	**65,661,186**	17,646,879
	₱67,917,191	₱18,706,085

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned from cash in banks amounted to ₱0.20 million and ₱0.01 million in 2022 and 2021, respectively.

6. Trade and Other Receivables

This account consists of:

	Note	2022	2021
Trade receivables		**₱63,431,504**	₱60,688,968
Exploration and feasibility study fees receivable		**22,400,000**	22,400,000
Management fees receivable	15	**320,575**	–
		86,152,079	83,088,968
Less allowance for ECL		**7,751,769**	6,747,367
		₱78,400,310	₱76,341,601

Trade receivables and exploration and feasibility study fees receivables are noninterest-bearing receivables from customers which are normally collectible within 30 days.

In 2021, the Group entered into various exploration and feasibility study agreements with third parties. Exploration and feasibility study fees amounting to ₱20.0 million, net of output VAT, is presented under “Other income (expense) - net" account in the consolidated statements of comprehensive income.

The movements in allowance for ECL are as follows:

	Note	2022	2021
Balance at beginning of the year		**₱6,747,367**	₱8,041,061
Provision for ECL	14	**1,004,402**	6,773,575
Reversal		**–**	(8,067,269)
Balance at end of the year		**₱7,751,769**	₱6,747,367

7. Other Assets

This account consists of:

	Note	2022	2021
Current:			
Input VAT		**₱3,188,796**	₱954,666
Advances to employees		**897,683**	806,659
Others		**423,694**	463,605
		4,510,173	2,224,930
Noncurrent:			
Advances to contractors and suppliers		**36,670,060**	2,500,060
Deposit	17	**10,780,539**	10,780,539
Refundable deposits		**3,577,018**	3,553,643
		51,027,617	16,834,242
		₱55,537,790	₱19,059,172

Advances to employees pertain to cash advances which are subject to liquidation.

Others pertain to materials and office supplies and are generally utilized within 12 months or within the normal operating cycle.

Advances to contractors and suppliers represent the down payments for the water project studies, drillings and for the on-going construction of additional injection point in connection to the bulk water supply agreement of the Group. These are noninterest-bearing and are being applied to the final billings.

Deposit pertains to amount advanced by the Group for the corporation which will be established by virtue of the franchise agreement.

Refundable deposits include utility deposit and lease security deposits which are subject to refund at the end of the contract period.

8. Investment in Associates

The carrying amounts of investments in associates are as follows:

	2022		2021	
	% ownership	**Amount**	% ownership	Amount
Calbayog Water Company, Inc. (CWCI)	**40.0%**	**₱93,320,624**	40.0%	₱97,486,091
Princess Urduja Waterworks System, Inc. (PUWSI)	**40.0%**	**7,952,767**	40.0%	7,576,891
MTTP Water Corporation (MWC)	**47.5%**	**–**	47.5%	–
		₱101,273,391		₱105,062,982

CWCI's principal place of business is at JD Avelino St., West Awang, Calbayog City, Western Samar while PUWSI's principal place of business is at RTP Building, Poblacion West, Sual, Pangasinan.

The Group's investment in MWC's shares was fully provided with allowance amounting to ₱5.48 million. MWC has no operations in 2022 and 2021.

The movements in investments in associates are as follows:

	2022	2021
Acquisition Cost		
Balance at beginning and end of year	**₱134,807,939**	₱134,807,939
Accumulated Equity in Net Loss		
Balance at beginning of year	**(24,265,022)**	(16,825,797)
Equity share in net loss for the year	**(3,789,591)**	(7,439,225)
Balance at end of year	**(28,054,613)**	(24,265,022)
Allowance for Impairment Loss		
Balance at beginning and end of year	**(5,479,935)**	(5,479,935)
	₱101,273,391	₱105,062,982

The financial information of associates is summarized below.

	CWCI		**PUWSI**	
	2022	2021	**2022**	2021
Total assets:				
Current	**₱49,656,213**	₱71,300,002	**₱2,658,759**	₱3,964,052
Noncurrent	**658,118,475**	587,499,188	**35,726,579**	35,792,576
	707,774,688	658,799,190	**38,385,338**	39,756,628
Total liabilities:				
Current	**82,050,720**	71,895,978	**21,336,222**	20,647,201
Noncurrent	**552,705,155**	503,470,732	**12,460,634**	15,460,634
	634,755,875	575,366,710	**33,796,856**	36,107,835
Total equity	**73,018,813**	83,432,480	**4,588,482**	3,648,793
Revenue	**137,143,521**	114,971,243	**15,976,039**	14,508,343
Net income (loss)	**(10,413,667)**	(18,995,919)	**939,689**	397,858

In 2020, the Group subscribed to 40% ownership interest in CWCI for a total consideration amounting to ₱121.22 million. The Group has unpaid subscription amounting to ₱46.93 million as at December 31, 2022 and 2021 (see Note 10). The related goodwill included in the carrying amount of the Group's investment in CWCI amounted to ₱45.34 million as at December 31, 2022 and 2021.

A reconciliation of CWCI's equity to the carrying amount of the Group's investment in CWCI follows:

	Note	**2022**	2021
CWCI's equity		**₱73,018,813**	₱83,432,480
Subscription payable	10	**46,930,000**	46,930,000
		119,948,813	130,362,480
Ownership interest		**40%**	40%
Equity in investment in CWCI		**47,979,525**	52,144,992
Goodwill		**45,341,099**	45,341,099
Carrying amount		**₱93,320,624**	₱97,486,091

The difference between the carrying amount of investment in PUWSI and the share in net assets of PUWSI represents goodwill.

9. Property and Equipment

The balances and movements of this account are as follows:

	2022							
	Construction in Progress	**Water Supply Facility and Equipment**	**Site Facilities and Offices**	**Transportation Equipment**	**Land**	**Computer Equipment**	**Furniture, Fixtures and Equipment**	**Total**
Cost								
Balances at beginning of year	**₱348,581,799**	**₱167,042,814**	**₱55,594,753**	**₱2,287,707**	**₱1,440,000**	**₱879,908**	**₱2,961,948**	**₱578,788,929**
Additions	**27,518,506**	**6,200,095**	**1,518,230**	**2,465,000**	**–**	**1,103,132**	**1,111,434**	**39,916,397**
Balances at end of year	**376,100,305**	**173,242,909**	**57,112,983**	**4,752,707**	**1,440,000**	**1,983,040**	**4,073,382**	**618,705,326**
Accumulated Depreciation								
Balances at beginning of year	**–**	**19,246,387**	**14,671,022**	**1,776,251**	**–**	**505,007**	**1,894,319**	**38,092,986**
Depreciation	**–**	**7,191,434**	**3,803,160**	**441,177**	**–**	**240,400**	**1,069,931**	**12,746,102**
Balances at end of year	**–**	**26,437,821**	**18,474,182**	**2,217,428**	**–**	**745,407**	**2,964,250**	**50,839,088**
Carrying Amount	**₱376,100,305**	**₱146,805,088**	**₱38,638,801**	**₱2,535,279**	**₱1,440,000**	**₱1,237,633**	**₱1,109,132**	**₱567,866,238**

	2021							
	Construction in Progress	Water Supply Facility and Equipment	Site Facilities and Offices	Transportation Equipment	Land	Computer Equipment	Furniture, Fixtures and Equipment	Total
Cost								
Balances at beginning of year	₱369,023,367	₱132,970,311	₱54,608,704	₱2,078,600	₱1,440,000	₱708,557	₱2,712,687	₱563,542,226
Additions	20,746,886	8,394,774	986,049	209,107	–	171,351	249,261	30,757,428
Adjustments	(14,708,493)	–	–	–	–	–	–	(14,708,493)
Reclassification	(26,479,961)	25,677,729	–	–	–	–	–	(802,232)
Balances at end of year	348,581,799	167,042,814	55,594,753	2,287,707	1,440,000	879,908	2,961,948	578,788,929
Accumulated Depreciation								
Balances at beginning of year	–	16,794,161	8,623,898	1,459,523	–	381,811	1,420,033	28,679,426
Depreciation	–	2,479,840	6,047,124	316,728	–	123,196	474,286	9,441,174
Reclassification	–	(27,614)	–	–	–	–	–	(27,614)
Balances at end of year	–	19,246,387	14,671,022	1,776,251	–	505,007	1,894,319	38,092,986
Carrying Amount	₱348,581,799	₱147,796,427	₱40,923,731	₱511,456	₱1,440,000	₱374,901	₱1,067,629	₱540,695,943

Fully depreciated property and equipment being used by the Group amounted to ₱2.66 million and ₱0.40 million as at December 31, 2022 and 2021, respectively.

In 2022, the Group acquired a transportation equipment amounting to ₱1.95 million through bank financing (see Note 11).

Construction in progress pertains to Group's water distribution facilities and pipelines for the waterworks system related to its projects with estimated cost to complete amounting to ₱1,663.38 million. This also includes the development costs, installation and operation of water extraction equipment and maintenance of water supply systems through provision and development of water resources.

In 2021, construction in progress and water supply facility and equipment classified as rehabilitation works with carrying amount of ₱0.80 million, respectively, were reclassified to service concession asset (see Note 17).

Capitalized borrowing costs amounted to ₱11.77 million and ₱11.54 million in 2022 and 2021, respectively (see Note 11).

Depreciation and amortization consist of:

	Note	**2022**	2021
Property and equipment		**₱12,746,102**	₱9,441,174
Service concession asset	17	**15,808,290**	7,907,190
ROU assets	18	**1,147,550**	3,563,684
		₱29,701,942	₱20,912,048

Depreciation and amortization are charged to operation as follows:

	Note	**2022**	2020
Cost of services	13	**₱18,466,590**	₱16,859,390
Operating expenses	14	**11,235,352**	4,052,658
		₱29,701,942	₱20,912,048

10. Trade and Other Payables

This account consists of:

	Note	**2022**	2021
Trade payable		**₱22,818,161**	₱13,324,426
Subscription payable	8	**46,930,000**	46,930,000
Accrued expenses		**25,860,203**	17,450,231
Statutory payables		**13,041,905**	5,499,925
Interest payable	11	**8,053,477**	3,364,080
Provision for probable losses		**5,825,133**	14,474,594
Retention payable		**–**	5,573,758
		₱122,528,879	₱106,617,014

Trade payables are non-interest bearing and generally payable in the next reporting period.

Subscription payable pertain to the unpaid capital stock subscription for the Group's investment in CWCI.

Accrued expenses mainly include assumed labor integration packages, professional fees, outside services and other expenses payable to third parties that are expected to be settled within 12 months from the end of the reporting period.

Statutory payables pertain to taxes withheld by the Group to government agencies other payables to government agencies. These are remitted to the respective regulatory agencies in the following month. This also includes deferred output VAT not yet due until the invoice is paid by the customer.

Provision for probable losses pertains to provisions for contingencies. In accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, no further details were provided because this may prejudice the Group's position on this matter.

Retention payable pertains to amounts retained from contractors' payable at the completion of the construction. In 2022, the retention payable amounting to ₱5,573,758 were reversed and recognized as part of "Other income (expense)" account in the statement of comprehensive income.

11. **Loans Payable**

The movements of this account are as follows:

	2022	2021
Balance at beginning of year	**₱276,430,000**	₱304,200,000
Availment	**251,952,000**	–
Payments	**(90,747,597)**	(27,770,000)
Balance at end of year	**437,634,403**	276,430,000
Less debt issue costs	**1,731,692**	1,606,774
	435,902,711	274,823,226
Less current portion	**63,106,633**	33,494,628
Noncurrent portion	**₱372,796,078**	₱241,328,598

The Group obtained various loans from commercial banks for the on-going construction projects. The principal amounts are payable in monthly and quarterly installments and bear annual interest rates ranging from 5.50% to 7.50%, and with terms ranging from three years to 15 years.

The Group's loan contains covenants to maintain a debt-to-equity ratio, current ratio and total debt service ratio. The Company shall only be in default if, in the reasonable option of the bank, noncompliance is not remediable. The Group has continued to make payments based on the terms of the loan.

The carrying amounts and significant terms of the loans are as follows:

	Carrying Amounts					
	2022	2021	Credit Facility	Payment Terms	Interest	Security
BBWI	**₱241,328,598**	₱274,823,226	₱313,000,000	Various loans payable in quarterly installments	5.50% to 7.50% per annum	Pledge of shares and deed of trust over the construction project
SJWC	**150,000,000**	–	150,000,000	5-year loan payable in quarterly installments	6.50% per annum	Against hold out on peso deposits; deed of assignment on monthly water billings and debt service reserve account; and negative pledge on the project assets
TTMC	**23,158,333**	–	30,000,000	3-year loan payable in equal monthly installments	5.75% per annum	Deed of assignment over receivables
TNI	**19,623,253**	–	20,000,000	5-year loan payable in 12 equal monthly installments	7.50% per annum	Assignment of receivables, corporate suretyship of TPGI, QWC and PWC, and suretyship of certain individual shareholders
TPGI	**1,792,527**	–	1,952,000	5-year loan payable in 60 monthly installments	10.95% per annum	Chattel mortgage on the transportation equipment with a carrying amount of ₱2,340,677
	₱435,902,711	₱274,823,226				

Debt Issue Costs

Debt issue costs pertain to documentary stamp taxes and other transaction costs incurred in connection with the loan. Movements of unamortized debt issue costs are as follows:

	2022	2021
Balance at beginning of year	**₱1,606,774**	₱1,817,954
Additions	**365,120**	–
Amortization	**(240,202)**	(211,180)
Balance at end of year	**₱1,731,692**	₱1,606,774

Interest Expense and Capitalized Borrowing Costs

Interest expense charged to operations amounted to ₱31.21 million and ₱16.77 million in 2022 and 2021, respectively. The Group capitalized borrowing cost amounting to ₱11.77 million and ₱11.54 million in 2022 and 2021, respectively (see Note 9).

Interest expense charged to operations consists of:

	Note	**2022**	2021
Service concession liability	17	**₱17,563,523**	₱8,300,281
Loans payable		**12,183,294**	7,021,866
Lease liabilities	18	**1,459,604**	1,447,974
		₱31,206,421	₱16,770,121

The expected loan repayments over the remaining term of the loan are as follows:

	2022	2021
Not later than one (1) year	**₱63,302,173**	₱33,680,000
Later than one (1) year but not later than five (5) years	**72,405,428**	104,937,500
Later than five (5) years	**301,926,802**	137,812,500
	₱437,634,403	₱276,430,000

The changes in liabilities arising from financing activities as at December 31, 2022 and 2021 are as follows:

		2022					
			Financing Cash Flows		**Noncash Changes**		
	Note	**Balance at Beginning of Year**	**Proceeds**	**Payments**	**Interest and capitalized borrowing costs**	**Acquisition of property and equipment through loan**	**Balance at End of Year**
Due to related parties	15	**₱393,331,851**	**₱114,584,157**	**(₱40,903,943)**	**₱–**	**₱–**	**₱467,012,065**
Loans payable		**274,823,226**	**250,000,000**	**(91,112,717)**	**240,202**	**1,952,000**	**435,902,711**
Service concession liability	17	**407,472,502**	**–**	**(18,418,245)**	**17,563,523**	**–**	**406,617,780**
Deposits for future stock subscription	15	**129,145,472**	**–**	**–**	**–**	**–**	**129,145,472**
Lease liabilities	18	**18,336,279**	**–**	**(273,750)**	**1,459,604**	**–**	**19,522,133**
Interest payable	10	**3,364,080**	**–**	**(19,025,697)**	**23,715,094**	**–**	**8,053,477**
		₱1,226,473,410	**₱364,584,157**	**(₱169,734,352)**	**₱42,978,423**	**₱1,952,000**	**₱1,466,253,638**

		2021						
			Financing Cash Flows		Noncash Changes			
	Note	Balance at Beginning of Year	Proceeds	Payments	Interest and capitalized borrowing costs	Liabilities acquired through business combination	Recognition of lease liabilities	Balance at End of Year
Due to related parties	15	₱207,041,041	₱136,313,473	(₱20,328)	₱–	₱49,997,665	₱–	₱393,331,851
Loans payable		302,382,046	–	(27,770,000)	211,180	–	–	274,823,226
Service concession liability	17	123,204,724	–	(6,118,072)	8,300,281	–	282,085,569	407,472,502
Deposits for future stock subscription	15	129,145,472	–	–	–	–	–	129,145,472
Lease liabilities	18	20,981,036	–	(4,092,731)	1,447,974	–	–	18,336,279
Interest payable	10	9,244,830	–	(24,234,954)	18,354,204	–	–	3,364,080
		₱791,999,149	₱136,313,473	(₱62,236,085)	₱28,313,639	₱49,997,665	₱282,085,569	₱1,226,473,410

12. **Revenue**

This account consists of:

	2022	2021
Water bills	**₱133,050,860**	₱89,885,938
Penalty and reconnection fee	**5,751,451**	1,777,779
Subscription income	**1,017,155**	1,062,207
	₱139,819,466	₱92,725,924

13. **Cost of Services**

This account consists of:

	Note	**2022**	2021
Utilities		**₱25,972,098**	₱9,819,810
Outside services		**19,228,848**	15,356,186
Depreciation and amortization	9	**18,466,590**	16,859,390
Salaries and wages		**13,877,506**	6,921,067
Supplies		**5,391,469**	4,591,193
Fuel, lubricants and oil		**1,714,892**	845,196
Taxes and licenses		**80,922**	73,719
Rental	18	**–**	325,229
Others		**2,519,453**	1,933,706
		₱87,251,778	₱56,725,496

Others include repairs and maintenance and consultancy fees among others.

14. Operating Expenses

This account consists of:

	Note	2022	2021
Salaries and wages		**₱37,834,477**	₱26,391,253
Depreciation and amortization	9	**11,235,352**	4,052,658
Representation		**10,480,494**	9,147,859
Rental	18	**4,221,995**	2,093,860
Professional fees		**4,191,247**	5,489,815
Utilities		**2,701,682**	1,656,042
Transportation		**2,412,893**	1,065,462
Taxes and licenses		**2,308,886**	3,455,866
Office expense		**1,758,520**	1,017,115
Fuel, lubricants and oil		**1,637,756**	698,217
Insurance		**1,474,324**	894,134
Repairs and maintenance		**1,349,383**	2,384,040
Provision for ECL	6	**1,004,402**	6,773,575
Advertising		**491,413**	312,572
Provision for probable losses		**459,485**	5,412,384
Others		**7,529,514**	5,656,843
		₱91,091,823	₱76,501,695

15. Related Party Transactions

The Group has transactions with its related parties as follows:

	Amount of Transactions		Balance at End of Year	
Related Party	**2022**	2021	**2022**	2021
Due from Related Parties				
Entities under common control:				
Quadcore Construction and Development Corporation (QCDC)	**₱105,927,304**	₱1,450,453	**₱185,421,312**	₱79,494,008
Pure Energy Holdings Corporation	**–**	–	**17,500,000**	17,500,000
Quadhomes, Inc.	**–**	–	**5,000,000**	5,000,000
Philippine Power and Development Company	**–**	–	**1,406,244**	1,406,250
Others	**1,845,185**	–	**1,845,185**	–
Associate - PUWSI	**–**	1,888,413	**3,516,413**	3,516,413
Stockholders	**6,515,936**	204,491	**8,237,786**	1,721,856
Grantor - CRWSA	**–**	238,942	**–**	238,942
			₱222,926,940	₱108,877,469
Due to Related Parties				
Stockholders	**₱111,877,152**	₱182,125,543	**₱461,442,320**	₱387,795,460
Entities under common control	**2,707,005**	4,185,595	**5,569,745**	5,536,391
			₱467,012,065	₱393,331,851

	Amount of Transactions		Balance at End of Year	
Related Party	**2022**	2021	**2022**	2021
Deposits for Future Stock Subscription				
Stockholders	**₱–**	₱–	**₱129,145,472**	₱129,145,472
Management Fees				
Associate -				
CWCI	**₱3,751,572**	₱2,533,988	**₱320,575**	₱–

Due from Related Parties

Due from related parties are advances of the Group for working capital purposes. These are noninterest-bearing, unsecured and are due and demandable. No impairment loss was recognized in 2022 and 2021.

Due to Related Parties

Due to related parties are advances of related parties to the Group for working capital purposes. These are noninterest-bearing, unsecured and are payable in cash and upon demand.

Deposits for Future Stock Subscription

In 2018, the Parent Company converted its advances from QWC and PWC aggregating ₱129.15 million into deposits for future stock subscription.

In 2022, the Parent Company's BOD and stockholders approved the increase in authorized capital stock from ₱50,000,000 divided into 50,000,000 shares at ₱1 par value per share to ₱500,000,000 divided into 500,000,000 shares at ₱1 par value per share.

On June 30, 2023, the Parent Company filed its application for the increase in authorized capital stock with the SEC. As a result, the deposits for future stock subscription were reclassified as part of equity in 2023. As at the report date, the application is still subject to approval.

Management Fees

The Group is entitled to management fees for the services provided for program development and other administrative functions in accordance with the shareholders and stakeholders management agreement.

Compensation of Key Management Personnel

Compensation of key management personnel charged to the consolidated statements of comprehensive income amounted to ₱4.30 million and ₱4.0 million in 2022 and 2021, respectively.

16. **Income Taxes**

The components of the Group's income tax expense (benefit) are as follows:

	2022	2021
Reported in Profit or Loss		
Current tax:		
Regular corporate income tax (RCIT)	**₱680,345**	₱1,739,088
Minimum corporate income tax (MCIT)	**172,590**	134,439
	852,935	1,873,527
Deferred tax	**(2,085,207)**	(884,515)
	(₱1,232,272)	₱989,012

Details of the Group's NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Balance at End of Year	Year of Expiry
2022	₱–	₱47,939,199	₱–	₱47,939,199	2025
2021	35,652,339	–	(409,650)	35,242,689	2026
2020	3,899,611	–	–	3,899,611	2025
	₱39,551,950	₱47,939,199	(₱409,650)	₱87,081,499	

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued the Revenue Regulation (RR) No. 25-2020 to implement Section 4 (b) of Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act". This RR provides that net operating loss of the business or enterprise for taxable years 2020 and 2021 to be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

MCIT incurred in 2022 and 2021 amounting to ₱0.17 million and ₱0.13 million, respectively can be applied against income tax due until 2025 and 2024, respectively.

Details of the Group's net deferred tax asset as at December 31, 2022 and 2021 are as follows:

	2022	2021
Deferred tax assets:		
NOLCO	**₱8,207,292**	₱3,770,995
Lease liabilities - net of ROU assets	**1,260,462**	677,112
Allowance for ECL	**1,204,804**	1,204,804
Debt issue costs	**355,350**	401,694
Excess MCIT over RCIT	**187,532**	134,439
	11,215,440	6,189,044
Deferred tax liability -		
Capitalized borrowing costs	**8,767,628**	5,826,439
	₱2,447,812	₱362,605

The Group's unrecognized deferred tax assets are as follows:

	2022	2021
NOLCO	**₱13,555,032**	₱6,096,510
Allowance for impairment loss on investment in associates	**1,369,984**	1,369,984
Allowance for ECL	**513,253**	262,153
Excess MCIT over RCIT	**119,497**	–
	₱15,557,766	₱7,728,647

The recognized and unrecognized deferred tax assets are based on management's assessment of the Group's future taxable income against which the deferred tax assets can be utilized.

The reconciliation of income tax expense (benefit) computed at statutory tax rate with income tax expense (benefit) shown in the consolidated statements of comprehensive income follows:

	2022	2021
Income tax benefit computed at statutory tax rate	**(₱14,621,103)**	(₱10,690,452)
Change in unrecognized deferred tax asset	**7,829,119**	5,744,586
Change in income tax rates	**–**	(64,897)
Add (deduct) tax effects of:		
Nondeductible expenses	**4,598,142**	4,123,702
Nontaxable equity share in net loss of associates	**947,398**	1,859,806
Difference in tax rates	**15,941**	18,868
Interest income subjected to final tax	**(1,769)**	(2,601)
	(₱1,232,272)	₱989,012

On March 26, 2021, CREATE was approved and signed into law by the country's President. Under the CREATE, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the MCIT was changed from 2% to 1% of gross income for a period of three (3) years. The changes in the income tax rates retrospectively became effective beginning July 1, 2020.

17. Significant Agreements

The Group has the following significant agreements:

Certificate of Public Convenience (CPC)

The developers of Sunshine Ville passed onto the Parent Company the exclusive authority to provide adequate and potable water supply to all residential and commercial establishments in the Sunshine Ville housing area covering approximately 7,000 households.

The Parent Company applied for and was granted water permit with the National Water Resources Board (NWRB). Consequently, a CPC followed. The Parent Company operates the water system by virtue of this CPC.

In 2018, the Parent Company was granted a CPC for the installation, operation and maintenance of the Sunshine Ville 2 water works system in Trece Martires City, Cavite which is valid until November 26, 2023. In 2019, the NWRB issued the water permit.

In 2020, the Parent Company assigned and transferred its water permit and CPC to TTMC and the NWRB approved the transfer of the water permit in 2021. Moreover, the Parent Company was directed to file a petition to transfer its CPC in favor of TTMC. As at report date, TTMC is in the process of having the CPC transferred under its name. The Parent Company also intends to file a petition for renewal of the CPC and transfer of the CPC to TTMC.

In 2021, TTMC took over the operations of the Sunshine Ville Project. The Parent Company executed a deed of assignment and transferred all receivables, site facilities machineries and equipment, refundable deposits and payables related to its Sunshine Ville Project to TTMC.

Memorandum for the development of the water supply of Tiglawigan, Sicaba, Luna and Cadiz Viejo in Cadiz City, Negros Occidental

In September, 2017, the Parent Company entered into a joint venture agreement with DLB Prime Products Inc. (DLB) for the development of the following water supply systems in Cadiz, Negros Occidental:

1. St. Patrick Homes 1; Barangay Tiglawigan, Cadiz City, Negros Occidental
2. Len-Vil Homes, Barangay Sicaba, Cadiz City, Negros Occidental
3. Antonio Heights; Barangay Luna, Cadiz City, Negros Occidental
4. Lacson Villas, Barangay Cadiz Viejo, Cadiz City, Negros Occidental

The Group's income from this joint venture is as follows:

	2021
Revenue	₱575,474
Less expenses	334,644
Net income	₱240,830

In 2021, the Parent Company and DLB incorporated the joint venture entity, TCAI. Accordingly, TCAI took over the operations of the Cadiz Projects.

JVA with Coron Rural Waterworks and Sanitation Association (CRWSA)

In 2020, the Parent Company entered into an agreement to construct, design and finance the proposed water and septage system improvement of CRWSA. CRWSA has agreed to grant the Parent Company the right to construct, install, operate, expand and manage the water system and septage system of CRWSA in the municipality of Coron, Palawan. TCI is currently operating the Coron Project.

Bulk Water Supply Contract and Memorandum of Agreement with Bacolod City Water District (BACIWA)

In 2016, Bacolod Bulk Water Inc. entered into Bulk Water Supply Contracts with Bacolod City Water District to provide bulk water supply in Bacolod City for a period of twenty five (25) years. The salient provisions of the contracts are as follows:

- Bacolod Bulk Water Inc. shall provide an initial 30,000 cubic meters escalating to 150,000 cubic meters from the two injection points in Brgy. Granada and Brgy. Mansilingan in Bacolod City.
- All construction and civil works of the bulk water facilities inclusive of all pertinent licenses, permits and acquisition of road rights of way which shall be completed within a maximum period of eighteen (18) months from the issuance of the Notice to Proceed (NTP). The NTP was received on September 15, 2016.
- Bacolod City Water District shall accept the delivery of water from Bacolod Bulk Water Inc. at a specified minimum volume at the required flow rate.

In addition, on June 28, 2016, Bacolod Bulk Water Inc. entered into a memorandum of agreement for the use of Bacolod City Water District's Ngalan River water permit for a period of twenty five (25) years upon completion of construction.

In 2022 and 2021, Bacolod Bulk Water Inc. recognized revenue amounting to ₱28.08 million and ₱35.52 million, respectively.

Joint Venture Agreement (JVA) with Manila Water

The Parent Company and Manila Water had various JVAs to develop water projects in Calbayog (operated by CWCI) (see Note 8), San Jose (operated by SJCWCI), and Iloilo, among others. The Parent Company also entered into various shareholders, subscription, technical and stakeholder management agreements related to these projects.

Franchise Agreements

In July 2017, the Office of the Sangguniang Bayan of Malasiqui granted the Parent Company a franchise to the design, construct, develop, operate, maintain and manage of the Malasiqui Bulk Water Supply and Distribution System in the municipality of Malasiqui, Pangasinan.

In 2020, the Parent Company and Manila Water, or their designated joint venture company (the Grantee) was granted by Office of the Sangguniang Panlungsod of Iloilo City franchise for a period of 25 years to construct, establish, commission, operate, and maintain a water supply system to service the population of Iloilo City. The Company paid deposit amounting to ₱10.78 million for the establishment of a joint venture corporation (see Note 7).

Memorandum for the Development of Water Supply of Borbon, Cebu

In 2021, the Parent Company and SAVS Water Utilities Corporation, with the conformity of SAVS-Borbon Cebu Water Corporation, entered into memorandum of agreement for the development, upgrade, and operation of SAVS Borbon's water supply system, including distribution facilities, maintenance, and to improve and expand the water supply services within the Municipality of Borbon.

Memorandum for the Development of Water Supply of Trece Martires City, Cavite

In 2022, RFN Construction & Development Corporation, a developer of housing projects in Trece Martires, granted the exclusive authority to the Parent Company and TTMC to carry out the upgrade and modernization of RFN National Housing Authority (NHA) water supply, treatment, and distribution facilities, including its operation and maintenance. TTMC and TPGI are granted authority to construct a waterworks system ("The Deepwell 3" located in Sunshineville 2, Phase 2) necessary to provide the residents of the Housing Project with adequate potable water with quality.

JVA with City of Mandaue

In March 2022, the local government of the City of Mandaue engaged the Parent Company and ALV Water Solutions Corporation to design, construct, operate, maintain, and finance the Level III Water Supply and Treatment Facility. This facility utilizes the Desalination Treatment Process with Septage Management Program in the City of Mandaue.

JVA with Catbalogan Water District (CWD)

In 2022, the Parent Company entered into an agreement with CWD for the design, construction, rehabilitation, maintenance, operation, financing, expansion, and management of the water supply and septage system of CWD in the City of Catbalogan, Province of Samar.

Pre-development and Initial Construction Agreement with Quadcore

In 2022, the Parent Company entered into a pre-development and initial construction agreement with Quadcore Construction and Development Corp. to conduct a feasibility study, exploration, other pre-development and initial construction in the project areas to determine the viability of water sources. The project areas are Catbalogan Water District (CWD), Municipality of Borbon in Cebu, and Metropolitan Cebu Water District (MCWD).

Service Concession Agreements

JVA with San Jose City Water District (SJCWD). In 2021, SJCWD engaged the Parent Company, Manila Water Philippine Ventures, Inc. and Manila Water Company, Inc. to jointly engage in the development, improvement, upgrade and expansion of water supply and sanitation facilities, and to provide necessary services and incidental thereto in the whole city of San Jose, Nueva Ecija. SJCWD has agreed to grant SJCWCI the exclusive right and authority to provide water supply and sanitation facilities in the service area of San Jose City. SJCWCI is currently operating the San Jose Project.

The salient provisions of the agreement are as follows:

- The agreement shall be valid for a period of 25 years and subject to extension for another 25 years from the original expiration date as mutually agreed by the parties;
- Legal title to all fixed assets contributed to and utilized for the project during the term of the appointment shall remain with the Group until expiration date, at which time, all rights, title, interest in such assets shall automatically vest in SJCWD at no cost.
- Revenue share of SJCWD shall be equivalent to a fixed fee per annum subject to increase.

JVA with Nabua Water District (NAWAD). In 2019, NAWAD engaged the consortium led by Tubig Pilipinas Group Inc. for the development, improvement, upgrade and expansion of water supply and septage system of Nabua, Camarines Sur. NAWAD has agreed to grant the consortium the exclusive right and authority to provide water supply and sanitation facilities in the service area of Nabua Water District. TNI is currently operating the Nabua Project.

The salient provisions of the agreement are as follows:

- The agreement is valid for 30 years, renewable for another 20 years;
- The Companies may mortgage or create security interest over such assets solely for the purpose of financing (or refinancing) the acquisition or construction thereof; provided however, no such mortgage or security interest shall extend beyond the expiration date and no such mortgage or security interest shall be subject for foreclosure except following an event of termination; and,
- Revenue share of Nabua Water District shall be equivalent a fixed fee per annum subject to increase.

The carrying amounts and movements in service concession assets are as follows:

	Note	**2022**	2021
Cost			
Balance at beginning of year		**₱417,626,214**	₱127,397,588
Rehabilitation works		**3,113,944**	7,340,828
Initial recognition		**–**	282,085,566
Reclassifications	9	**–**	802,232
Balance at end of year		**420,740,158**	417,626,214
Accumulated Amortization			
Balance at beginning of year		**10,738,248**	2,831,058
Amortization	9	**15,808,290**	7,907,190
Balance at end of year		**26,546,538**	10,738,248
		₱394,193,620	₱406,887,966

In 2021, rehabilitation works amounting to ₱0.80 million, net of accumulated depreciation, was reclassified to "Service Concession Asset" account in the consolidated statement of financial position (see Note 9).

Service concession liability account consists of fixed concession fees recognized at present value using the discount rate at the inception date. The carrying amount and movements in this account are as follows:

	Note	**2022**	2021
Balance at beginning of year		**₱407,472,502**	₱123,204,724
Initial recognition		**–**	282,085,569
Interest accretion	11	**17,563,523**	8,300,281
Payments		**(18,418,245)**	(6,118,072)
Balance at end of year		**406,617,780**	407,472,502
Less current portion		**12,666,359**	11,006,596
Noncurrent portion		**₱393,951,421**	₱396,465,906

18. Commitments

The Group has the following existing lease commitments which are exclusive in nature:

In 2019, the Group entered into a lease agreement for a portion of parcel of land situated in Brgy. Granada, Bacolod City for a period of seven (7) years. The lease consideration is payable upon execution of the contract.

In 2018, the Group entered into a lease agreement for a parcel of land situated in Municipality of Murcia, Negros Occidental for a period of 25 years renewable for another 25 years upon mutual agreement by the parties. The lease consideration shall be paid at an amount equal to ₱0.10 per cubic meter of water treated and delivered to BACIWA or a fixed monthly rental rate based on the amount stated in the contract on the period during the Group has not yet supplied any water to BACIWA.

Also, the Group entered into a finance lease agreement with a financial institution. The finance lease agreement is related to the Group's acquisition of generator equipment. Term of the lease is two (2) years with an interest rate of 5.42%.

In 2016, the Group entered into a lease agreement for a parcel of land and improvements situated in Brgy. Granada, Bacolod City for a period of 25 years renewable upon mutual agreement of both parties. The lease consideration is payable on a fixed monthly rate subject to escalation.

The carrying amounts and movements in ROU assets as at December 31, 2022 and 2021 are as follows:

	Note	**2022**	2021
Cost			
Balance at beginning and end of year		**₱23,445,784**	₱23,445,784
Accumulated Amortization			
Balance at beginning of year		**7,817,951**	4,254,267
Amortization	9	**1,147,550**	3,563,684
Balance at end of year		**8,965,501**	7,817,951
Carrying amount		**₱14,480,283**	₱15,627,833

The carrying amounts and movements in lease liabilities are as follows:

	Note	**2022**	2021
Balance at beginning of year		**₱18,336,279**	₱20,981,036
Interest expense	11	**1,459,604**	1,447,974
Rental payments		**(273,750)**	(4,092,731)
Balance at end of year		**19,522,133**	18,336,279
Current portion of lease liabilities		**1,121,055**	313,352
Noncurrent portion of lease liabilities		**₱18,401,078**	₱18,022,927

Future minimum lease payments are as follows:

	2022	2021
Within one (1) year	**₱2,253,168**	₱1,394,805
After one (1) year but not more than five (5) years	**6,966,223**	6,510,489
More than five (5) years	**33,879,678**	35,467,526
	₱43,099,069	₱43,372,820

Rentals charged to operations in 2022 and 2021 arising from the short-term leases and variable lease payments not included in measurement of lease liabilities as follows:

	Note	**2022**	2021
Cost of services	13	**₱–**	₱325,229
Operating expenses	14	**4,221,995**	2,093,860
		₱4,221,995	₱2,419,089

19. **Financial Risk Management Objectives and Policies and Fair Value Measurement**

The main risks arising from the Group's financial instruments are credit risk, interest rate risk and liquidity risk.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Group has significant concentration of credit risk. The risk of default by the counterparties on its contractual obligations with the Group, however, is minimal because the counterparties have positive credit ratings. Cash in banks are deposited in reputable banks having good credit rating and low probability of insolvency. For due from related parties, refundable deposits and bid security, the Group only enters to reputable counterparties with low credit risk.

The tables below show the credit quality per class of financial assets as at December 31, 2022 and 2021:

	December 31, 2022						
			Past Due But Not Impaired				
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total	Allowance for ECL
Lifetime ECL -							
Trade receivables	₱–	₱1,458,856	₱–	₱–	₱61,972,648	₱63,431,504	₱7,751,769
12-Month ECL:							
Cash in banks	65,661,186	–	–	–	–	65,661,186	–
Exploration and feasibility study fees receivable	–	22,400,000	–	–	–	22,400,000	–
Management fees receivable	–	320,575	–	–	–	320,575	–
Due from related parties	22,049,994	200,876,946	–	–	–	222,926,940	–
Deposit	–	10,780,539	–	–	–	10,780,539	–
Refundable deposits	907,182	2,669,836	–	–	–	3,577,018	–
	₱88,618,362	₱238,506,752	₱–	₱–	₱61,972,648	₱389,097,762	₱7,751,769

	December 31, 2021						
			Past Due But Not Impaired				
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total	Allowance for ECL
Lifetime ECL -							
Trade receivables	₱–	₱9,262,458	₱–	₱–	₱51,426,510	₱60,688,968	₱6,747,367
12-Month ECL:							
Cash in banks	17,646,879	–	–	–	–	17,646,879	–
Exploration and feasibility study fees receivable	–	22,400,000	–	–	–	22,400,000	–
Due from related parties	108,877,469	–	–	–	–	108,877,469	–
Deposit	–	10,780,539	–	–	–	10,780,539	–
Refundable deposits	907,182	2,646,461	–	–	–	3,553,643	–
	₱127,431,530	₱45,089,458	₱–	₱–	₱51,426,510	₱223,947,498	₱6,747,367

The Group's financial assets are categorized based on the Group's collection experience with the counterparties as follows:

- "Neither past due nor impaired" includes the Group's financial instruments that are:
  a. High Grade - settlements are obtained from counterparty following the terms of the contracts without much collection effort.
  b. Standard Grade - some reminder follow-ups are performed to obtain settlement from the counterparty.
- "Past due but not impaired" are items with history of frequent default nevertheless the amount due are still collectible.
- "Impaired" are those that are long outstanding or those that have been provided with an allowance for ECL.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's market risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing liabilities. Any gap between the maturities of fixed and variable rate instruments is effectively managed by the Group. The Group's long-term debt and lease liabilities are subject to fixed interest rate and are exposed to fair value interest rate risk. The future interest rate changes are not expected to significantly affect the Group's income (loss) before income tax.

Liquidity Risk Management

Liquidity risk is the risk that the Group may encounter difficulties in raising funds to meet commitments for financial instruments. Liquidity risk may result from counterparty's failure on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The table below summarizes the maturity profile of the financial liabilities of the Group based on remaining contractual undiscounted cash flows as at December 31, 2022 and 2021:

	2022					
	Due and Demandable	**Less than 1 Year**	**1-2 Years**	**2-3 Years**	**Over 3 Years**	**Total**
Trade and other payables*	**₱–**	**₱109,486,974**	**₱–**	**₱–**	**₱–**	**₱109,486,974**
Due to related parties	**467,012,065**	**–**	**–**	**–**	**–**	**467,012,065**
Loans payable**	**–**	**78,799,115**	**55,444,355**	**43,096,228**	**394,431,775**	**571,771,473**
Lease liabilities**	**–**	**2,253,168**	**1,211,361**	**1,296,157**	**38,338,383**	**43,099,069**
Service concession liability***	**–**	**26,716,662**	**23,908,517**	**24,341,544**	**580,705,280**	**655,672,003**
	₱467,012,065	**₱217,255,919**	**₱80,564,233**	**₱68,733,929**	**₱1,013,475,438**	**₱1,847,041,584**

**Excluding statutory payables amounting to ₱13.04 million as at December 31, 2022.*
***Including future interest payments.*
****Based on undiscounted contractual payments*

	2021					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Trade and other payables*	**₱–**	₱101,117,089	**₱–**	**₱–**	**₱–**	₱101,117,089
Due to related parties	393,331,851	–	–	–	–	393,331,851
Loans payable**	–	50,147,982	50,126,555	37,778,428	234,809,649	372,862,614
Lease liabilities**	–	1,394,805	1,132,114	1,211,361	39,634,540	43,372,820
Service concession liability***	–	27,670,272	27,383,329	23,908,517	605,046,824	684,008,942
	₱393,331,851	₱180,330,148	₱78,641,998	₱62,898,306	₱879,491,013	₱1,594,693,316

**Excluding statutory payables amounting to ₱5.50 million as at December 31, 2021.*
***Including future interest payments.*
****Based on undiscounted contractual payments*

The Group's objectives in managing its liquidity position are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

Fair Value of Financial Assets and Liabilities

The financial assets and liabilities of the Group as at December 31, 2022 and 2021 are as follows:

	2022		2021	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash in banks	**₱65,661,186**	**₱65,661,186**	₱17,646,879	₱17,646,879
Trade receivables	**55,679,735**	**55,679,735**	53,941,601	53,941,601
Exploration and feasibility study fees receivable	**22,400,000**	**22,400,000**	22,400,000	22,400,000
Management fees receivable	**320,575**	**320,575**	–	–
Due from related parties	**222,926,940**	**222,926,940**	108,877,469	108,877,469
Deposit	**10,780,539**	**10,780,539**	10,780,539	10,780,539
Refundable deposits	**3,577,018**	**3,577,018**	3,553,643	3,553,643
	₱381,345,993	**₱381,345,993**	₱217,200,131	₱217,200,131

	2022		2021	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Liabilities				
Trade and other payables*	**₱109,486,974**	**₱109,486,974**	₱101,117,089	₱101,117,089
Due to related parties	**467,012,065**	**467,012,065**	393,331,851	393,331,851
Loans payable	**435,902,711**	**569,485,437**	274,823,226	372,118,124
Deposits for future stock subscription	**129,145,472**	**129,145,472**	129,145,472	129,145,472
Service concession liability	**406,617,780**	**304,940,218**	407,472,502	349,095,267
	₱1,548,165,002	**₱1,580,070,166**	₱1,305,890,140	₱1,344,807,803

**Excluding statutory payables amounting to ₱13.04 million and ₱5.50 million as at December 31, 2022 and 2021, respectively.*

Cash in banks, Trade and Other Receivables, Due from Related Parties, Deposits for Future Stock Subscription, Trade and Other Payables (excluding statutory payables) and Due to Related Parties. Due to the short-term nature of transactions, the fair values approximate the amount of consideration at reporting period.

Deposit and Refundable Deposits. Deposit and refundable deposit approximate their fair values since the effect of not discounting the cash flows from these instruments were determined by management to be insignificant.

Loans Payable and Service Concession Liability. Estimated fair values have been calculated on the instruments' expected cash flows using the prevailing BVAL rates that are specific to the tenor of the instruments' cash flows at reporting dates (Level 2).

20. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations.

The Group considers its capital stock and additional paid-up capital amounting to ₱101.50 million as at December 31, 2022 and 2021 as its capital employed. The Group maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term. The Group is subject to an externally imposed capital requirement from loan agreements.

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Tubig Pilipinas Group Inc.
3F JTKC Centre
2155 Don Chino Roces Avenue
Makati City

Opinion

We have audited the consolidated financial statements of Tubig Pilipinas Group Inc. (the Parent Company) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of 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 the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' 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 the 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.

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 PFRS, 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.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

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.

Auditors' 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 auditors' 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 PSA 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, these 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 PSA, 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 auditors' 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 auditors' 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 group audits. 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner
CPA Certificate No. 134498
Tax Identification No. 404-428-828-000
BOA Accreditation No. 4782/P-026; Valid until June 6, 2026
BIR Accreditation No. 08-005144-024-2024
Valid until March 26, 2027
PTR No. 10072432
Issued January 2, 2024, Makati City

August 30, 2024
Makati City, Metro Manila

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	**December 31, 2023**	December 31, 2022 (As Restated - Note 4)	January 1, 2022
ASSETS				
Current Assets				
Cash	6	**₱89,500,434**	₱67,917,191	₱18,706,085
Trade and other receivables	7	**70,055,638**	65,804,835	76,341,601
Due from related parties	16	**360,015,890**	255,959,169	108,877,469
Creditable withholding taxes		**6,505,953**	3,998,810	4,070,174
Other current assets	8	**5,786,623**	5,456,541	2,224,930
Total Current Assets		**531,864,538**	399,136,546	210,220,259
Noncurrent Assets				
Trade and other receivables - net of current portion	7	**–**	12,595,475	–
Investment in associates	9	**99,246,996**	101,273,391	105,062,982
Property and equipment	10	**542,022,304**	540,965,049	540,695,944
Service concession asset	19	**678,425,005**	421,174,048	406,887,966
Goodwill	5	**126,136,736**	66,410,279	66,410,279
Right-of-use (ROU) assets	20	**15,932,462**	17,946,588	15,627,833
Deferred tax asset	18	**–**	–	362,605
Other noncurrent assets	8	**37,115,742**	15,911,250	16,834,241
Total Noncurrent Assets		**1,498,879,245**	1,176,276,080	1,151,881,850
		₱2,030,743,783	₱1,575,412,626	₱1,362,102,109
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	11	**₱89,157,186**	₱121,459,423	₱106,617,014
Due to related parties	16	**494,204,065**	465,874,294	393,331,851
Current portion of:				
Loans payable	12	**53,246,668**	63,106,633	33,494,628
Lease liabilities	20	**861,968**	1,947,232	313,352
Service concession liability	19	**12,304,182**	12,412,799	11,006,596
Total Current Liabilities		**649,774,069**	664,800,381	544,763,441

(Forward)

	Note	**December 31, 2023**	December 31, 2022 (As Restated - Note 4)	January 1, 2022
Noncurrent Liabilities				
Noncurrent portion of:				
Loans payable	12	**₱707,118,322**	₱372,796,078	₱241,328,598
Lease liabilities	20	**20,145,153**	21,100,624	18,022,927
Service concession liability	19	**565,690,181**	392,958,647	396,465,906
Deposits for future stock subscription	16	**–**	129,145,472	129,145,472
Deferred tax liability	18	**19,720,239**	2,757,225	–
Total Noncurrent Liabilities		**1,312,673,895**	918,758,046	784,962,903
Total Liabilities		**1,962,447,964**	1,583,558,427	1,329,726,344
Equity				
Capital stock		**50,000,000**	50,000,000	50,000,000
Additional paid-in capital		**51,500,000**	51,500,000	51,500,000
Deposits for future stock subscription	16	**129,145,472**	–	–
Deficit		**(179,456,502)**	(126,296,698)	(72,104,516)
Other equity reserve	5	**(13,270,403)**	–	–
Equity attributable to equity holders of the Parent Company		**37,918,567**	(24,796,698)	29,395,484
Non-controlling interest	5	**30,377,252**	16,650,897	2,980,281
Total Equity		**68,295,819**	(8,145,801)	32,375,765
		₱2,030,743,783	₱1,575,412,626	₱1,362,102,109

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	**2023**	2022 (As Restated - Note 4)
REVENUES	13	**₱169,084,223**	₱149,061,151
COST OF SERVICES	14	**118,284,259**	91,123,224
GROSS INCOME		**50,799,964**	57,937,927
OPERATING EXPENSES	15	**94,316,378**	83,909,371
LOSS FROM OPERATIONS		**(43,516,414)**	(25,971,444)
"DAY 1" DIFFERENCE ON LOANS PAYABLE	12	**81,387,634**	–
INTEREST EXPENSE	12	**(58,913,011)**	(31,343,226)
SHARE IN NET LOSS OF ASSOCIATES	9	**(2,026,395)**	(3,789,591)
INTEREST INCOME	6	**713,592**	212,085
OTHER INCOME (EXPENSE) - Net	17	**(14,650,440)**	4,743,377
LOSS BEFORE INCOME TAX		**(37,005,034)**	(56,148,799)
PROVISION FOR INCOME TAX	18		
Current		**917,057**	852,935
Deferred		**16,963,014**	3,119,830
		17,880,071	3,972,765
NET LOSS		**(54,885,105)**	(60,121,564)
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE LOSS		**(₱54,885,105)**	(₱60,121,564)
NET LOSS/TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Equity holders of the Parent Company		**₱53,159,804**	₱54,192,182
Non-controlling interest		**1,725,301**	5,929,382
		₱54,885,105	₱60,121,564

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31	
	Note	**2023**	2022 (As Restated - Note 4)
CAPITAL STOCK			
Authorized - 50,000,000 shares at ₱1 par value			
Issued and outstanding - 50,000,000 shares		**₱50,000,000**	₱50,000,000
ADDITIONAL PAID-IN CAPITAL		**51,500,000**	51,500,000
DEPOSIT FOR FUTURE STOCK SUBSCRIPTION	16	**129,145,472**	–
OTHER EQUITY RESERVE	5	**(13,270,403)**	–
DEFICIT			
Balance at beginning of year, as previously reported		**(123,427,273)**	(72,104,516)
Prior period adjustment	4	**(2,869,425)**	–
Balance at beginning of year, as restated		**(126,296,698)**	(72,104,516)
Net loss attributable to the equity holders of the Parent Company		**(53,159,804)**	(54,192,182)
Balance at end of year		**(179,456,502)**	(126,296,698)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**37,918,567**	(24,796,698)
NON-CONTROLLING INTEREST (NCI)	5		
Balance at beginning of year		**16,650,897**	2,980,281
Acquisition of the remaining NCI		**11,739,153**	–
Additions to NCI, net of share in stock issuance cost		**3,712,503**	19,599,998
Net loss attributable to non-controlling interest		**(1,725,301)**	(5,929,382)
Balance at end of year		**30,377,252**	16,650,897
		₱68,295,819	(₱8,145,801)

See accompanying Notes to Consolidated Financial Statements.

TUBIG PILIPINAS GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2023**	2022 (As Restated - Note 4)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱37,005,034)**	(₱56,148,799)
Adjustments for:			
"Day 1" difference on loans payable	12	**(81,387,634)**	–
Interest expense	12	**58,913,011**	31,103,024
Depreciation and amortization	10	**35,483,271**	31,280,414
Write-off of property and equipment	17	**2,562,798**	–
Provision for probable losses	17	**2,390,265**	3,650,157
Share in net loss of associates	9	**2,026,395**	3,789,591
Unrealized foreign exchange loss	17	**1,551,357**	–
Interest income	6	**(713,592)**	(212,085)
Provision for expected credit losses (ECL)	7	**411,078**	1,004,402
Reversal of trade and other payables	17	**–**	(5,573,758)
Operating income before working capital changes		**(15,768,085)**	8,892,946
Decrease (increase) in:			
Trade and other receivables		**7,933,594**	(3,063,111)
Other current assets		**(330,082)**	(3,231,611)
Increase in trade and other payables		**12,863,922**	12,316,815
Net cash provided by operations		**4,699,349**	14,915,039
Income tax paid		**(3,424,200)**	(781,571)
Interest received		**713,592**	212,085
Net cash provided by operations		**1,988,741**	14,345,553
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to/acquisition of:			
Due from related parties	16	**(124,808,156)**	(147,320,642)
Service concession assets	19	**(96,893,040)**	(31,154,249)
Subsidiary	5	**(55,434,960)**	–
Other noncurrent assets		**(21,204,492)**	–
Property and equipment	10	**(18,983,422)**	(10,715,227)
Payment of subscription payable	9	**(46,930,000)**	–
Collection of:			
Due from related parties	16	**19,220,185**	238,942
Other noncurrent assets		**–**	922,992
Net cash used in investing activities		**(345,033,885)**	(188,028,184)

(Forward)

	Note	Years Ended December 31 **2023**	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans	12	**₱568,862,360**	₱250,000,000
Due to related parties	16	**69,916,335**	113,712,152
Non-controlling interest	5	**3,750,005**	19,599,998
Payments of:			
Loans payable	12	**(150,101,634)**	(90,747,597)
Due to related parties	16	**(41,586,564)**	(41,169,709)
Debt issue cost	12	**(34,444,486)**	(365,120)
Service concession liability	19	**(24,520,238)**	(19,648,792)
Interest	12	**(22,949,738)**	(7,253,445)
Lease liabilities	20	**(3,664,837)**	(1,233,750)
Stock issuance cost	5	**(625,000)**	–
Net cash provided by financing activities		**364,636,203**	222,893,737
NET INCREASE IN CASH		**₱21,591,059**	₱49,211,106
EFFECT OF EXCHANGE RATE CHANGES ON CASH		**(7,816)**	–
CASH AT BEGINNING OF YEAR		**67,917,191**	18,706,085
CASH AT END OF YEAR		**₱89,500,434**	₱67,917,191
NONCASH FINANCIAL INFORMATION			
Initial recognition of service concession	19	**₱176,894,644**	₱–
Reclassification of deposit for future stock subscription from noncurrent liability to equity	16	**129,145,472**	–
Amortization of:			
"Day 1" difference		**13,749,695**	–
Debt issue cost		**4,961,237**	240,202
Transfer of CIP to service concession asset	10	**4,046,422**	–
Assignment of remaining NCI	5	**1,531,250**	–
Additions to property and equipment through:	10		
Loans payable		**1,279,200**	1,952,000
Retention payable		**289,849**	–
Initial recognition of ROU asset and lease liability	16	**–**	4,332,881

See accompanying Notes to Consolidated Financial Statements.

1. General Information

Tubig Pilipinas Group Inc. (TPGI or the Parent Company)

Tubig Pilipinas Group Inc. (TPGI or the Parent Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 2014. TPGI primarily engages in operating, managing, maintaining, and rehabilitating waterworks, sewerage, and sanitation systems and services. TPGI functions as a bulk water supplier and direct water distributor.

Service Areas

TPGI, directly through subsidiaries and affiliates, is currently the contracted water supplier of multiple cities and municipalities around the Philippines including Bacolod, Negros Occidental; Sual, Pangasinan; Coron, Palawan; Nabua, Camarines Sur; San Jose City, Nueva Ecija; Calbayog City, Samar; and Echague, Isabela, as well as the water systems in Trece Martires City, Cavite; Cadiz City, Negros Occidental; and Catbalogan City, Western Samar.

Subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (collectively referred herein as "the Group"):

Subsidiaries	Nature of Business	Place of Incorporation	Principal Place of Business	Effective Percentage of Ownership	
				2023	2022
Tubig Trece Martires Corp. (TTMC)	Direct water distributor	Philippines	Sunshine Ville 2, Cabuco, Trece Martires City, Cavite	**100%**	100%
Tubig Coron Inc. (TCI)	Direct water distributor	Philippines	Coron Municipal Hall Compound Don Pedro St. Barangay II (Pob.) Coron, Palawan	**100%**	95%
Tubig Nabua Inc. (TNI)	Direct water distributor	Philippines	Nabua Water District Lourdes Hospital Road San Francisco (Pob.) Nabua, Camarines Sur	**100%**	70%
Tubig Catbalogan Corp. (TCC)*	Direct water distributor	Philippines	Catbalogan Water District, Allen Avenue Extension, Poblacion 4 (Barangay 4), City of Catbalogan (Capital), Samar (Western Samar), Region VIII, Eastern Visayas	**100%**	–
San Jose City (N.E.) Water Company Inc. (SJCWCI)	Direct water distributor	Philippines	2675 G/F San Jose City (N.E.) Water District, Maharlika Road, San Jose City, Nueva Ecija	**97%**	97%
Bacolod Bulk Water Inc. (BBWI)	Bulk water supplier	Philippines	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**93%**	93%
Tubig Echague Corp. (TEC)**	Direct water distributor	Philippines	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**70%**	–
Tubig Pilipinas Global Group Inc. (TPGGI)***	Water supply, sewerage, waste management and remediation activities	Philippines	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**51%**	51%
Tubig Cadiz Inc. (TCAI)	Direct water distributor	Philippines	Lot 21 Block 30 Antonio Heights Villa Luisa Housing Western Nuatical Highway 2nd District Luna, Cadiz City, Negros Occidental	**50%**	50%

**Incorporated and started operations on September 19, 2023*
***Incorporated on September 28, 2023; Non-operating*
****Incorporated on January 19, 2022; Non-operating*

Ownership Structure

The Parent Company is 50% + 1 owned by Pure Water Corporation (PWC). PWC is a wholly-owned subsidiary of Pure Energy Holdings Corporation (PEHC). The Group's ultimate parent company is DYT Equities Corporation (DEC or the Ultimate Parent Company). All the aforementioned companies are incorporated in the Philippines.

Principal Office

The Parent Company's principal office address is located at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City.

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at and for the years ended December 31, 2023 and 2022 were approved and authorized for issue by the Board of Directors (BOD) on August 30, 2024.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), as issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including all relevant SEC pronouncements.

The financial reporting framework encompasses PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations from the International Financial Reporting Interpretations Committee (IFRIC).

Limited Use of Financial Statements and Purpose

The accompanying financial statements were prepared only for management purposes. As such, this report is intended solely for the information and use of the BOD and management and is not intended to be and should not be used by anyone other than these specified parties.

Consistency of Accounting Policies

The material accounting policy information has been applied consistently to all periods presented in the consolidated financial statements, unless otherwise stated.

Measurement Bases

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

The consolidated financial statements have been prepared on a historical cost basis, except for lease liabilities that are measured at present value of minimum lease payments and service concession liabilities which are measured at present value of fixed portion of concession fees. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

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 transaction date. 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.

Further information about the assumptions made in measuring fair values is included in Note 21.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS, effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements, and PFRS Practice Statement 2, Making Materiality Judgments - Disclosure Initiative - Accounting Policies* - The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.

- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* - The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* - The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.

The adoption of the amended PFRS did not materially affect the consolidated financial statements of the Group except for amendments to PAS 1, which requires the disclosure of material accounting policies. Additional disclosures were included in the consolidated financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at December 31, 2023 and have not been applied in preparing the consolidated financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Noncurrent* - The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Noncurrent Liabilities with Covenants* for that period.

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* - The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Group shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

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

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries. Control is achieved when the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Potential voting rights that are currently exercisable or convertible are considered in assessing control.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control begins until it ceases. The subsidiaries' financial statements are prepared for the same reporting period as the Parent Company, using consistent accounting policies. Intra-group balances, transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Changes in ownership that do not result in a loss of control, such as acquiring or selling part of a subsidiary, are treated as equity transactions. When the Parent Company has less than a majority of voting rights, it considers all relevant factors to determine control, including agreements with other shareholders, rights from other contracts, and its own voting rights and potential voting rights. The Parent Company reassesses control if there are changes in these factors.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination.

Business Combination
Business combinations are accounted for using the acquisition method. The cost of an acquisition includes the fair value of the consideration transferred and any non-controlling interest in the acquiree. Non-controlling interests are measured at their share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When acquiring a business, the Group assesses the financial assets and liabilities assumed for proper classification and designation based on the terms, economic conditions, and relevant circumstances at the acquisition date. This includes separating embedded derivatives in host contracts.

If the acquisition occurs in stages, the previously held equity interest is remeasured to fair value at the acquisition date, with any gain or loss recognized in profit or loss.

Contingent consideration is recognized at fair value at the acquisition date. If it is a financial instrument within the scope of PFRS 9, it is measured at fair value with changes recognized in profit or loss or other comprehensive income. If not within PFRS 9, it is measured according to the relevant PFRS. Contingent consideration classified as equity is not remeasured and is accounted for within equity upon settlement.

Goodwill
Goodwill is initially measured as the excess of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the consideration is less than the fair value of the net assets acquired, the difference is recognized in profit or loss.

If the initial accounting for a business combination is provisional, the Group uses provisional values and adjusts them within 12 months from the acquisition date. Adjustments are made as if the fair value had been recognized from the acquisition date, affecting goodwill or any gain recognized.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill is allocated to the Group's cash-generating units expected to benefit from the combination. If part of a cash-generating unit is disposed of, the associated goodwill is included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill disposed of is measured based on the relative values of the operation disposed of and the portion retained.

Financial Assets and Financial Liabilities

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

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (for asset) or received (for liability). Transaction costs are included in the initial measurement, except those designated at fair value through profit or loss (FVPL).

"Day 1" Difference. When a transaction occurs in a non-active market and the transaction price differs from the fair value based on observable market data, the Group recognizes this difference as a "Day 1" difference in profit or loss. If no observable data is available at the inception of the transaction, the transaction price is considered the best estimate of fair value.

The “Day 1” difference is then recognized in profit or loss when the inputs become observable or when the financial instrument is derecognized. The Group determines the appropriate method for recognizing “Day 1” difference for each transaction.

Financial Assets at Amortized Cost. Financial assets are measured at amortized cost if they are held to collect contractual cash flows and their terms result in payments of principal and interest on specified dates. After initial recognition, these assets are measured at amortized cost using the effective interest method, less any impairment allowance. Gains and losses are recognized in profit or loss upon derecognition or through the amortization process. Financial assets at amortized cost are classified as current if they are realizable or collectible within 12 months; otherwise, they are classified as noncurrent.

The Group records an allowance for expected credit loss (ECL) based on the difference between the contractual cash flows due and the cash flows expected to be received, discounted at the asset’s original effective interest rate. For trade receivables, the Group uses the simplified approach, calculating ECL based on lifetime ECL through a provision matrix that incorporates historical credit loss experience and forward-looking factors. For other financial instruments measured at amortized cost, ECL is based on the 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the allowance is based on lifetime ECL.

The Group assesses significant increases in credit risk by comparing the risk of default at the reporting date with the risk at initial recognition, using reasonable and supportable information available without undue cost or effort. If an impairment loss decreases due to an event after recognition, the previously recognized loss is reduced by adjusting the allowance account, with any reversal recognized in profit or loss, ensuring the asset’s carrying amount does not exceed its amortized cost at the reversal date.

As of December 31, 2023, and 2022, the Group’s cash, trade and other receivables, due from related parties, refundable deposits, and restricted cash (included in “Other noncurrent assets”) fall under this category.

Financial Liabilities at Amortized Cost. Financial liabilities are classified as financial liabilities at amortized cost when the Group is obligated to deliver cash or another financial asset, or to settle the obligation in a way other than exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. Initially, these liabilities are recognized at fair value minus any directly attributable transaction costs. After initial recognition, they are measured at amortized cost using the effective interest method, which accounts for any discount or premium on issuance and fees integral to the effective interest rate.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As of December 31, 2023, and 2022, the Group’s trade and other payables (excluding provision for probable losses and subscription payables), due to related parties, loans payable, lease liabilities, deposits for future stock subscription, and service concession liability fall under this category.

Offsetting of Financial Assets and Liabilities
Financial assets and liabilities are offset and reported as a net amount in the consolidated statements of financial position only if there is a legal right to offset and an intention to settle them on a net basis or simultaneously. Typically, master netting agreements do not meet these criteria, so related assets and liabilities are presented separately in the consolidated statements.

Creditable Withholding Tax
Creditable Withholding Tax (CWT) represents the amounts withheld by the customer from income payments received by the Group. These amounts are withheld at source and can be applied as payment for the Group's income taxes, provided these are properly supported by certificates of creditable tax withheld at source, in accordance with the rules on Philippine income taxation.

Deposits
Deposits pertain to advance payments made by the Group for the future operations of various joint venture projects. These are carried at the amount of cash paid and are subsequently recognized to the corresponding asset accounts after the start of commercial operation of these projects.

Advances to Contractors and Suppliers
Advances to contractors and suppliers represent advance payments on services to be incurred in connection with the Group's operations. These are either capitalized in the consolidated statements of financial position, upon actual receipt of services or supplies or are charged to the construction in progress account when the goods or services for which the advances were made are received. These are considered as nonfinancial instruments as these will be applied against future billings from contractors and suppliers.

Investment in Associates
The Group uses the equity method to account for investments in other companies where it has significant influence (20% to 50% voting power) but not control. Both the Group and its associates have the same reporting date and use similar accounting policies. If necessary, adjustments are made to align the associate's accounting policies with those of the Group.

The Group's share of the associate's net loss is presented in the "Share in net loss of associates" account in the consolidated statements of comprehensive income.

Property and Equipment
Property and equipment are initially recognized at cost, which includes the purchase price and any costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property and equipment, except for land and construction in progress, are recorded at cost less accumulated depreciation and any impairment. Land and construction in progress are recorded at cost, net of accumulated impairment losses if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of Years
Water supply facility and equipment	5 to 25
Site facilities and offices	5 to 20
Transportation equipment	5 to 8
Computer equipment	2 to 5
Furniture, fixtures and equipment	5

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are expensed as incurred. However, expenditures that significantly increase the future economic benefits of the asset beyond its originally assessed standard of performance are capitalized.

When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates those significant parts separately based on their specific useful lives.

Fully-depreciated assets are retained in the accounts until they are no longer in use.

The assets' estimated useful lives and depreciation method are reviewed annually, and adjusted prospectively, as appropriate, if there is an indication of a significant change since the last reporting date.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is included in the consolidated statements of comprehensive income in the year the property and equipment are derecognized.

Construction in progress represents properties under construction and is stated at cost, including the cost of construction and other direct costs. Borrowing costs directly attributable to the construction are capitalized during the construction period. Construction in progress is not depreciated until the relevant assets are completed and ready for operational use. Reclassifications from construction in progress to relevant asset accounts are made upon completion of the construction.

Borrowing Costs

Borrowing costs are generally recognized as expenses when incurred. However, borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the asset's cost. Capitalization begins when expenditures and borrowing costs are being incurred, and activities necessary to prepare the asset for its intended use are in progress. Capitalization stops when these activities are substantially complete.

Service Concession Arrangement

Service Concession Assets

Service concession assets include the costs to obtain concession rights and construct water facilities, including borrowing costs during construction. The annual fixed fee portion is recognized immediately, while the right is earned and recognized as the project progresses. Initially, the assets are recorded at fair value based on discounted cash flows of the construction services. After initial recognition, these are carried at cost less accumulated amortization and any impairment losses. Subsequent expenditures that increase future revenues are added to the service concession assets at cost.

The assets are amortized on a straight-line basis over 25 to 30 years, depending on the joint venture agreement, starting from the beginning of commercial operations. The amortization period and method are reviewed annually or when there is an indication of impairment. Changes in the contract term or expected future economic benefits are accounted for by adjusting the amortization period and method, which are treated as changes in accounting estimates. Amortization expense is recognized in profit or loss.

The service concession assets will be derecognized upon turnover to Nabua Water District (NAWAD), San Jose Water City Water District (SJCWD), Catbalogan Water District (CWD), and Municipality of Echague with no consideration, resulting in no gain or loss, as these are expected to be fully amortized by that time.

Service Concession Liabilities
Service concession liabilities are recognized at the inception date as the present value of the fixed portion of concession fees, in accordance with IFRIC 12. These liabilities are reduced upon payment of concession fees to the grantor, with payments apportioned between interest and principal. Interest accretion on the service concession obligations is presented under "Interest expense" in the consolidated statements of comprehensive income. The portion of liabilities expected to be settled within 12 months is classified as current; otherwise, classified as noncurrent.

Impairment of Nonfinancial Assets
At each reporting date, the Group reviews the carrying amount of its nonfinancial assets to determine if there are any indication of impairment, except for Goodwill which are assessed annually. If such indication exists, the recoverable amount of the asset is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows largely independent from other assets.

The recoverable amount of a nonfinancial asset is the higher of an asset's fair value less costs to sell and its value in use. Fair value less cost to sell is the price that would be received to sell an asset in an orderly transaction between market participants, less the costs of disposal. Value in use is the present value of future cash flows expected to be derived from an asset, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

For nonfinancial assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine recoverable amount. The reversal is limited to the asset's carrying amount, net of depreciation, that would have been determined had no impairment loss been recognized.

Deposits for Future Stock Subscription
Deposits for future stock subscription represents funds received from existing or potential stockholders to be applied as payment for future issuance of capital stock.

Deposits for future stock subscription are recognized as equity if, and only if, all of the following elements set forth by the SEC are present as at reporting date:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD's approval on the proposed increase in authorized capital stock for which a deposit was received by the Group);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

If any of the above conditions are not met, the deposit should be recognized as a liability.

Capital Stock and Additional Paid-in Capital (APIC)
Capital stock is measured at par value for all shares issued and outstanding. APIC represents the amount received from shareholders in excess of the par value of the shares issued.

Other Equity Reserve
Other equity reserve represents net excess of the consideration given over the carrying amount of the non-controlling interest acquired.

Deficit
Deficit represents the cumulative results of operations.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time.

The amount of revenue from contract with customers is based on the consideration specified in the contract which may include variable amounts. Variable consideration is estimated at contract inception and updated at each reporting date. The estimation is constrained to ensure that it is highly probable that a significant reversal of revenue will not occur when the uncertainty is resolved.

The Group has assessed that it acts as a principal in all of its revenue sources.

The following specific recognition criteria must also be met before revenue is recognized:

Water Bills, Penalty, Reconnection Fee and Subscription Income. Revenue is recognized when the related water services are rendered. Water is billed every month according to the bill cycles of the customers. Monthly revenue earned are billed to the customer and recorded in the same month. Penalty, reconnection fee and subscription income are recognized when earned.

Management Fees. Revenue is recognized as services are performed.

Revenue From Rehabilitation Works and Cost of Rehabilitation Works. Revenue from rehabilitation works is equivalent to the related cost for the rehabilitation works covered by the service concession arrangements which is recognized as part of contract assets included under SCA and pertain to revenue from construction or upgrade services. Revenue from rehabilitation works is recognized over time, using input method. Under this method, progress is measured by reference to the actual costs incurred to date.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset, net of final taxes.

Other Income. Other income is recognized as revenue when earned.

Cost and Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Services. Cost of services are recognized as expense when the related services are rendered.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method, net of final tax.

Other Expense. Other expense is recognized as incurred.

Employee Benefits

Short-term Benefits. The Group recognizes a liability, net of amounts already paid, and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Leases

A contract is considered a lease if it grants the right to control the use of an identified asset for a period of time in exchange for consideration. To determine this, the Group assesses whether the customer has both the right to obtain substantially all the economic benefits from the use of the asset and the right to direct its use throughout the period. If the Group controls the use of the asset for only part of the contract term, the contract contains a lease for that portion. Each potential separate lease component is also assessed.

Group as Lessee

As a lessee, the Group recognizes ROU assets and lease liabilities at the commencement date for all leases, except for short-term leases (12 months or less) and low-value asset leases, which are expensed on a straight-line basis.

ROU Assets. ROU assets are initially measured at cost, which includes the initial lease liability, any lease payments made before the commencement date minus any lease incentives received, initial direct costs, and an estimate of costs to dismantle and remove the asset if applicable.

These assets are subsequently measured at cost less accumulated amortization and impairment losses, adjusted for any remeasurement of lease liabilities, and depreciated over the shorter of the lease term or the asset's useful life.

Lease Liabilities. Lease liabilities are initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease or the Group's incremental borrowing rate if the implicit rate is not readily determinable.

Lease payments include fixed payments, variable payments based on an index or rate, amounts expected under residual value guarantees, and the exercise price of purchase options or penalties for early termination if the Group is reasonably certain to exercise those options.

Lease liabilities are subsequently measured at amortized cost, with interest and variable lease payments recognized in profit or loss unless capitalized as part of another asset.

Lease liabilities are remeasured if there are changes in the lease term, purchase options, residual value guarantees, or future lease payments due to changes in an index or rate.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is recognized for all temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases. Deferred tax liabilities are recognized for taxable temporary differences, while deferred tax assets are recognized for deductible temporary differences, including unused tax credits from net operating loss carryovers (NOLCO) and excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that sufficient taxable profit will be available to utilize the deferred tax asset. Unrecognized deferred tax assets are reassessed at each reporting date and recognized if it becomes probable that future taxable profit will allow their recovery.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to the same taxable entity and tax authority.

Related Party Transactions

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties.

Related party relationships exist when one party has the ability, directly or indirectly, to control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Group; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual; and (d) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directly to the substance of the relationship and not merely on the legal form.

Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rate of exchange on transaction date. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date. Foreign exchange gains or losses are recognized in profit or loss when incurred.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and 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.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefit is probable.

Events After the Reporting Date

Events after the financial reporting date that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events after the financial reporting date that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These judgments, accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgments, accounting estimates and assumptions affecting the Group:

Judgments

Determining Variable Considerations and Assessing Constraints. The Group estimates the amount of consideration it will receive for providing services to customers. This estimate is made at the start of the contract and is adjusted until it is highly probable that there will not be a significant reversal of revenue when the uncertainty is resolved.

To estimate variable consideration, the Group uses the expected value method, which calculates the sum of probability-weighted amounts in a range of possible outcomes. This estimate is updated at the end of each reporting period to reflect current conditions. Any changes in the transaction price due to resolved uncertainties or other changes are recognized as revenue or a reduction of revenue in the period when the change occurs.

In 2023 and 2022, the Group estimated reductions in consideration due to under-delivery of required output and quality specified in customer contracts.

Defining Default and Credit-Impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit- impaired, when it meets one or more of the following criteria:

a. Quantitative Criteria - the borrower is more than 45 days past due on its contractual payments, which is consistent with the Group's definition of default.

b. Qualitative Criteria - The borrower meets unlikeliness to pay criteria, indicating significant financial difficulty. These instances include

    - The borrower is experiencing financial difficulty or is insolvent;
    - The borrower is in breach of financial covenants; and
    - It is probable that the borrower will enter bankruptcy or other financial reorganization.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. This definition of default has been applied consistently in the determination of ECL.

Classifying Lease Commitments – Group as a Lessee. The Group recognized ROU assets and lease liabilities for all of its existing lease agreements, except for the lease of parcel of land situated in Brgy. Murcia, Negros Occidental, lease of generator equipment and lease of office space for a period of not more than one (1) year. The Group did not recognize ROU assets and lease liabilities for these since the lease consideration is variable and due to application of short-term lease recognition exemption.

The carrying amount of ROU assets and lease liabilities and the amount of rent expense from short-term leases in 2023 and 2022 are disclosed in Note 20.

Determining the Appropriate Rate to Discount the Lease Payments in Measuring ROU Asset and Lease Liability. The Group's ROU assets and lease liabilities are initially measured at the present value of lease payments. In determining the appropriate discount rate, the Group considered readily available interest rate implicit in the lease agreements, the interest rate on its borrowings, and the term of each lease commitment. The Group determined that the implicit rate in the lease agreements is readily available and represents the appropriate financing cost for leasing the underlying assets. The rate implicit in the lease is the rate that would cause the present value of the lease payments and unguaranteed residual to equal the sum of the fair value of the underlying assets and initial direct costs incurred.

The Group used incremental borrowing rate ranging from 4.25% to 8.03% in to determine the present value of the lease payments at commencement date.

Accounting Estimates and Assumptions

Estimating the Allowance for ECL on Trade Receivables. The Group uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group then calibrates the provision matrix to adjust historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for ECL of trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual experience.

The amount of provision for ECL in 2023 and 2022 and carrying amount of trade receivables as at December 31, 2023 and 2022 are disclosed in Note 7.

Assessing the Impairment of ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group's other financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12-month ECL.

The Group has assessed that the ECL for financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2023 and 2022.

The carrying amounts of other financial assets at amortized cost as at December 31, 2023 and 2022 are disclosed in Notes 6, 7, 8, and 16.

Estimating the Useful Lives of Property and Equipment, ROU and Service Concession Assets. The Group reviews annually the estimated useful lives of property and equipment, ROU and service concession assets based on expected asset's utilization, market demands and future technological development. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation of property and equipment, ROU and service concession assets.

There were no changes on the estimated useful lives of property and equipment, ROU and service concession assets in 2023 and 2022.

The carrying amount of the Group's property and equipment (excluding land and construction in progress), ROU and service concession assets as at December 31, 2023 and 2022 are disclosed in Notes 10, 19 and 20, respectively.

Assessing the Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An assessment is made at each reporting 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.

The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance relative to expected historical or projected future operating results;

- significant changes in the manner of use of the acquired assets or the strategy for overall business; and

- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Write-off of property and equipment recognized in 2023 is disclosed in Note 10. No impairment loss was recognized in 2022. The carrying amounts of nonfinancial assets of the Group as at December 31, 2023 and 2022 are disclosed in Notes 8, 9, 10, 19 and 20.

Assessing the Impairment of Goodwill. The Group tests annually whether any impairment in goodwill should be recognized, in accordance with the related accounting policy. The recoverable amount of CGU have been determined based on value in use calculations which require the use of estimates.

Based on the impairment assessment, the recoverable amount of the CGU as at December 31, 2023 and 2022, calculated based on value in use are greater than the corresponding carrying values (including goodwill) of the CGU.

The carrying amount of goodwill is disclosed in Note 5.

Recognizing Construction Revenue and Costs. The Group measures contract revenue at the fair value of the consideration received or receivable. Given that the Group has subcontracted the construction to outside contractors, the construction revenue recognized is equal to the construction costs. Construction revenue and costs are disclosed in Note 19.

Recognizing Deferred Tax Assets. The Group reviews the carrying amounts of deferred tax asset at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Group's recognized deferred tax assets and unrecognized deferred tax assets as at December 31, 2023 and 2022 are disclosed in Note 18.

4. Prior Period Adjustments

The 2022 financial statements were restated and reclassified to reflect the following:

- Correction of error in accounting for service concession asset, service concession liability and the related amortization;
- Recognition of depreciation on property and equipment;
- Recognition of ROU asset and lease liability;
- Recognition of deferred tax liabilities; and
- Reclassification of certain accounts to conform with the 2023 financial statements presentation.

The impact of the restatement and correction of presentation in the consolidated financial statements is as follows:

	As at December 31, 2022		
	As previously reported	Effect of restatements	As restated
Due from related parties	₱222,926,940	₱33,032,229	₱255,959,169
Property and equipment	567,866,241	(26,901,192)	540,965,049
ROU asset	14,480,283	3,466,305	17,946,588
Service concession asset	394,193,620	26,980,428	421,174,048
Other noncurrent assets	50,081,250	(34,170,000)	15,911,250
Trade and other payables	122,528,882	(1,069,459)	121,459,423
Due to related parties	467,012,065	(1,137,771)	465,874,294
Net deferred tax liability (deferred tax asset)	(2,447,812)	5,205,037	2,757,225
Lease liability	19,522,133	3,525,723	23,047,856
Service concession liability	406,617,781	(1,246,335)	405,371,446
Deficit	(123,427,273)	(2,869,425)	(126,296,698)
Net loss	57,252,139	2,869,425	60,121,564

The restatement has been accounted for retrospectively, and the comparative figures have been adjusted accordingly.

5. Business Combination, Goodwill and Material Non-controlling Interest

Business Combination and Goodwill

In 2021, the Parent Company incorporated SJCWCI and TCAI for a total consideration of ₱201.97 million. The Parent Company conducted a preliminary assessment of its equity interest in both entities and has recognized provisional amounts as at December 31, 2021. In 2022, as permitted by PFRS 3, *Business Combinations*, the Parent Company assessed that based on new information and circumstances that existed at the date of acquisition it identified adjustments to the provisional amounts of goodwill amounting to ₱2.46 million.

The goodwill arising from the business combination based on the finalized purchase price allocation are as follows:

	2021
Fair value of consideration at acquisition date - net of subscription receivable	₱126,664,670
Fair value of non-controlling interests	1,562,500
	128,227,170
Less fair value of net assets	76,667,006
	₱51,560,164

In 2023, the Parent Company subscribed to 49,999,995 common shares and incorporated TCC equivalent to 100% ownership interest for a total consideration of ₱109.14 million, inclusive of labor integration package amounting to ₱55.43 million in accordance with the agreement with Catbalogan Water District (CWD) and stock issuance cost amounting ₱0.50 million. The accrued portion of the labor integration package amounting to ₱3.70 million as at December 31, 2023 is presented as part of accrued expenses in the "Trade and other payables" account in the consolidated statements of financial position (see Note 11).

In 2023, the Parent Company also subscribed to 8,749,998 common shares and incorporated TEC equivalent to 70% ownership interest for a total consideration of ₱8.75 million, inclusive of stock issuance cost amounting to ₱0.13 million.

Investments in TCC and TEC resulted to the recognition of goodwill amounted to ₱59.73 million.

The goodwill arising from the business combination based on the finalized purchase price allocation are as follows:

	2023
Fair value of consideration at acquisition date - net of subscription receivable	₱65,013,954
Fair value of non-controlling interests, net of share in stock issuance cost	3,712,503
	68,726,457
Less fair value of net assets	9,000,000
	₱59,726,457

The acquisitions of SJCWCI, TCAI, TCI, TNI, TEC, and TCC were expected to result in synergies, economies of scale and efficiency of operations.

Goodwill acquired from business combinations consists of:

	2023	2022
TCC	**₱59,638,960**	₱–
SJCWCI	**51,521,409**	51,521,409
TNI	**9,610,915**	9,610,915
TCI	**5,239,200**	5,239,200
TEC	**87,497**	–
TCAI	**38,755**	38,755
	₱126,136,736	₱66,410,279

For purposes of impairment testing, the Group determined the recoverable amount of goodwill based on value in use. Value in use is based on discounted cash flow model using the subsidiaries' financial forecasts for the next five years.

Key assumptions used to which the recoverable amounts are most sensitive are revenue growth rates, estimated operational costs, weighted average long-term growth rates and discount rates. Revenue growth rates are based on expected operating results with reference to projected cash flows from stress testing. Operational costs are determined based on average fixed and variable costs adjusted for inflationary increases but not reflecting any future restructurings or cost saving measures.

The Group has assessed that there is no goodwill impairment based on a discounted cash flow model using projected budget for the next five years. The Parent Company assessed that goodwill from business combinations are not deductible for tax purposes.

Material Non-controlling Interests

The following table summarizes the subsidiaries with material effective percentage of ownership held by non-controlling interests.

	2023	2022
TCAI	**50%**	50%
TPGGI	**49%**	49%
TEC	**30%**	–
TNI	**–**	30%
TCI	**–**	5%

Non-controlling interests in the consolidated statements of financial position are presented below:

	2023	2022
TPGGI	**₱19,599,998**	₱19,599,998
BBWI	**6,043,815**	7,613,888
Others	**4,733,439**	(10,562,989)
	₱30,377,252	₱16,650,897

The net income (loss) attributable to non-controlling interests in the consolidated statements of comprehensive income is presented below:

	2023	2022
BBWI	**(₱1,570,073)**	(₱537,214)
Others	**(155,228)**	(5,392,168)
	(₱1,725,301)	(₱5,929,382)

The Parent Company increased its ownership interests in TNI and TCI to 100% by acquiring the remaining common shares held by non-controlling shareholders for ₱1.53 million. The excess of the consideration over the carrying amount of the non-controlling interest amounting to ₱13.27 million was recognized as part of "Other equity reserve" account in the consolidated statement of financial position.

The summarized financial information of the material partly-owned subsidiaries is presented below. These information are based on the amounts before intercompany eliminations.

	2023			
	Total Assets	**Total Liabilities**	**Total Equity**	**Net Income (Loss)**
BBWI	**₱576,113,316**	**₱454,402,317**	**₱121,710,999**	**(₱23,089,306)**
TCAI	**3,361,723**	**506,250**	**2,855,473**	**503,137**
TEC	**153,535,707**	**150,391,693**	**3,144,014**	**(1,355,986)**
TPGGI	**41,011,394**	**1,011,400**	**39,999,994**	**–**

	2022			
	Total Assets	Total Liabilities	Total Equity	Net Income (Loss)
BBWI	₱580,037,245	₱435,236,940	₱144,800,305	(₱9,900,115)
TCI	5,114,903	2,433,900	2,681,003	545,992
TNI	183,345,205	222,922,547	(39,577,342)	(17,498,715)
TCAI	2,589,337	237,001	2,352,336	(573,690)
TPGGI	41,011,394	1,011,400	39,999,994	–

6. Cash

This account consists of:

	2023	2022
Cash on hand	**₱3,372,882**	₱2,256,005
Cash in banks	**86,127,552**	65,661,186
	₱89,500,434	₱67,917,191

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned from cash in banks amounted to ₱0.71 million and ₱0.21 million in 2023 and 2022, respectively.

7. Trade and Other Receivables

This account consists of:

	Note	**2023**	2022
Trade receivables		**₱55,483,262**	₱63,431,504
Exploration and feasibility study fees receivable		**22,400,000**	22,400,000
Management fees receivable	16	**335,223**	320,575
		78,218,485	86,152,079
Less allowance for ECL		**8,162,847**	7,751,769
		70,055,638	78,400,310
Less: current portion		**70,055,638**	65,804,835
Noncurrent portion		**₱–**	₱12,595,475

Trade receivables and exploration and feasibility study fees receivables are noninterest-bearing receivables from customers which are normally collectible within 30 to 45 days.

In 2022, BBWI and BACIWA agreed to a payment schedule for receivables amounting to ₱46.9 million to be paid in five (5) installments until December 15, 2024.

The movements in allowance for ECL are as follows:

	Note	**2023**	2022
Balance at beginning of the year		**₱7,751,769**	₱6,747,367
Provision for ECL	15	**411,078**	1,004,402
Balance at end of the year		**₱8,162,847**	₱7,751,769

8. Other Assets

This account consists of:

	Note	**2023**	2022
Current:			
Input VAT		**₱2,178,766**	₱3,188,796
Advances to employees		**1,761,903**	897,680
Prepayments		**150,914**	–
Others		**1,695,040**	1,370,065
		₱5,786,623	₱5,456,541
Noncurrent:			
Deposits	19	**₱21,780,539**	₱10,780,539
Advances to contractors and suppliers		**9,223,361**	2,500,000
Refundable deposits	20	**3,236,842**	2,630,711
Restricted cash	12	**2,875,000**	–
		₱37,115,742	₱15,911,250

Advances to employees pertain to cash advances which are subject to liquidation.

Deposits pertain to amounts provided by the Group to various entities for the establishment of joint venture corporations.

Advances to contractors and suppliers represent the down payments for the water project studies, drillings and for the on-going construction of additional injection point in connection to the bulk water supply agreement of the Group. These are noninterest-bearing and are being applied to the final billings.

Refundable deposits include utility deposit and lease security deposits which are subject to refund at the end of the contract period.

Restricted cash represents the hold-out amount with a local bank as security for the prompt payment of a loan.

Others pertain to materials and office supplies and are generally utilized within 12 months or within the normal operating cycle.

9. **Investment in Associates**

The carrying amounts of investments in associates are as follows:

	2023		2022	
	% ownership	**Amount**	% ownership	Amount
Calbayog Water Company, Inc. (CWCI)	**40.0%**	**₱90,659,196**	40.0%	₱93,320,624
Princess Urduja Waterworks System, Inc. (PUWSI)	**40.0%**	**8,587,800**	40.0%	7,952,767
MTTP Water Corporation (MWC)	**47.5%**	**–**	47.5%	–
		₱99,246,996		₱101,273,391

CWCI's principal place of business is at Maharlika Highway Purok 4 Brgy. Capoocan, Calbayog City, Western Samar, PUWSI's principal place of business is at RTP Building, Poblacion West, Sual, Pangasinan and MWC's principal place of business is at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City.

The Group's investment in MWC's shares was fully provided with allowance amounting to ₱5.48 million. MWC has no operations in 2023 and 2022.

The movements in investments in associates are as follows:

	2023	2022
Acquisition Cost		
Balance at beginning and end of year	**₱134,807,939**	₱134,807,939
Accumulated Equity in Net Loss		
Balance at beginning of year	**(28,054,613)**	(24,265,022)
Equity share in net loss for the year	**(2,026,395)**	(3,789,591)
Balance at end of year	**(30,081,008)**	(28,054,613)
Allowance for Impairment Loss		
Balance at beginning and end of year	**(5,479,935)**	(5,479,935)
	₱99,246,996	₱101,273,391

The financial information of associates is summarized below.

	CWCI		**PUWSI**	
	2023	2022	**2023**	2022
Total assets:				
Current	**₱54,037,120**	₱49,656,213	**₱2,580,960**	₱2,658,759
Noncurrent	**715,754,321**	658,118,475	**33,320,100**	35,726,579
	769,791,441	707,774,688	**35,901,060**	38,385,338
Total liabilities:				
Current	**104,332,559**	82,050,720	**23,135,680**	21,336,222
Noncurrent	**515,576,756**	552,705,155	**6,589,316**	12,460,634
	619,909,315	634,755,875	**29,724,996**	33,796,856
Total equity	**149,882,126**	73,018,813	**6,176,064**	4,588,482
Revenue	**148,787,993**	137,143,521	**17,682,991**	15,976,039
Net income (loss)	**(6,653,569)**	(10,413,667)	**1,587,582**	939,689

A reconciliation of associates' equity to the carrying amount of the Group's investment in associates follows:

	Note	CWCI		PUWSI	
		2023	2022	**2023**	2022
Equity		**₱149,882,126**	₱73,018,813	**₱6,176,064**	₱4,588,482
Additional paid-in capital from majority shareholder		**(36,586,884)**	–	**–**	–
Subscription payable	11	**–**	46,930,000	**–**	–
		113,295,242	119,948,813	**₱6,176,064**	₱4,588,482
Ownership interest		**40%**	40%	**40%**	40%
Equity in investment in associate		**45,318,097**	47,979,525	**2,470,426**	1,835,393
Goodwill		**45,341,099**	45,341,099	**6,117,374**	6,117,374
Carrying amount		**₱90,659,196**	₱93,320,624	**₱8,587,800**	₱7,952,767

In 2023, the Parent Company paid the subscription payable to CWCI and interest thereon amounting to ₱46.93 million and ₱1.45 million, respectively. Interest on subscription payable is recognized as part of "Other income (expense)" account in the consolidated statements of comprehensive income (see Note 17).

10. Property and Equipment

The balances and movements of this account are as follows:

	2023							
	Construction in Progress	**Water Supply Facility and Equipment**	**Site Facilities and Offices**	**Transportation Equipment**	**Land**	**Computer Equipment**	**Furniture, Fixtures and Equipment**	**Total**
Cost								
Balances at beginning of year	**₱354,070,853**	**₱168,023,188**	**₱46,836,492**	**₱4,752,707**	**₱1,440,000**	**₱1,983,042**	**₱4,073,382**	**₱581,179,664**
Additions	**13,703,066**	**523,476**	**1,528,425**	**1,599,000**	**1,750,000**	**339,695**	**1,108,809**	**20,552,471**
Transfer to service concession asset	**(4,046,422)**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,046,422)**
Write-off	**(2,441,901)**	**–**	**(143,585)**	**–**	**–**	**–**	**–**	**(2,585,486)**
Balances at end of year	**361,285,596**	**168,546,664**	**48,221,332**	**6,351,707**	**3,190,000**	**2,322,737**	**5,182,191**	**595,100,227**
Accumulated Depreciation								
Balances at beginning of year	**–**	**26,089,840**	**8,197,690**	**2,217,428**	**–**	**745,407**	**2,964,250**	**40,214,615**
Depreciation	**–**	**7,013,998**	**4,169,188**	**843,240**	**–**	**355,605**	**503,965**	**12,885,996**
Write-off	**–**	**–**	**(22,688)**	**–**	**–**	**–**	**–**	**(22,688)**
Balances at end of year	**–**	**33,103,838**	**12,344,190**	**3,060,668**	**–**	**1,101,012**	**3,468,215**	**53,077,923**
Carrying Amount	**₱361,285,596**	**₱135,442,826**	**₱35,877,142**	**₱3,291,039**	**₱3,190,000**	**₱1,221,725**	**₱1,713,976**	**₱542,022,304**

	2022							
	Construction in Progress	Water Supply Facility and Equipment	Site Facilities and Offices	Transportation Equipment	Land	Computer Equipment	Furniture, Fixtures and Equipment	Total
Cost								
Balances at beginning of year	₱348,581,799	₱167,042,814	₱45,318,262	₱2,287,707	₱1,440,000	₱879,908	₱2,961,948	₱568,512,438
Additions	5,489,054	980,374	1,518,230	2,465,000	–	1,103,134	1,111,434	12,667,226
Balances at end of year	354,070,853	168,023,188	46,836,492	4,752,707	1,440,000	1,983,042	4,073,382	581,179,664
Accumulated Depreciation								
Balances at beginning of year	–	19,246,387	4,394,530	1,776,251	–	505,007	1,894,319	27,816,494
Depreciation	–	6,843,453	3,803,160	441,177	–	240,400	1,069,931	12,398,121
Balances at end of year	–	26,089,840	8,197,690	2,217,428	–	745,407	2,964,250	40,214,615
Carrying Amount	₱354,070,853	₱141,933,348	₱38,638,802	₱2,535,279	₱1,440,000	₱1,237,635	₱1,109,132	₱540,965,049

Construction in progress pertains to Group's water distribution facilities and pipelines for the waterworks system related to its projects. This also includes the development costs, installation and operation of water extraction equipment and maintenance of water supply systems through provision and development of water resources.

The estimated cost to complete the construction is ₱630.56 million to be completed in 2027.

In 2023, the Group transferred construction in progress to service concession asset amounting to ₱4.05 million (see Note 19). In addition, the Group wrote-off property and equipment aggregating to ₱2.56 million due to significant modifications to the original construction plan of one of its projects. The loss on write-off of property and equipment is recognized as part of "Other income (expense)" account in the consolidated statements of comprehensive income (see Note 17).

The Group acquired transportation equipment amounting to ₱1.28 million and ₱1.95 million in 2023 and 2022, respectively, through bank financing (see Note 12).

Fully depreciated property and equipment being used by the Group amounted to ₱5.60 million and ₱2.66 million as at December 31, 2023 and 2022, respectively.

Capitalized borrowing costs, at a capitalization rate of 6.57% and 6.65%, amounted to ₱12.45 million and ₱11.77 million in 2023 and 2022, respectively (see Note 12).

Depreciation and amortization consist of:

	Note	**2023**	2022
Service concession asset	19	**₱20,583,149**	₱16,868,167
Property and equipment		**12,885,996**	12,398,121
ROU assets	20	**2,014,126**	2,014,126
		₱35,483,271	₱31,280,414

Depreciation and amortization are charged to operation as follows:

	Note	**2023**	2022
Cost of services	14	**₱33,020,432**	₱19,526,465
Operating expenses	15	**2,462,839**	11,753,949
		₱35,483,271	₱31,280,414

11. Trade and Other Payables

This account consists of:

	Note	**2023**	2022
Trade payables		**₱23,847,168**	₱24,479,494
Statutory payables		**21,831,168**	18,769,038
Accrued expenses		**18,913,052**	13,656,692
Provision for probable losses		**17,688,121**	9,570,722
Interest payable	12	**3,433,205**	8,053,477
Subscription payable	9	**–**	46,930,000
Others		**3,444,472**	–
		₱89,157,186	₱121,459,423

Trade payables are non-interest bearing and generally payable within one (1) year.

Statutory payables pertain to taxes withheld by the Group to government agencies other payables to government agencies. These are remitted to the respective regulatory agencies in the following month. This also includes deferred output VAT not yet due until the invoice is paid by the customer.

Accrued expenses mainly include assumed labor integration packages, professional fees, outside services and other expenses payable to third parties that are expected to be settled within 12 months from the end of the reporting period.

Provision for probable losses pertain to provisions for contingencies. In accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, no further details were provided because this may prejudice the Group's position on this matter.

Subscription payable pertains to the unpaid capital stock subscription for the Group's investment in CWCI. In 2023, the Parent Company paid the subscription payable to CWCI amounting to ₱46.93 million (see Note 9).

12. Loans Payable

The movements of this account are as follows:

	2023	2022
Balance at beginning of year	**₱437,634,403**	₱276,430,000
Availment	**570,141,560**	251,952,000
Payments	**(150,101,634)**	(90,747,597)
Balance at end of year	**857,674,329**	437,634,403
Add (less):		
"Day 1" difference	**(67,637,939)**	–
Unamortized debt issue cost	**(31,214,941)**	(1,731,692)
Unrealized foreign exchange loss	**1,543,541**	–
	760,364,990	435,902,711
Less current portion	**53,246,668**	63,106,633
Noncurrent portion	**₱707,118,322**	₱372,796,078

Breakdown of this account is as follows:

	2023	2022
Through local creditor banks	**₱535,867,961**	₱435,902,711
Through development fund facility	**224,497,029**	–
	₱760,364,990	₱435,902,711

Local Creditor Banks

The Group obtained various loans from commercial banks for the on-going construction projects. The principal amounts are payable in monthly and quarterly installments and bear annual interest rates ranging from 5.50% to 10.95%, and with terms ranging from three (3) years to 15 years.

In 2023 and 2022, the Group obtained additional loans amounting to ₱1.28 million and ₱1.95 million for the acquisition of transportation equipment (see Note 10). The loan principals are payable in 60 monthly installments and bear an annual interest of 9.18% and 10.95%, respectively.

The loan in 2022 is secured by a chattel mortgage on the transportation equipment with a carrying amount of ₱1.75 million and ₱2.24 million as at December 31, 2023 and 2022, respectively.

The carrying amounts and significant terms of the loans through local creditor banks are as follows:

	Carrying Amounts					
	2023	2022	Credit Facility	Payment Terms	Interest	Security
BBWI	**₱205,304,943**	₱241,328,598	₱313,000,000	Various loans payable in quarterly installments	5.50% to 7.50% per annum	Pledge of shares and deed of trust over the construction project; deed of assignment with hold-out amounting to ₱2.88 million (see Note 8)
SJCWCI	**150,000,000**	150,000,000	150,000,000	10-year loan payable in quarterly installments	6.50% per annum	Against hold out on peso deposits; deed of assignment on monthly water billings and debt service reserve account; and negative pledge on the project assets
TEC	**148,503,315**	–	150,000,000	10-year loan payable in quarterly installments	8.93% per annum	Assignment of borrower's rights of the project asset amounting to ₱51.96 million, corporate suretyship of TPGI, personal surety of the shareholders, and registered real estate mortgage (REM) over properties in Gucab, Echague, Isabela registered under TPGI.
TNI	**16,197,123**	19,623,253	20,000,000	5-year loan payable in 12 equal monthly installments	7.50% per annum	Assignment of receivables, corporate suretyship of TPGI, QWC and PWC, and suretyship of certain individual shareholders
TTMC	**13,233,333**	23,158,333	30,000,000	3-year loan payable in equal monthly installments	5.75% per annum	Deed of assignment over receivables
TPGI	**2,629,247**	1,792,527	3,231,000	Various loans payable in monthly installments	9.18 to 10.95% per annum	Chattel mortgage on the transportation equipment with a carrying amount of ₱1.75 million
	₱535,867,961	₱435,902,711				

Development Fund Facility
On June 27, 2023, the Group entered into a development cooperation agreement with Climate Fund Managers B.V., Stichting CI2 Development Fund, Cooperatief CI2 Construction Equity Fund U.A. and CEF2 A09 B.V. (collectively referred to as the CFM Group) to fund the development and construction of expansion and/or new water supply projects within the Group's portfolio. The CFM Group shall provide development funding of up to United States (US) $6.90 million.

The development funding is non-interest bearing and is payable in five equal annual installments. If the Company fails to pay any amount payable, interest shall accrue thereon from the due date to the date of actual payment at a rate of 10% per annum.

In 2023, the Group drew down US$5,793,482 or ₱318.86 million from the facility.

"Day 1" Difference
In 2023, the Group recognized a "Day 1" gain on initial recognition of loans through the development fund facility amounting to ₱81.39 million arising from the difference between the fair value of loan and the amount received by the Group.

The movement of "Day 1" difference in 2023 is as follows:

Addition	₱81,387,634
Accretion	(13,749,695)
Balance at end of year	₱67,637,939

Debt Issue Costs
Debt issue costs pertain to documentary stamp taxes and other transaction costs incurred in connection with the loan. Movements of unamortized debt issue costs are as follows:

	2023	2022
Balance at beginning of year	**₱1,731,692**	₱1,606,774
Additions	**34,444,486**	365,120
Amortization	**(4,961,237)**	(240,202)
Balance at end of year	**₱31,214,941**	₱1,731,692

Interest Expense and Capitalized Borrowing Costs
Interest expense charged to operations amounted to ₱58.91 million and ₱31.34 million in 2023 and 2022, respectively. The Group capitalized borrowing cost amounting to ₱12.45 million and ₱11.77 million in 2023 and 2022, respectively (see Note 10).

Interest expense charged to operations consists of:

	Note	**2023**	2022
Loans payable		**₱37,040,398**	₱12,183,044
Service concession liability	19	**20,248,511**	17,547,736
Lease liabilities	20	**1,624,102**	1,612,446
		₱58,913,011	₱31,343,226

Expected Principal Repayments

The expected principal repayments over the remaining term of the loan are as follows:

	2023	2022
Not later than one (1) year	**₱53,523,180**	₱63,302,173
Later than one (1) year but not later than five (5) years	**491,778,649**	72,405,428
Later than five (5) years	**312,372,500**	301,926,802
	₱857,674,329	₱437,634,403

Covenants

BBWI and SJCWCI's loans contain financial covenants to maintain certain debt-to-equity, current and debt service ratios. Pursuant to the loan agreement, BBWI and SJCWCI shall only be in default if in the reasonable option of the creditor bank, non-compliance is not remediable after a written notice. As at report date, BBWI and SJCWCI have not received any notice of non-compliance from the creditor bank and have continued to make payments based on the original terms of the loan. Accordingly, BBWI and SJCWCI did not reclassify the noncurrent portion of the loans as current.

TTMC's loan also contains financial covenants to maintain debt service ratio and debt to earnings before interest, taxes, depreciation and amortization (EBITDA) ratios, which were not met as at December 31, 2023 and 2022. As at report date, TTMC is in the process of remedying the breach. The carrying amount of the loan amounting to ₱13.23 million and ₱23.16 million as at December 31, 2023 and 2022, respectively, was presented as part of current liabilities in the consolidated statements of financial position. Nonetheless, TTMC has continued to make payments based on the original term of the loan and has no payments in arrears.

Disclosure of Changes in Liabilities Arising from Financing Activities

The changes in liabilities arising from financing activities as at December 31, 2023 and 2022 are as follows:

		2023						
				Noncash Changes				
	Note	Balance at Beginning of Year	Net Financing Cash Flows	Initial Recognition and Reclassification	Accretion of Interest & Amortization of Debt Issue Cost	"Day 1" Difference	Others	Balance at End of Year
Loans payable		**₱435,902,711**	**₱384,316,240**	**₱–**	**₱18,710,932**	**(₱81,387,634)**	**₱2,822,741**	**₱760,364,990**
Service concession liability	19	**405,371,446**	**(24,520,238)**	**176,894,644**	**20,248,511**	**–**	**–**	**577,994,363**
Due to related parties	16	**465,874,294**	**28,329,771**	**–**	**–**	**–**	**–**	**494,204,065**
Deposits for future stock subscription	16	**129,145,472**	**–**	**(129,145,472)**	**–**	**–**	**–**	**–**
Lease liabilities	20	**23,047,856**	**(3,664,837)**	**–**	**1,624,102**	**–**	**–**	**21,007,121**
Interest payable	11	**8,053,477**	**(22,949,738)**	**–**	**18,329,466**	**–**	**–**	**3,433,205**
		₱1,467,395,256	**₱361,511,198**	**₱47,749,172**	**₱58,913,011**	**(₱81,387,634)**	**₱2,822,741**	**₱1,857,003,744**

		2022					
				Noncash Changes			
	Note	Balance at Beginning of Year	Net Financing Cash Flows	Initial recognition	Interest and capitalized borrowing costs	Acquisition of property and equipment through loan	Balance at End of Year
Due to related parties	16	₱393,331,851	₱72,542,443	₱–	₱–	₱–	₱465,874,294
Loans payable		274,823,226	158,887,283	–	240,202	1,952,000	435,902,711
Service concession liability	19	407,472,502	(19,648,792)	–	17,547,736	–	405,371,446
Deposits for future stock subscription	16	129,145,472	–	–	–	–	129,145,472
Lease liabilities	20	18,336,279	(1,233,750)	4,332,881	1,612,446	–	23,047,856
Interest payable	11	3,364,080	(7,253,445)	–	11,942,842	–	8,053,477
		₱1,226,473,410	₱203,293,739	₱4,332,881	₱31,343,226	₱1,952,000	₱1,467,395,256

Capitalized borrowing cost is presented as additions to property and equipment. Other noncash movement in 2023 pertains to unrealized foreign exchange loss amounting ₱1.54 million and acquisition of property and equipment amounting to ₱1.28 million.

13. Revenue

This account consists of:

	Note	2023	2022
Water bills		**₱157,431,499**	₱138,540,973
Penalty and reconnection fee		**5,741,698**	5,751,451
Management fee	16	**3,750,045**	3,751,572
Subscription income		**2,160,981**	1,017,155
		₱169,084,223	₱149,061,151

Disaggregation of revenue through geographical market in the Philippines, as follows:

	2023	2022
Central Luzon	**₱63,320,590**	₱51,994,067
Bicol Region	**39,511,488**	34,133,117
CALABARZON	**25,267,815**	22,410,660
Western Visayas	**18,669,630**	32,122,297
Eastern Visayas	**12,378,306**	–
MIMAROPA	**6,186,349**	4,649,438
National Capital Region (NCR)	**3,750,045**	3,751,572
	₱169,084,223	₱149,061,151

All revenues are recognized over time.

14. Cost of Services

This account consists of:

	Note	2023	2022
Salaries and wages		**₱36,386,902**	₱13,877,506
Depreciation and amortization	10	**33,020,432**	19,526,465
Outside services		**19,713,274**	19,228,848
Utilities		**16,143,844**	25,972,098
Supplies		**9,261,717**	7,106,361
Others		**3,758,090**	5,411,946
		₱118,284,259	₱91,123,224

Outside services pertains to bulk water purchased from third party suppliers.

Others include repairs and maintenance and consultancy fees among others.

15. Operating Expenses

This account consists of:

	Note	2023	2022
Salaries and wages		**₱34,132,971**	₱37,834,477
Representation		**10,308,844**	7,439,607
Professional fees		**7,379,596**	4,191,247
Transportation		**7,168,771**	2,412,893
Taxes and licenses		**4,851,511**	2,308,886
Rental	20	**4,317,109**	3,261,995
Repairs and maintenance		**3,565,625**	1,349,383
Office supplies		**3,364,330**	3,396,272
Utilities		**3,349,371**	2,701,682
Insurance		**2,562,012**	1,474,325
Depreciation and amortization	10	**2,462,839**	11,753,949
Advertising		**2,242,370**	491,413
Provision for ECL	7	**411,078**	1,004,402
Others		**8,199,951**	4,288,840
		₱94,316,378	₱83,909,371

16. Related Party Transactions

The Group has transactions with its related parties as follows:

	Amount of Transactions		Balance at End of Year	
Related Party	**2023**	2022	**2023**	2022
Due from Related Parties				
Entities under common control:				
Quadcore Construction and Development Corporation (QCDC)	**₱76,259,814**	₱141,932,304	**₱297,686,126**	₱221,426,312
TGV Builders Inc.	**40,165,573**	–	**40,165,573**	**–**
Quadhomes, Inc.	**–**	–	**5,000,000**	5,000,000
PEHC	**–**	–	**–**	17,500,000
Philippine Power and Development Company (PPDC)	**–**	–	**–**	1,406,250
Others	**–**	1,845,185	**–**	1,845,185
Stockholders	**8,382,769**	3,543,153	**13,647,778**	5,265,009
Associate -				
PUWSI	**–**	–	**3,516,413**	3,516,413
	₱124,808,156	₱147,320,642	**₱360,015,890**	₱255,959,169
Due to Related Parties				
Entities under common control:				
Quadwater Corporation (QWC)	**₱–**	₱111,877,152	**₱317,066,828**	₱358,653,392
PWC	**–**	–	**60,750,000**	60,750,000
Quadstruct Inc.	**–**	–	**2,000,000**	2,000,000
Quadhomes, Inc.	**–**	1,835,000	**1,835,000**	1,835,000
Stockholders	**69,916,335**	–	**112,552,237**	42,635,902
	₱69,916,335	₱113,712,152	**₱494,204,065**	₱465,874,294

	Amount of Transactions		Balance at End of Year	
Related Party	**2023**	2022	**2023**	2022
Deposits for Future Stock Subscription				
Entity under common control -				
QWC	**₱–**	₱–	**₱69,674,256**	₱69,674,256
Parent Company	**–**	–	**59,471,216**	59,471,216
	₱–	₱–	**₱129,145,472**	₱129,145,472
Management Fees Receivable				
Associate -				
CWCI	**₱3,750,045**	₱3,751,572	**₱335,223**	₱320,575

Due from Related Parties

Due from related parties are advances of the Group for working capital purposes. These are noninterest-bearing, unsecured and are due and demandable in cash. No impairment loss was recognized in 2023 and 2022.

Due to Related Parties

Due to related parties are advances of related parties to the Group for working capital purposes. These are noninterest-bearing, unsecured and are payable in cash and upon demand.

Deposits for Future Stock Subscription

In 2018, the Parent Company converted its advances from QWC and PWC aggregating ₱129.15 million into deposits for future stock subscription.

In 2022, the Parent Company's BOD and stockholders approved the increase in authorized capital stock from ₱50,000,000 divided into 50,000,000 shares at ₱1 par value per share to ₱500,000,000 divided into 500,000,000 shares at ₱1 par value per share.

On June 30, 2023, the Parent Company filed its application for the increase in authorized capital stock with the SEC. As a result, the deposits for future stock subscription were reclassified as part of equity in 2023. As at the report date, the application is still subject to approval.

Management Fees

The Group is entitled to management fees for the services provided for program development and other administrative functions in accordance with the shareholders and stakeholders management agreement.

The Company recognized revenue from management fees amounting to ₱3.75 million in 2023 and 2022 (see Note 13).

Compensation of Key Management Personnel

Compensation of key management personnel charged to the consolidated statements of comprehensive income amounted to ₱9.58 million and ₱7.47 million in 2023 and 2022, respectively. These are presented as part of "Salaries and wages" under "Cost of services" in the consolidated statements of comprehensive income.

17. Other Income (Expense)

This account consists of:

	Note	2023	2022
Construction revenue		**₱54,142,811**	₱32,245,641
Construction cost		**(54,142,811)**	(32,245,641)
Write-off of property and equipment	10	**(2,562,798)**	–
Provision for probable losses		**(2,390,265)**	(3,650,157)
Unrealized foreign exchange loss		**(1,551,357)**	–
Interest on subscription payable	9	**(1,452,196)**	–
Realized foreign exchange loss		**(858,104)**	–
Gain on reversal of trade and other payables		**–**	5,573,758
Others		**(5,835,720)**	2,819,776
		(₱14,650,440)	₱4,743,377

Others mainly pertain to advances to employees written-off.

18. Income Taxes

The components of the Group's income tax expense are as follows:

	2023	2022
Reported in Profit or Loss		
Current tax:		
RCIT	**₱574,232**	₱680,345
MCIT	**342,825**	172,590
	917,057	852,935
Deferred tax	**16,963,014**	3,119,830
	₱17,880,071	₱3,972,765

Details of the Group's net deferred tax liability as at December 31, 2023 and 2022 are as follows:

	2023	2022
Deferred tax assets:		
Service concession liability	**₱57,016,302**	₱58,719,857
NOLCO	**18,133,929**	8,207,292
Lease liabilities	**4,576,894**	4,880,533
Allowance for ECL	**1,204,804**	1,204,804
Debt issue costs	**310,014**	355,350
Excess MCIT over RCIT	**187,532**	187,532
	81,429,475	73,555,368
Deferred tax liabilities:		
Service concession asset	**61,577,195**	63,924,894
"Day 1" difference on loans payable	**16,909,485**	–
Capitalized borrowing costs	**11,881,242**	8,767,628
Unamortized debt issue cost	**7,448,609**	–
ROU asset	**3,333,183**	3,620,071
	101,149,714	76,312,593
	(₱19,720,239)	(₱2,757,225)

The Group's unrecognized deferred tax assets are as follows:

	2023	2022
Deferred tax assets:		
Service concession liability	**₱87,482,289**	₱42,623,004
NOLCO	**38,419,461**	18,968,456
Allowance for ECL	**626,083**	50,301
Excess MCIT over RCIT	**462,322**	119,497
Unrealized foreign exchange loss	**387,839**	473,012
Lease liabilities	**24,955**	14,855
	127,402,949	62,249,125
Deferred tax liability -		
Service concession asset	**80,130,896**	37,964,563
	₱47,272,053	₱24,284,562

The unrecognized deferred tax assets are due to management's assessment that sufficient taxable income will not be available against which the benefit of deferred tax assets can be utilized.

Details of the Group's NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Balance at End of Year	Year of Expiry
2023	₱–	₱117,367,508	(₱465,279)	₱116,902,229	2026
2022	67,237,778	–	–	67,237,778	2025
2021	38,010,735	–	–	38,010,735	2026
2020	3,899,611	–	–	3,899,611	2025
	₱109,148,124	₱117,367,508	(₱465,279)	₱226,050,353	

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued the Revenue Regulation (RR) No. 25-2020 to implement Section 4 (b) of Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act". This RR provides that net operating loss of the business or enterprise for taxable years 2020 and 2021 to be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The details of the Company's excess MCIT over RCIT which can be claimed as tax credit against future income tax due are as follows:

Inception Year	Amount	Incurred	Expired	Balance	Expiry Year
2023	₱–	₱342,825	₱–	₱342,825	2026
2022	172,590	–	–	172,590	2025
2021	134,439	–	–	134,439	2024
	₱307,029	₱342,825	₱–	₱649,854	

The reconciliation of income tax benefit computed at statutory tax rate with income tax expense (benefit) shown in the consolidated statements of comprehensive income follows:

	2023	2022
Income tax benefit computed at statutory tax rate of 25%	**(₱9,251,259)**	(₱14,037,200)
Change in unrecognized deferred tax asset	**22,987,491**	13,867,024
Add (deduct) tax effects of:		
Nondeductible expenses	**4,268,056**	3,486,578
Share in net loss of associates	**506,599**	947,398
Difference in tax rates	**(179,325)**	(135,533)
Interest income subjected to final tax	**(178,921)**	(53,089)
Stock issuance cost	**(156,250)**	**–**
Applied NOLCO	**(116,320)**	(102,413)
	₱17,880,071	₱3,972,765

On March 26, 2021, the country's President signed the CREATE law, reducing the RCIT for domestic corporations from 30% to 25% or 20%, depending on the amount of total assets or total amount of taxable income. The MCIT was also lowered from 2% to 1% of gross income for three (3) years. These changes took effect retroactively beginning July 1, 2020.

19. Significant Agreements

The Group has the following significant agreements:

Memorandum for the Development of Water Supply of Trece Martires City, Cavite
In 2014, the Parent Company entered into an agreement with the developers of Sunshine Ville to design, construct, operate and maintain the water system in Barangay Cabuco, Trece Martires, Cavite. This agreement gives the Parent Company exclusive authority to provide adequate and potable water supply to all residential and commercial establishments in the Sunshine Ville housing area covering approximately 7,000 households.

In 2020, TTMC was incorporated to take over the operations of this project.

In 2022, RFN Construction & Development Corporation, a developer of housing projects in Trece Martires, granted the exclusive authority to the Company and TTMC to carry out the upgrade and modernization of RFN National Housing Authority (NHA) water supply, treatment, and distribution facilities, including its operation and maintenance. TTMC and TPGI are granted authority to construct a waterworks system ("The Deepwell 3" located in Sunshine Ville 2, Phase 2) necessary to provide the residents of the Housing Project with adequate potable water with quality.

Certificate of Public Convenience
The Parent Company applied for a water permit and Certificate of Public Convenience (CPC) in 2018 and was granted by the National Water Resources Board (NWRB) in 2019, valid until November 26, 2023.

In 2020, the Parent Company assigned all its rights, title, and interest to the water permit and CPC in favor of the TTMC.

In 2021, the NWRB approved the transfer of the water permit and directed the TTMC to file a petition for the transfer of the CPC.

On November 24, 2023, TTMC submitted its CPC application under its name pursuant to the deed of assignment executed between the Parent Company and TTMC, and in compliance with the NWRB's directive. TTMC is currently operating the water system under the provisions of the pending application filed before the expiration date. As at report date, the NWRB is in the process of reviewing the TTMC's application of the new CPC.

Memorandum for the development of the water supply of Tiglawigan, Sicaba, Luna and Cadiz Viejo in Cadiz City, Negros Occidental

In September, 2017, the Parent Company entered into a joint venture agreement with DLB Prime Products Inc. (DLB) for the development of the following water supply systems in Cadiz, Negros Occidental:

1. St. Patrick Homes 1; Barangay Tiglawigan, Cadiz City, Negros Occidental
2. Len-Vil Homes, Barangay Sicaba, Cadiz City, Negros Occidental
3. Antonio Heights; Barangay Luna, Cadiz City, Negros Occidental
4. Lacson Villas, Barangay Cadiz Viejo, Cadiz City, Negros Occidental

In 2021, TCAI took over the operations of the Cadiz Projects.

Joint Venture Agreement (JVA) between the Company, Mactan Rock Industries Inc. (MRII) and TGV Builders Inc. (TGV)

The Parent Company entered into a JVA with MRII and TGV to undertake the Bacolod Bulk Water Supply Project. The Company acts as the lead venturer of this JVA. Meanwhile, MRII is the exclusive supplier of the water treatment equipment and supplies, and TGV is the contractor for the pipe laying and construction.

BBWI is currently operating this project.

JVA with Coron Rural Waterworks and Sanitation Association, Inc. (CRWSA)

In 2020, the Parent Company entered into an agreement to construct, design and finance the proposed water and septage system improvement of CRWSA. CRWSA has agreed to grant the Parent Company the right to construct, install, operate, expand and manage the water system and septage system of CRWSA in the municipality of Coron, Palawan.

TCI is currently operating this project.

Franchise Agreements

In July 2017, the Office of the Sangguniang Bayan of Malasiqui granted the Parent Company a franchise to the design, construct, develop, operate, maintain and manage of the Malasiqui Bulk Water Supply and Distribution System in the municipality of Malasiqui, Pangasinan.

JVA with Manila Water

The Parent Company and Manila Water had various JVAs to develop water projects in Cebu, Calbayog, Iloilo, and Malasiqui, among others. The Parent Company also entered into various shareholders, subscription, technical and stakeholder management agreements related to these projects.

In 2020, the Parent Company and Manila Water, or their designated joint venture company (the Grantee) was granted by Office of the Sangguniang Panlungsod of Iloilo City franchise for a period of 25 years to construct, establish, commission, operate, and maintain a water supply system to service the population of Iloilo City. The Parent Company paid deposit amounting to ₱10.78 million for the future establishment of a joint venture corporation (see Note 8).

JVA with Watermatic International Ltd. (WMI)
In 2023, the Parent Company entered into an agreement with WMI to provide financing for the entire project cost needed by WMI in the competitive bidding for the Bulk Water Supply Project in Brgy. Jaclupan, Talisay City, Cebu. Both parties agree to form a joint venture company. The Parent Company paid deposit amounting to ₱11.0 million to WMI for its application for license to do business in the Philippines (see Note 8).

Memorandum for the Development of Water Supply of Borbon, Cebu
In 2021, the Parent Company and SAVS Water Utilities Corporation, with the conformity of SAVS-Borbon Cebu Water Corporation, entered into memorandum of agreement for the development, upgrade, and operation of SAVS Borbon's water supply system, including distribution facilities, maintenance, and to improve and expand the water supply services within the Municipality of Borbon.

JVA with City of Mandaue
In March 2022, the local government of the City of Mandaue engaged the Parent Company and ALV Water Solutions Corporation to design, construct, operate, maintain, and finance the Level III Water Supply and Treatment Facility. This facility utilizes the Desalination Treatment Process with Septage Management Program in the City of Mandaue.

Pre-development and Initial Construction Agreement with Quadcore
In 2022, the Parent Company entered into a pre-development and initial construction agreement with Quadcore Construction and Development Corp. to conduct a feasibility study, exploration, other pre-development and initial construction in the project areas to determine the viability of water sources. The project areas are Catbalogan Water District (CWD), Municipality of Borbon in Cebu, and Metropolitan Cebu Water District (MCWD).

Service Concession Agreements

JVA with San Jose City Water District (SJCWD). In 2021, SJCWD engaged the Parent Company, Manila Water Philippine Ventures, Inc. and Manila Water Company, Inc. to jointly engage in the development, improvement, upgrade and expansion of water supply and sanitation facilities, and to provide necessary services and incidental thereto in the whole city of San Jose, Nueva Ecija. SJCWD has agreed to grant SJCWCI the exclusive right and authority to provide water supply and sanitation facilities in the service area of San Jose City. SJCWCI is currently operating the San Jose Project.

The salient provisions of the agreement are as follows:

- The agreement shall be valid for a period of 25 years and subject to extension for another 25 years from the original expiration date as mutually agreed by the parties;
- Legal title to all fixed assets contributed to and utilized for the project during the term of the appointment shall remain with the Group until expiration date, at which time, all rights, title, interest in such assets shall automatically vest in SJCWD at no cost.
- Revenue share of SJCWD shall be equivalent to a fixed fee per annum subject to increase.

JVA with Nabua Water District (NAWAD). In 2019, NAWAD engaged the consortium led by Tubig Pilipinas Group Inc. for the development, improvement, upgrade and expansion of water supply and septage system of Nabua, Camarines Sur. NAWAD has agreed to grant the consortium the exclusive right and authority to provide water supply and sanitation facilities in the service area of Nabua Water District. TNI is currently operating the Nabua Project.

The salient provisions of the agreement are as follows:

- The agreement is valid for 30 years, renewable for another 20 years;
- The Companies may mortgage or create security interest over such assets solely for the purpose of financing (or refinancing) the acquisition or construction thereof; provided however, no such mortgage or security interest shall extend beyond the expiration date and no such mortgage or security interest shall be subject for foreclosure except following an event of termination; and,
- Revenue share of Nabua Water District shall be equivalent a fixed fee per annum subject to increase.

JVA with Catbalogan Water District (CWD). In 2022, CWD entered into a Joint Venture Agreement with the consortium of the Parent Company and Tubig Pilipinas Global Group Inc. (TPGGI) for the development, improvement, upgrade and expansion of water supply and septage system of Catbalogan City, Samar. In accordance with the Agreement, TCC was granted the exclusive right and authority to provide water supply and sanitation facilities in the service area of CWD.

The salient provisions of the agreement are as follows:

- The agreement is valid for 25 years, renewable for another 25 years;
- The Companies may mortgage or create security interest over such assets solely for the purpose of financing (or refinancing) the acquisition or construction thereof; provided however, no such mortgage or security interest shall extend beyond the expiration date and no such mortgage or security interest shall be subject for foreclosure except following an event of termination;
- Revenue share of CWD which shall be equivalent to a fixed fee per annum shall be subject to escalation at ₱0.50 million every five years;
- The Group shall assume the obligation to settle the amortization payments of CWD's loans and shall shoulder the depreciation costs of CWD's assets; and
- Legal title to all facilities (including any fixed assets resulting from the exercise of rights and powers) other than new assets contributed by the Group shall remain with CWD.

MOA with Municipality of Echague. In 2019, the Municipality of Echague (LGU) and TPGI entered into a memorandum of agreement whereby TEC undertakes the construction, including financing, of a water, sewage and septic utility system (facility), and the operation, management and maintenance thereof which will be built on an appropriate site located Barangay Gucab, Echague, Isabela. TEC is currently operating the Echague Project.

The salient provisions of the agreement are as follows:

- The agreement shall be valid for a period of 25 years and subject to extension for another 25 years from the original expiration date as mutually agreed by the parties;
- The LGU gives TEC exclusive rights to carry out the project during this period, as per the agreement.
- TEC can charge users fees approved by NWRB to cover its investment and operating costs.
- TEC will pay a tax of five percent (5%) of its gross sales on the preceding calendar year, increasing by 0.5% every five years.

The carrying amounts and movements in service concession assets are as follows:

	Note	**2023**	2022
Cost			
Balance at beginning of year		**₱448,780,463**	₱417,626,214
Initial recognition		**176,894,644**	–
Additions		**50,096,390**	28,386,707
Rehabilitation works		**46,796,650**	2,767,542
Reclassification from CIP	10	**4,046,422**	–
Balance at end of year		**726,614,569**	448,780,463
Accumulated Amortization			
Balance at beginning of year		**27,606,415**	10,738,248
Amortization	10	**20,583,149**	16,868,167
Balance at end of year		**48,189,564**	27,606,415
Carrying Amount		**₱678,425,005**	₱421,174,048

Service concession liability account consists of fixed concession fees recognized at present value using the discount rate at the inception date. The carrying amount and movements in this account are as follows:

	Note	**2023**	2022
Balance at beginning of year		**₱405,371,446**	₱407,472,502
Initial recognition		**176,894,644**	–
Interest accretion	12	**20,248,511**	17,547,736
Payments		**(24,520,238)**	(19,648,792)
Balance at end of year		**577,994,363**	405,371,446
Less current portion		**12,304,182**	12,412,799
Noncurrent portion		**₱565,690,181**	₱392,958,647

20. Lease Agreements

The Group recognized ROU assets and lease liabilities for the following existing lease commitments:

In 2022, the Group entered into a lease contract for its office space with a lease term of five (5) years, renewable at the end of the term. The incremental borrowing rate used to discount the future minimum lease payments is 4.25%.

In 2019, the Group entered into a lease agreement for a portion of parcel of land situated in Brgy. Granada, Bacolod City for a period of seven (7) years. The lease consideration is payable upon execution of the contract.

In 2018, the Group entered into a lease agreement for a parcel of land situated in Municipality of Murcia, Negros Occidental for a period of 25 years renewable for another 25 years upon mutual agreement by the parties. The lease consideration shall be paid at an amount equal to ₱0.10 per cubic meter of water treated and delivered to BACIWA or a fixed monthly rental rate based on the amount stated in the contract on the period during the Group has not yet supplied any water to BACIWA.

Also, the Group entered into a finance lease agreement with a financial institution. The finance lease agreement is related to the Group's acquisition of generator equipment. Term of the lease is two (2) years with an interest rate of 5.42%.

In 2016, the Group entered into a lease agreement for a parcel of land and improvements situated in Brgy. Granada, Bacolod City for a period of 25 years renewable upon mutual agreement of both parties. The lease consideration is payable on a fixed monthly rate subject to escalation.

The carrying amounts and movements in ROU assets as at December 31, 2023 and 2022 are as follows:

	Note	**2023**	2022
Cost			
Balance at beginning of year		**₱23,130,267**	₱18,797,386
Additions		**–**	4,332,881
Balance at end of year		**23,130,267**	23,130,267
Accumulated Amortization			
Balance at beginning of year		**5,183,679**	3,169,553
Amortization	10	**2,014,126**	2,014,126
Balance at end of year		**7,197,805**	5,183,679
Carrying amount		**₱15,932,462**	₱17,946,588

The carrying amounts and movements in lease liabilities are as follows:

	Note	**2023**	2022
Balance at beginning of year		**₱23,047,856**	₱18,336,279
Initial recognition		**–**	4,332,881
Interest expense	12	**1,624,102**	1,612,446
Rental payments		**(3,664,837)**	(1,233,750)
Balance at end of year		**21,007,121**	23,047,856
Current portion of lease liabilities		**861,968**	1,947,232
Noncurrent portion of lease liabilities		**₱20,145,153**	₱21,100,624

Future minimum lease payments are as follows:

	2023	2022
Within one (1) year	**₱2,255,111**	₱3,213,168
After one (1) year but not more than five (5) years	**9,373,860**	9,846,223
More than five (5) years	**32,180,680**	33,879,678
	₱43,809,651	₱46,939,069

Rentals charged to operating expense amounting to ₱4.32 million and ₱3.26 million in 2023 and 2022, respectively, pertains to short-term leases and variable lease payments not included in measurement of lease liabilities (see Note 15). These short-term leases include lease contracts for staff houses and office spaces with a lease term ranging from one (1) to two (2) years, renewable at the end of the term.

Refundable deposits on lease agreements amounted to ₱3.24 million and ₱2.63 million as at December 31, 2023 and 2022, respectively (see Note 8).

21. **Financial Risk Management Objectives and Policies and Fair Value Measurement**

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, foreign currency risk and liquidity risk.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The risk of default by the counterparties on its contractual obligations with the Group, however, is minimal because the counterparties have positive credit ratings. Cash in banks are deposited in reputable banks having good credit rating and low probability of insolvency. For due from related parties, refundable deposits and bid security, the Group only enters to reputable counterparties with low credit risk.

The tables below show the credit quality per class of financial assets as at December 31, 2023 and 2022:

	December 31, 2023						
			Past Due But Not Impaired				
	High Grade	**Standard Grade**	**1 - 30 Days**	**31 - 90 Days**	**More than 90 Days**	**Total**	**Allowance for ECL**
Lifetime ECL -							
Trade and other receivables	**₱–**	**₱47,727,507**	**₱1,968,037**	**₱1,075,829**	**₱27,447,112**	**₱78,218,485**	**₱8,162,847**
12-Month ECL:							
Cash in banks	**86,127,552**	**–**	**–**	**–**	**–**	**86,127,552**	**–**
Due from related parties	**–**	**360,015,890**	**–**	**–**	**–**	**360,015,890**	**–**
Restricted cash	**2,875,000**	**–**	**–**	**–**	**–**	**2,875,000**	**–**
Refundable deposits	**3,236,842**	**–**	**–**	**–**	**–**	**3,236,842**	**–**
	₱92,239,394	**₱407,743,397**	**₱1,968,037**	**₱1,075,829**	**₱27,447,112**	**₱530,473,769**	**₱8,162,847**

	December 31, 2022						
			Past Due But Not Impaired				
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total	Allowance for ECL
Lifetime ECL -							
Trade receivables	₱–	₱37,743,388	₱1,229,004	₱139,011	₱47,040,676	₱86,152,079	₱7,751,769
12-Month ECL:							
Cash in banks	65,661,186	–	–	–	–	65,661,186	–
Due from related parties	–	255,959,169	–	–	–	255,959,169	–
Refundable deposits	2,630,711	–	–	–	–	2,630,711	–
	₱68,291,897	₱293,702,557	₱1,229,004	₱139,011	₱47,040,676	₱410,403,145	₱7,751,769

The Group's financial assets are categorized based on the Group's collection experience with the counterparties as follows:

- High Grade - settlements are obtained from counterparty following the terms of the contracts without much collection effort.

- Standard Grade - other financial assets not belonging to high grade financial assets and are not past due are included in this category.

- Past Due But Not Impaired - items with history of frequent default.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's market risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing liabilities. Any gap between the maturities of fixed and variable rate instruments is effectively managed by the Group. The Group's long-term debt and lease liabilities are subject to fixed interest rate and are exposed to fair value interest rate risk. The future interest rate changes are not expected to significantly affect the Group's income (loss) before income tax.

Foreign Currency Risk

The Group is exposed to foreign currency risk on business transactions that are denominated in currencies other than the functional currency of the Group. Exposure to foreign currency risk is monitored on an on-going basis by the Group to ensure that the net exposure is kept at an acceptable level.

Exposure to Currency Risk. In 2023, the Group obtained a noninterest-bearing loan in United States (US) dollar amounting to $5,793,482 (see Note 12).

For purposes of restating the balances of the Group's foreign currency denominated loan payable, ₱55.37: $1 is used in 2023.

Sensitivity Analysis. The following table demonstrates the sensitivity to a reasonable possible change in foreign exchange rates, with all other variables held constant, of the Group's income before income tax as at December 31, 2023.

	Increase (decrease)	Increase (decrease) to net income
USD	10%	(₱32,078,510)
	(10%)	32,078,510

A 10% percentage change is based on historical volatility and management's expectation of future changes in foreign exchange rates

Liquidity Risk Management

Liquidity risk is the risk that the Group may encounter difficulties in raising funds to meet commitments for financial instruments. Liquidity risk may result from counterparty's failure on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The table below summarizes the maturity profile of the financial liabilities of the Group based on remaining contractual undiscounted cash flows as at December 31, 2023 and 2022:

	2023					
	Due and Demandable	**Less than 1 Year**	**1-2 Years**	**2-3 Years**	**Over 3 Years**	**Total**
Trade and other payables*	**₱–**	**₱49,637,898**	**₱–**	**₱–**	**₱–**	**₱49,637,898**
Due to related parties	**494,204,065**	**–**	**–**	**–**	**–**	**494,204,065**
Loans payable**	**–**	**86,709,829**	**142,506,539**	**142,231,964**	**696,693,610**	**1,068,141,942**
Lease liabilities**	**–**	**2,255,111**	**2,256,157**	**2,346,888**	**36,951,495**	**43,809,651**
Service concession liability***	**–**	**36,783,562**	**36,661,299**	**36,235,266**	**827,588,164**	**937,268,291**
	₱494,204,065	**₱175,386,400**	**₱181,423,995**	**₱180,814,118**	**₱1,561,233,269**	**₱2,593,061,847**

**Excluding statutory payables and provision for probable losses aggregating to ₱39.52 million as at December 31, 2023.*
***Including future interest payments.*
****Based on undiscounted contractual payments*

	2022					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Trade and other payables*	₱–	₱93,119,663	₱–	₱–	₱–	₱93,119,663
Due to related parties	465,874,294	–	–	–	–	465,874,294
Deposit for future stock subscription	129,145,472	–	–	–	–	129,145,472
Loans payable**	–	78,799,115	55,444,355	43,096,228	394,431,775	571,771,473
Lease liabilities**	–	3,213,168	2,171,361	2,256,157	39,298,383	46,939,069
Service concession liability***	–	24,743,849	21,944,651	23,001,368	563,497,575	633,187,443
	₱595,019,766	₱199,875,795	₱79,560,367	₱68,353,753	₱997,227,733	₱1,940,037,414

**Excluding statutory payables and provision for probable losses aggregating to ₱28.34 million as at December 31, 2022.*
***Including future interest payments.*
****Based on undiscounted contractual payments*

The Group's objectives in managing its liquidity position are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

Fair Value of Financial Assets and Liabilities

Cash in Banks, Trade and Other Receivables, Due from Related Parties, Trade and Other Payables (excluding Provision for Probable Losses, Statutory Payables, Subscription Payable), Due to Related Parties and Deposit for Future Stock Subscription. Due to the short-term nature of transactions, the fair values approximate the amount of consideration at reporting period.

Refundable Deposits. Refundable deposits approximate their fair values since the effect of not discounting the cash flows from these instruments were determined by management to be insignificant.

Loans Payable and Service Concession Liability. Estimated fair values have been calculated on the instruments' expected cash flows using the prevailing BVAL rates that are specific to the tenor of the instruments' cash flows at reporting dates (Level 2). The discount rates used are 5.12% to 6.08% in 2023 and 3.92% to 7.22% in 2022. The fair value of loan payable amounted to ₱874.36 million and ₱521.71 million as at December 31, 2023 and 2022, respectively. The fair value of service concession liability amounted to ₱545.99 million and ₱322.96 million as at December 31, 2023 and 2022, respectively.

Fair Value Hierarchy
There were no transfers in fair value hierarchy during the year.

22. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations.

The Group considers its capital stock and additional paid-up capital amounting to ₱101.50 million as at December 31, 2023 and 2022 as its capital employed. The Group maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term. The Group is subject to an externally imposed capital requirement from loan agreements (see Note 12).

No changes were made in the objective, policies, or processes in 2023 and 2022.

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

ANNEX "F"

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: November 25, 2025 01:20:30 PM

Company Information

SEC Registration No.: CS201421025
Company Name: TUBIG PILIPINAS GROUP INC.
Industry Classification: E41000
Company Type: Stock Corporation

Document Information

Document ID: OST11125202583827971
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	4	2	1	0	2	5

COMPANYNAME

TUBIG PILIPINAS GROUP INC.

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANYINFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
contact@tubigpilipinas.com	(02) 8-813-8892	+63 917 898 8260

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
9	June 30	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
Mark Eric C. Roxas	mark.roxas@tubigpilipinas.com	(02) 8-813-8892	+63 917 152 7378

CONTACT PERSON'S ADDRESS

26 Castrillo St., Corinthian Gardens, Quezon City

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 shall not excuse the corporation from liability for its deficiencies.*

Tubig Pilipinas

STATEMENT OF MANAGEMENT'S RESPONSIBIILITY
FOR FINANCIAL STATEMENTS

The management of TUBIG PILIPINAS GROUP INC (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, 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 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 financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

RYAN WESLEY T. YAPKIANWEE
Chairman of the Board

CONRADO MA. LEANDRO FRANCISCO G. BELISARIO
Chief Executive Officer

Signed this ___ day of _____, 2025

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Tubig Pilipinas Group Inc.
3F JTKC Centre
2155 Don Chino Roces Avenue
Makati City

Opinion

We have audited the financial statements of Tubig Pilipinas Group Inc. (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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 the audit of the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, 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 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 POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 PSA 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the 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 audits 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner
CPA Certificate No. 134498
Tax Identification No. 404-428-828-000
BOA Accreditation No. 4782/P-026; Valid until June 6, 2026
BIR Accreditation No. 08-005144-024-2024
Valid until March 26, 2027
PTR No. 10467130
Issued January 2, 2025, Makati City

August 4, 2025
Makati City, Metro Manila

TUBIG PILIPINAS GROUP INC.
STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2024	2023
ASSETS			
Current Assets			
Cash	4	**₱65,709,119**	₱1,807,019
Trade and other receivables	5	**55,337,915**	51,894,995
Due from related parties	12	**694,997,657**	544,081,463
Creditable withholding taxes		**6,663,840**	6,336,868
Other current assets	6	**1,610,683**	1,635,634
Total Current Assets		**824,319,214**	605,755,979
Noncurrent Assets			
Investments in associates	7	**99,649,142**	99,246,996
Investments in subsidiaries	8	**585,690,688**	584,442,691
Property and equipment	9	**124,364,131**	7,509,750
Right-of-use asset	17	**4,979,628**	–
Other noncurrent assets	6	**40,121,146**	22,093,452
Total Noncurrent Assets		**854,804,735**	713,292,889
		₱1,679,123,949	₱1,319,048,868
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	10	**₱27,379,481**	₱37,271,562
Due to related parties	12	**527,597,883**	670,721,433
Current portion of loans payable	11	**185,580,584**	745,520
Current portion of lease liability	17	**5,423,732**	–
Subscriptions payable	8	**201,219,472**	200,290,222
Total Current Liabilities		**947,201,152**	909,028,737
Noncurrent Liabilities			
Loans payable - net of current portion	11	**201,171,447**	226,380,756
Lease liability - net of current portion	17	**414,250**	–
Deferred tax liabilities	16	**19,180,618**	23,983,923
Total Noncurrent Liabilities		**220,766,315**	250,364,679
Total Liabilities		**1,167,967,467**	1,159,393,416
Equity			
Capital stock	13	**232,767,113**	50,000,000
Additional paid-in capital	13	**372,827,871**	51,500,000
Deposits for future stock subscription	12	**–**	129,145,472
Deficit		**(94,438,502)**	(70,990,020)
Total Equity		**511,156,482**	159,655,452
		₱1,679,123,949	₱1,319,048,868

See accompanying Notes to Financial Statements.

TUBIG PILIPINAS GROUP INC.
STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
		2024	2023
REVENUE FROM MANAGEMENT FEES	12	**₱37,097,139**	₱19,700,660
COST OF SERVICES	12	**(11,912,318)**	(9,517,554)
GROSS INCOME		**25,184,821**	10,183,106
OPERATING EXPENSES	14	**(47,966,854)**	(35,019,528)
LOSS FROM OPERATIONS		**(22,782,033)**	(24,836,422)
INTEREST EXPENSE	11	**(23,829,652)**	(22,477,737)
SHARE IN NET INCOME (LOSS) OF ASSOCIATES	7	**402,146**	(2,026,395)
"DAY 1" DIFFERENCE ON LOANS PAYABLE	11	**–**	81,387,634
INTEREST INCOME	4	**23,932**	18,155
OTHER INCOME (CHARGES) - Net	15	**18,780,180**	(7,617,416)
INCOME (LOSS) BEFORE INCOME TAX		**(27,405,427)**	24,447,819
PROVISION FOR (BENEFIT FROM) INCOME TAX	16		
Current		**846,360**	152,747
Deferred		**(4,803,305)**	23,983,923
		(3,956,945)	24,136,670
NET INCOME (LOSS)		**(23,448,482)**	311,149
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE INCOME (LOSS)		**(₱23,448,482)**	₱311,149

See accompanying Notes to Financial Statements.

TUBIG PILIPINAS GROUP INC.

STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31 2024	2023
CAPITAL STOCK - ₱1 par value	13		
Authorized - 2,000,000,000 and 50,000,000 shares in 2024 and 2023, respectively			
Issued and outstanding			
Balance at beginning of year		**₱50,000,000**	₱50,000,000
Issuances		**182,767,113**	–
Balance at end of year		**232,767,113**	50,000,000
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of year		**51,500,000**	51,500,000
Additions	13	**321,327,871**	–
Balance at year end		**372,827,871**	51,500,000
DEPOSIT FOR FUTURE STOCK SUBSCRIPTION	12		
Balance at beginning of year		**129,145,472**	129,145,472
Application to capital stock		**(129,145,472)**	–
Balance at end of year		**–**	129,145,472
DEFICIT			
Balance at beginning of year		**(70,990,020)**	(71,301,169)
Net income (loss)		**(23,448,482)**	311,149
Balance at end of year		**(94,438,502)**	(70,990,020)
		₱511,156,482	₱159,655,452

See accompanying Notes to Financial Statements.

TUBIG PILIPINAS GROUP INC.
STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**(₱27,405,427)**	₱24,447,819
Adjustments for:			
Interest expense	11	**23,829,652**	22,477,737
Gain on reversal of liabilities	15	**(20,787,201)**	–
Depreciation and amortization	9	**6,461,435**	1,149,108
Unrealized foreign exchange loss	15	**5,301,485**	1,551,357
Share in net income (loss) of associates	7	**(402,146)**	2,026,395
Interest income	4	**(23,932)**	(18,155)
"Day 1" difference on loans payable	11	–	(81,387,634)
Write-off of property and equipment	9	–	2,441,901
Operating loss before working capital changes		**(13,026,134)**	(27,311,472)
Decrease (increase) in:			
Trade and other receivables		**(590,094)**	(16,753,331)
Other current assets		**24,951**	(1,096,406)
Increase (decrease) in trade and other payables		**(5,237,625)**	5,246,813
Net cash used in operations		**(18,828,902)**	(39,914,396)
Income tax paid		**(1,173,332)**	(780,099)
Interest received		**23,932**	18,155
Net cash used in operating activities		**(19,978,302)**	(40,676,340)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Due from related parties	12	**(219,742,013)**	(230,313,191)
Property and equipment	9	**(109,597,280)**	(2,563,473)
Other noncurrent assets		**(18,027,694)**	(11,051,000)
Investments in subsidiaries	8	**(318,747)**	(62,841,208)
Collection of due from related parties		**65,972,993**	38,507,671
Payment of subscription payable	8	–	(46,930,000)
Net cash used in investing activities		**(281,712,741)**	(315,191,201)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of shares	13	**374,949,512**	–
Proceeds from loans payable	11	**185,000,000**	418,862,360
Additions to due to related parties	12	–	203,207,899
Payments of:			
Due to related parties	12	**(128,572,314)**	(127,365,240)
Loans payable	11	**(50,755,988)**	(100,449,964)
Interest	11	**(8,840,367)**	(4,047,305)
Lease liability	17	**(4,545,875)**	–
Debt issue costs	11	**(3,367,221)**	(32,944,186)
Net cash provided by financing activities		**363,867,747**	357,263,564
EFFECT OF EXCHANGE RATE CHANGES ON CASH		**1,725,396**	(7,816)
NET INCREASE IN CASH		**63,902,100**	1,388,207
CASH AT BEGINNING OF YEAR		**1,807,019**	418,812
CASH AT END OF YEAR		**₱65,709,119**	₱1,807,019

	Note	Years Ended December 31 2024	2023
NONCASH FINANCIAL INFORMATION			
Application of deposit for future subscription		**₱129,145,472**	₱–
Initial recognition of right-of-use asset and lease liability		**9,575,270**	–
Reclassification of due from related party to trade receivables		**2,852,826**	–
Additions of property and equipment through:	9		
Trade payables		**1,132,745**	–
Related party		**448,764**	
Loans payables		**–**	1,279,200
Additions to investment in subsidiaries through:	8		
Additional subscription payable		**929,250**	57,093,750
Assumption of accrued expenses		**–**	3,704,000
Write-off of long outstanding trade payable		**(638,724)**	–
Reclassification of deposit for future stock subscription from noncurrent liability to equity	12	**–**	129,145,472
Assignment of property and equipment to a subsidiary	9	**–**	4,046,422

See accompanying Notes to Financial Statements.

1. General Information

Tubig Pilipinas Group Inc. (TPGI or the Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 2014. The Company primarily engages in operating, managing, maintaining and rehabilitating waterworks, sewerage, and sanitation systems and services. TPGI functions as a bulk water supplier and direct water distributor.

The Company has entered into various agreements to create new subsidiaries and has executed transfers of assets through several deeds of assignment to its existing subsidiaries to carry out the primary operations of the Company.

As at December 31, 2024, the Ultimate Parent Company is Quadwater Corporation (Quadwater or the Ultimate Parent Company).

Service Areas

The Company, directly through subsidiaries and affiliates, is currently the contracted water supplier of multiple cities and municipalities around the Philippines including Bacolod, Negros Occidental; Sual, Pangasinan; Coron, Palawan; Nabua, Camarines Sur; San Jose City, Nueva Ecija; Calbayog City, Samar; and Echague, Isabela, as well as the water systems in Trece Martires City, Cavite; Cadiz City, Negros Occidental; and Catbalogan City, Western Samar.

Subsidiaries and Associates

The following are the subsidiaries and associates of the Company and effective percentages of ownership as at December 31, 2024 and 2023:

		Effective Percentage of Ownership	
	Principal Place of Business	**2024**	2023
Subsidiaries:			
Tubig Trece Martires Corp. (TTMC)	Trece Martires City, Cavite, Region IV-A	**100.0%**	100.0%
Tubig Coron Inc. (TCI)	Coron City, Palawan, Region IV-B	**100.0%**	100.0%
Tubig Nabua Inc. (TNI)	Nabua, Camarines Sur, Region V	**100.0%**	100.0%
Tubig Catbalogan Corp.*(TCC)	Catbalogan City, Western Samar	**100.0%**	100.0%
San Jose City (N.E.) Water Company Inc. (SJCWCI)	San Jose City, Nueva Ecija	**97.0%**	97.0%
Bacolod Bulk Water Inc. (BBWI)	Makati City, Metro Manila	**93.0%**	93.0%
Tubig Echague Corp.*(TEC)	Makati City, Metro Manila	**70.0%**	70.0%
ALV Tubig ng Mandaue Inc. (ALV TMI)**	3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City	**60.0%**	–
Tubig Pilipinas Global Group Inc. (TPGGI)	Chino Roces Ave., Makati City	**51.0%**	51.0%
Tubig Cadiz Inc. (TCAI)	Cadiz City, Negros Occidental, Region VI	**50.0%**	50.0%
Associates:			
Calbayog Water Company Inc. (CWCI)	Calbayog City, Western Samar	**40.0%**	40.0%
Princess Urduja Waterworks System Inc. (PUWSI)	Poblacion West, Sual, Pangasinan	**40.0%**	40.0%
MTTP Water Corporation*** (MWC)	Makati City, Metro Manila	**47.5%**	47.5%

**Incorporated in 2023*
***Incorporated in 2024*
****Non-operating*

All of the subsidiaries and associates are incorporated in the Philippines and are engaged in water distribution and rehabilitation.

Principal Office
The Company's principal office address is located at 3F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City.

Approval of Financial Statements
The financial statements of the Company as at and for the years ended December 31, 2024 and 2023, were approved and authorized for issue by the Board of Directors (BOD) on August 4, 2025.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance
The Company's financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, as issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including all relevant SEC pronouncements.

The financial reporting framework encompasses PFRS Accounting Standards, Philippine Accounting Standards (PAS), and Philippine Interpretations from the International Financial Reporting Interpretations Committee (IFRIC).

These financial statements represent the separate financial statements of the Company. The Company has opted for the exemption from preparing consolidated financial statements. Consolidated financial statements are prepared by Quadwater and can be obtained from the SEC or from Quadwater's registered address at Progreso St. cor Casadores St., Poblacion East, Umingan, Pangasinan.

Consistency of Accounting Policies
The material accounting policy information has been applied consistently to all periods presented in the financial statements, unless otherwise stated.

Measurement Bases
The financial statements are presented in Philippine Peso, which is the Company's functional currency. All values are stated in absolute amounts unless otherwise indicated.

The financial statements have been prepared on a historical cost basis, except for investment in associates and lease liabilities which is measured at equity method and present value of minimum lease payments, respectively. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

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 transaction date. The Company 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.

Further information about the assumptions made in measuring fair values is included in Note 18.

Adoption of Amendments to PFRS Accounting Standards

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

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

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

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective or Adopted

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and are summarized below.

Effective for annual periods beginning on or after January 1, 2025 -

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

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

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

- Annual Improvements to PFRS Accounting Standards Volume 11:

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

  - Amendments to PFRS 9, *Financial Instruments - Transaction Price and Lessee Derecognition of Lease Liabilities* - The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to *'transaction price as defined by PFRS 15, Revenue from Contracts with Customers'* to *'the amount determined by applying PFRS 15'* to remove potential confusion. Earlier application is permitted.

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

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

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

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

Financial Assets and Liabilities

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

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (for asset) or received (for liability). Transaction costs are included in the initial measurement, except those designated at fair value through profit or loss (FVPL).

"Day 1" Difference. When a transaction occurs in a non-active market and the transaction price differs from the fair value based on observable market data, the Company recognizes this difference as a "Day 1" difference in profit or loss. If no observable data is available at the inception of the transaction, the transaction price is considered the best estimate of fair value. The "Day 1" difference is then recognized in profit or loss when the inputs become observable or when the financial instrument is derecognized. The Company determines the appropriate method for recognizing "Day 1" difference for each transaction.

Financial Assets at Amortized Cost

The Company's cash, trade and other receivables, due from related parties and refundable deposits (presented as part of "Other noncurrent assets" account) are classified as financial assets at amortized cost. These financial assets are measured at amortized cost less allowance for expected credit losses (ECL), if any.

For management fees receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Meanwhile, impairment of other financial assets is assessed based on potential liquidity of counterparties based on available financial information. Financial assets are derecognized when the right to receive cash flows from the asset has expired or the Company has transferred its right to receive cash flows from the financial asset.

Financial Liabilities at Amortized Cost

The Company's trade and other payables (excluding provision for probable losses, deferred output VAT, statutory payables and output VAT), due to related parties, subscriptions payable, loans payable and lease liabilities are classified as financial liabilities at amortized cost.

The Company recognized financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Creditable Withholding Tax

Creditable withholding tax (CWT) represents the amounts withheld by the customer from income payments received by the Company. These amounts are withheld at source and can be applied as payment for the Company's income taxes, provided these are properly supported by certificates of creditable tax withheld at source, in accordance with the rules on Philippine income taxation.

Other Assets

Other assets include advances to employees, advances to contractors, deposits, input value-added tax (VAT), and refundable deposits (a financial asset).

Advances to Contractors. represent advance payments on services to be incurred in connection with the Company's operations. These are charged to the construction in progress account when the goods or services for which the advances were made are received. These are considered as nonfinancial instruments as these will be recouped against future billings from contractors and suppliers.

Deposits. Deposits pertain to advance payments made by the Company for the future operations of various joint venture projects. These are carried at the amount of cash paid and are subsequently recognized to the corresponding asset accounts after the start of commercial operation of these projects.

VAT. Revenue, expenses and assets are generally recognized net of the amount of VAT except for receivables and payables that are stated with the amount of VAT included. The amount of VAT recoverable and payable from the tax authority is included as part of "Other current assets" and "Trade and other payables" accounts, respectively, in the statements of financial position.

Investments in Associates

The Company uses the equity method to account for investments in other companies where it has significant influence (20% to 50% voting power) but not control. Both the Company and its associates have the same reporting date and use similar accounting policies. If necessary, adjustments are made to align the associate's accounting policies with those of the Company.

The Company's share of the associate's net income or loss is presented in the "Share in net income (loss) of associates" account in the statements of comprehensive income.

Investments in Subsidiaries

Investments in subsidiaries are carried at cost less any impairment in value. Cost is the purchase price plus any incidental costs relating to the acquisition of the investment.

A subsidiary is an entity controlled by the Company. In assessing control, the Company considers if it is exposed, or has right, to variable returns from its investment with the subsidiary and if it can affect those returns. Income from these investments is recognized only when distributions are received from the subsidiary's profits earned after the date of acquisition.

Property and Equipment

Property and equipment are initially recognized at cost, which includes the purchase price and any costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property and equipment, except for land and construction in progress, are recorded at cost less accumulated depreciation and amortization and any impairment. Land and construction in progress are recorded at cost, net of accumulated impairment losses if any.

Depreciation and amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of Years
Leasehold improvements	10 or lease term whichever is shorter
Transportation equipment	8
Office furniture and equipment	5
Computer equipment	2 to 5

Expenditures after the property and equipment have been put into operation, such as repairs and maintenance, are expensed as incurred. However, expenditures that significantly increase the future economic benefits of the asset beyond its originally assessed standard of performance are capitalized.

When significant parts of property and equipment are required to be replaced at intervals, the Company depreciates those significant parts separately based on their specific useful lives.

Fully-depreciated assets are retained in the accounts until they are no longer in use.

The assets' estimated useful lives and depreciation method are reviewed annually, and adjusted prospectively, as appropriate, if there is an indication of a significant change since the last reporting date.

Construction in progress represents plant under construction or development and is stated at cost which includes cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are substantially available for operational use.

An item of property 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 is included in profit or loss in the year the asset is derecognized.

Borrowing Costs

Borrowing costs are recognized as expense in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when all such activities are substantially complete.

Impairment of Nonfinancial Assets

The carrying amounts of the Company's nonfinancial assets are reviewed regularly to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and fair value less costs to sell.

Capital Stock and Additional Paid-in Capital (APIC)

Capital stock is measured at par value for all shares issued and outstanding. APIC represents the amount received from shareholders in excess of the par value of the shares issued.

Deposits for Future Stock Subscription

Deposits for future stock subscription represents funds received from existing or potential stockholders to be applied as payment for future issuance of capital stock. Deposits for future stock subscription are recognized as equity if, and only if, all of the following elements set forth by the SEC are present as at reporting date:

- The unissued authorized capital stock of the Company is insufficient to cover the amount of shares indicated in the contract;
- There is BOD's approval on the proposed increase in authorized capital stock for which a deposit was received by the Company;
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as a liability.

Deficit
Deficit represents the cumulative results of operations.

Revenue Recognition
Revenue from contracts with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time.

The Company has assessed that it acts as a principal in all of its revenue sources.

The following specific recognition criteria must also be met before revenue is recognized:

Management Fees. Revenue is recognized as services are performed.

Other Income. Other income is recognized when earned and flow of economic benefit is reasonably assured.

Cost and Expense Recognition
Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Services. Cost of services are recognized as expense when the related service is rendered.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method.

Other Expense. Other expense is recognized as incurred.

Related Party Transactions and Relationships
Related party transactions involve the transfers of resources, services, or obligations between the Company and its related parties, regardless of whether a price is charged. A related party relationship exists when one party can control or significantly influence the other's financial and operating decisions, either directly or indirectly. This includes entities under common control, key management personnel, directors, or stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from the excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), and unused tax losses from net operating loss carry over (NOLCO) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax credits from excess MCIT over RCIT, and unused NOLCO can be utilized. Deferred tax, however, is not recognized when it 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 nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to items directly recognized in other comprehensive income.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Employee Benefits

Short-term Benefits. The Company provides short-term benefits to its employees in the form of basic pay, 13th month pay, bonuses, employer's share in government contributions and other short-term benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as Lessee

At the commencement date, the Company recognizes right-of-use (ROU) asset and a lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Asset. ROU asset is recognized under the same basis with property and equipment at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU asset is carried at cost less any accumulated amortization and accumulated impairment losses and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Lease Liability. At commencement date, the Company measures lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate. A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

Short-term Leases and Leases of Low-value Assets. The Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term lease are recognized as expense on a straight-line basis over the lease term.

Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rate of exchange on transaction date. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date. Foreign exchange gains or losses are recognized in profit or loss when incurred.

Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, arising from a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefit is probable.

Events After the Reporting Date

Events occurring after the reporting date that provide additional evidence of conditions existing at the reporting date (adjusting events) are reflected in the financial statements. Non-adjusting events, which indicate conditions that arose after the reporting date, are disclosed in the notes to financial statements when material.

3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of the Company's financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These judgments, accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgments, accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgment, accounting estimates and assumptions made by the Company:

Judgment

Determining the Existence of Significant Influence. The Company applies significant judgment in assessing whether it holds significant influence over an investee and considers the following:

- representation on the boards of directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the investor and the investee;
- interchange of managerial personnel; or
- provision of essential technical information.

The Company assessed that it has the ability to exercise significant influence, but not control, over its associate as at December 31, 2024 and 2023 by virtue of the Company's 40.0% ownership interest in CWCI and PUWSI.

Classifying Lease Commitments - Company as a Lessee. The Company recognized ROU assets and lease liabilities for all of its existing lease agreements, except for the lease of parking space and staff houses for a period of one (1) year. The Company did not recognize ROU assets and lease liabilities since the lease consideration is variable and application of short-term lease recognition exemption.

The amount of rental expense from short-term and variable leases in 2024 and 2023 are disclosed in Note 17.

Accounting Estimates and Assumptions

Assessing the ECL on Management Fees Receivables. The Company initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies the provision rates depending on the number of days that a trade receivable is past due. The Company also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Company then calibrates the provision matrix to adjust historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for ECL of trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

No provision for ECL was recognized in 2024 and 2023 and the carrying amount of trade and other receivables recognized in 2024 and 2023 are disclosed in Note 5.

Assessing the ECL of Other Financial Assets at Amortized Cost. The Company determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating "downgrade";
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Company's other financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12-month ECL. The Company has assessed that the ECL for financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2024 and 2023.

The carrying amounts of financial assets at amortized cost as at December 31, 2024 and 2023 are disclosed in Notes 4, 5, 6, and 12.

Estimating Discount Rate Used in Measuring Lease Liabilities. The Company determines lease payments, lease term and discount rate at the commencement date of a lease. The lease term comprises non-cancellable period of a lease contract. Period covered by an option to extend a lease if the Company is reasonably certain to exercise the option, or periods covered by an option to terminate a lease if the Company is reasonably certain not to exercise that option, are included in the lease term. The Company considers all relevant facts and circumstances that create an economic incentive for the Company to exercise, or not to exercise, the option such as, but not limited to, significant leasehold improvements undertaken and the importance of the underlying asset to the Company's operations.

The Company uses its incremental borrowing rate as basis for the discount rate which is the rate that the Company 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 ROU asset in a similar economic environment.

The carrying amounts of ROU assets and lease liabilities as at December 31, 2024 and 2023 are disclosed in Note 17.

Estimating the Useful Lives of Property and Equipment. The Company reviews annually the estimated useful lives of property and equipment based on expected asset's utilization, market demands and future technological development. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation of property and equipment.

There were no changes on the estimated useful lives of property and equipment in 2024 and 2023.

The carrying amount of the Company's property and equipment (excluding land and construction in progress) as at December 31, 2024 and 2023 are disclosed in Note 9.

Assessing the Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An assessment is made at each reporting 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.

The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

No impairment loss was recognized in 2024. Write-off of property and equipment recognized in 2023 is disclosed in Note 9. The carrying amounts of nonfinancial assets of the Company as at December 31, 2024 and 2023 are disclosed in Notes 6, 7, 8, and 9.

Assessing the Realizability of Deferred Tax Assets. The Company reviews the carrying amounts of deferred tax asset at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profit, future tax planning strategies and other factors.

The Company's unrecognized deferred tax assets as at December 31, 2024 and 2023 are disclosed in Note 16.

Evaluating Contingencies. The Company recognizes provision for possible claims when it is determined that an unfavorable outcome is probable and the amount of the claim can be reasonably estimated. The determination of reserves required, if any, is based on analysis of such individual issue, often with the assistance of outside legal counsel.

The Company's provision for probable losses as at December 31, 2024 and 2023 are disclosed in Note 10.

4. Cash

This account consists of:

	2024	2023
Cash on hand	**₱56,485**	₱60,000
Cash in banks	**65,652,634**	1,747,019
	₱65,709,119	₱1,807,019

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned from cash in banks amounted to ₱23,932 and ₱18,155 in 2024 and 2023, respectively.

5. Trade and Other Receivables

This account consists of:

	Note	2024	2023
Management fees receivable	12	**₱52,485,062**	₱29,494,995
Exploration and feasibility study fees receivable		**–**	22,400,000
Other receivables		**2,852,853**	–
		₱55,337,915	₱51,894,995

Management fees receivables and exploration and feasibility study fees receivable are noninterest-bearing receivables from customers which are normally collectible within 30 days.

Other receivables are noninterest-bearing and are generally collectible upon demand.

No provision for ECL were recognized in 2024 and 2023.

6. Other Assets

This account consists of:

	Note	2024	2023
Current			
Advances to employees		**₱1,368,769**	₱1,154,802
Input VAT		**241,914**	480,832
		1,610,683	1,635,634
Noncurrent			
Deposits	17	**21,780,539**	21,780,539
Advances to contractors		**16,168,903**	–
Refundable deposits		**2,171,704**	312,913
		40,121,146	22,093,452
		₱41,731,829	₱23,729,086

Advances to employees are funds provided upfront to cover business-related travel and expenses, which are subject to liquidation within 12 months.

Deposits pertain to funds provided by the Company to various entities for the establishment of joint venture corporations.

Advances to contractors pertain to advance payments made by the Company to the contractors relating to the development and construction of the bulk water system in Brgy. Jaclupan, Talisay City, Cebu. These are noninterest-bearing and are recouped against contractor's billings.

Refundable deposits represent noninterest-bearing utility deposits which are expected to be held for more than 12 months.

7. Investments in Associates

This account consists of investments in the following associates as at December 31, 2024 and 2023:

	2024		2023	
	% ownership	**Amount**	% ownership	Amount
CWCI	**40.0%**	**₱90,759,879**	40.0%	₱90,659,196
PUWSI	**40.0%**	**8,889,263**	40.0%	8,587,800
MWC	**47.5%**	**–**	47.5%	–
		₱99,649,142		₱99,246,996

The investment in MWC was fully provided with allowance amounting to ₱5.5 million as at December 31, 2024 and 2023.

The movements in investments in associates are as follows:

	2024	2023
Acquisition Cost		
Balance at beginning and end of year	**₱134,807,939**	₱134,807,939
Accumulated Equity in Net Loss		
Balance at beginning of year	**(30,081,008)**	(28,054,613)
Share in net income (loss) for the year	**402,146**	(2,026,395)
Balance at end of year	**(29,678,862)**	(30,081,008)
Allowance for Impairment Loss		
Balance at beginning and end of year	**(5,479,935)**	(5,479,935)
	₱99,649,142	₱99,246,996

The financial information of the associates is summarized below.

	CWCI		PUWSI	
	2024	2023	**2024**	2023
Assets				
Current	**₱92,150,052**	₱54,037,120	**₱3,954,904**	₱2,580,960
Noncurrent	**760,601,419**	715,754,321	**33,868,646**	33,320,100
	852,751,471	769,791,441	**37,823,550**	35,901,060
Liabilities				
Current	**137,759,151**	104,332,559	**24,304,513**	23,135,680
Noncurrent	**564,858,487**	515,576,756	**6,589,316**	6,589,316
	702,617,638	619,909,315	**30,893,829**	29,724,996
Equity	**150,133,833**	149,882,126	**6,929,721**	6,176,064
Revenue	**161,812,528**	148,787,993	**18,297,183**	17,682,991
Net income (loss)	**251,707**	(6,653,569)	**753,657**	1,587,582
Total comprehensive income (loss)	**251,707**	(6,653,569)	**753,657**	1,587,582

A reconciliation of CWCI's equity to the carrying amount of the Company's investment in CWCI follows:

	2024	2023
CWCI's equity	**₱150,133,833**	₱149,882,126
Additional paid-in capital from CWCI's majority shareholder	**(36,586,884)**	(36,586,884)
	113,546,949	113,295,242
Ownership interest	**40%**	40%
Equity in investment in CWCI	**45,418,780**	45,318,097
Goodwill	**45,341,099**	45,341,099
Carrying amount	**₱90,759,879**	₱90,659,196

In 2023, the Company paid the subscription payable to CWCI and interest thereon amounting to ₱46.9 million and ₱1.5 million, respectively. Interest on subscription payable is recognized as part of "Other income (charges)" account in the statements of comprehensive income (see Note 15).

The difference between the carrying amount of investment in PUWSI and the share in net assets of PUWSI represents goodwill.

8. Investments in Subsidiaries and Subscriptions Payable

This account consists of investments in the following subsidiaries as at December 31, 2024 and 2023:

	2024		2023	
	Percentage of ownership	**Amount**	Percentage of ownership	Amount
SJCWCI	**97%**	**₱195,721,413**	97%	₱195,721,413
BBWI	**93%**	**152,112,222**	93%	152,112,222
TCC	**100%**	**109,138,960**	100%	109,138,960
TPGGI	**51%**	**63,749,997**	51%	63,749,997
TNI	**100%**	**28,480,909**	100%	28,480,909
TTMC	**100%**	**12,499,998**	100%	12,499,998
TEC	**70%**	**8,749,998**	70%	8,749,998
TCI	**100%**	**7,739,195**	100%	7,739,195
TCAI	**50%**	**6,249,999**	50%	6,249,999
ALV TMI	**60%**	**1,247,997**	–	–
		₱585,690,688		₱584,442,691

The movements in this account are as follows:

	2024	2023
Balance at beginning of year	**₱584,442,691**	₱460,803,733
Additions	**1,247,997**	123,638,958
Balance at end of year	**₱585,690,688**	₱584,442,691

In 2023, the Company subscribed to 49,999,995 common shares of TCC equivalent to 100% ownership interest for a total consideration of ₱109.1 million, inclusive of labor integration package amounting to ₱55.6 million in accordance with the agreement with Catbalogan Water District (CWD). The accrued portion of the labor integration package amounting to nil and ₱3.7 million as at December 31, 2024 and 2023, respectively, is presented as part of accrued expenses in the "Trade and other payables" account in the statements of financial position (see Note 10).

In 2023, the Company also subscribed to 8,749,998 common shares of TEC equivalent to 70% ownership interest.

In 2023, a minority stockholder assigned the remaining 5% ownership interest of TCI to the Company.

In 2024, the Company subscribed to 1,247,997 common shares of ALV TMI equivalent to 60% ownership interest.

Subscriptions Payable

This account pertains to portions of the costs of investments in subsidiaries and associates which were not yet paid by the Company. These amounts are noninterest-bearing and due and demandable in cash.

Details of the balances are as follows:

	2024	2023
Subsidiaries:		
SJCWCI	**₱70,658,000**	₱70,658,000
TCC	**45,000,000**	45,000,000
TPGGI	**43,350,000**	43,350,000
TNI	**14,062,500**	14,062,500
TTMC	**9,375,000**	9,375,000
TEC	**7,875,000**	7,875,000
BBWI	**5,282,222**	5,282,222
TCAI	**4,687,500**	4,687,500
ALV TMI	**929,250**	–
	₱201,219,472	₱200,290,222

Movement of this account as follows:

	2024	2023
Balance at beginning of year	**₱200,290,222**	₱190,126,472
Additions	**929,250**	57,093,750
Payments	**–**	(46,930,000)
Balance at end of year	**₱201,219,472**	₱200,290,222

9. Property and Equipment

The balances and movements in this account are as follows:

	2024						
	Land	Transportation Equipment	Computer Equipment	Office Furniture and Equipment	Leasehold improvement	Construction in Progress	Total
Cost							
Balances at beginning of year	**₱3,190,000**	**₱5,413,000**	**₱1,124,237**	**₱1,553,754**	**₱–**	**₱–**	**₱11,280,991**
Additions	**1,501,799**	**2,965,491**	**2,080,000**	**3,812,644**	**300,960**	**108,059,280**	**118,720,174**
Balances at end of year	**4,691,799**	**8,378,491**	**3,204,237**	**5,366,398**	**300,960**	**108,059,280**	**130,001,165**
Accumulated Depreciation							
Balances at beginning of year	**–**	**2,283,833**	**594,167**	**893,241**	**–**	**–**	**3,771,241**
Depreciation and amortization	**–**	**1,307,117**	**227,814**	**312,443**	**18,419**	**–**	**1,865,793**
Balances at end of year	**–**	**3,590,950**	**821,981**	**1,205,684**	**18,419**	**–**	**5,637,034**
Carrying Amount	**₱4,691,799**	**₱4,787,541**	**₱2,382,256**	**₱4,160,714**	**₱282,541**	**₱108,059,280**	**₱124,364,131**

		2023					
	Note	Land	Transportation Equipment	Computer Equipment	Office Furniture and Equipment	Construction in Progress	Total
Cost							
Balances at beginning of year		₱1,440,000	₱3,814,000	₱1,124,237	₱1,060,081	₱6,488,323	₱13,926,641
Assignment to a subsidiary	12	–	–	–	–	(4,046,422)	(4,046,422)
Additions		1,750,000	1,599,000	–	493,673	–	3,842,673
Write-off	15	–	–	–	–	(2,441,901)	(2,441,901)
Balances at end of year		3,190,000	5,413,000	1,124,237	1,553,754	–	11,280,991
Accumulated Depreciation							
Balances at beginning of year		–	1,473,323	444,839	703,971	–	2,622,133
Depreciation and amortization		–	810,510	149,328	189,270	–	1,149,108
Balances at end of year		–	2,283,833	594,167	893,241	–	3,771,241
Carrying Amount		₱3,190,000	₱3,129,167	₱530,070	₱660,513	₱–	₱7,509,750

Construction in progress pertains to on-going water distribution facilities and pipelines being constructed for several waterworks system projects for the bulk water supply project in Jaclupan, Cebu. This also includes the material and labor costs and installation costs of water extraction equipment. The estimated cost to complete the construction is ₱1.2 billion to be completed in 2026.

In 2023, the Company assigned construction in progress (CIP) amounting to ₱4.0 million to TEC (see Note 12). In addition, the Company wrote-off CIP amounting to ₱2.4 million due to significant modifications to the original construction plan of one of its projects. The loss on write-off of property and equipment is recognized as part of "Other charges" account in the statements of comprehensive income (see Note 15).

The Company acquired transportation equipment amounting to ₱1.3 million in 2023 through bank financing. As at December 31, 2024 and 2023, carrying amount of loan made for the acquisition of transportation equipment amounted to ₱1.9 million and ₱2.7 million, respectively. It is secured by a chattel mortgage on the transportation equipment with a carrying amount of ₱1.3 million and ₱1.8 million as at December 31, 2024 and 2023, respectively (see Note 11).

In 2024, the Company acquired additional transportation equipment amounting to ₱1.1 million and ₱0.4 million through payables and related party advances.

Depreciation and amortization consist of (see Note 14):

	Note	**2024**	2023
Property and equipment		**₱1,865,793**	₱1,149,108
ROU assets	17	**4,595,642**	–
		₱6,461,435	₱1,149,108

In 2024, the Company capitalized borrowing cost amounting to ₱6.2 million based on the capitalization rate of 7.38% (see Note 11).

Fully depreciated property and equipment being used by the Company amounted to ₱2.1 million and ₱0.7 million as at December 31, 2024 and 2023, respectively.

10. Trade and Other Payables

This account consists of:

	2024	2023
Trade payables	**₱11,347,225**	₱6,278,903
Accrued expenses	**8,501,564**	14,005,258
Statutory payables	**2,606,447**	74,679
Provision for probable losses	**2,524,245**	9,472,722
Deferred output VAT	**–**	5,040,000
Others	**2,400,000**	2,400,000
	₱27,379,481	₱37,271,562

Trade payables are noninterest-bearing and generally payable within one (1) year.

Accrued expenses mainly include labor integration packages (see Note 8), professional fees, outside services and other expenses payable to third parties that are expected to be settled within 12 months from the end of the reporting period.

Statutory payables pertain to taxes withheld by the Company to government agencies. These are remitted to the respective regulatory agencies in the following month.

Provision for probable losses pertains to provisions for contingencies. In accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, no further details were provided because this may prejudice the Company's position on this matter.

Deferred output VAT pertains to the output VAT payable for services rendered but not yet collected.

11. Loans Payable

The movement in this account are as follows:

	2024	2023
Balance at beginning of year	**₱323,061,966**	₱1,826,829
Availments	**185,000,000**	420,141,560
Payments	**(50,755,988)**	(100,449,964)
Unrealized foreign exchange loss	**7,026,881**	1,543,541
Balance at end of year	**464,332,859**	323,061,966
"Day 1" difference	**(51,395,084)**	(67,637,939)
Unamortized debt issue cost	**(26,185,744)**	(28,297,751)
	386,752,031	227,126,276
Less current portion	**185,580,584**	745,520
Noncurrent portion	**₱201,171,447**	₱226,380,756

Breakdown of this account is as follows:

	2024	2023
Through development fund facility	**₱249,884,629**	₱224,497,029
Through local creditor banks	**136,867,402**	2,629,247
	₱386,752,031	₱227,126,276

Development Fund Facility

In 2023, the Company entered into a development cooperation agreement with Climate Fund Managers B.V., Stichting CI2 Development Fund, Cooperatief CI2 Construction Equity Fund U.A. and CEF2 A09 B.V. (collectively referred to as the CFM Group) to fund the development and construction of expansion and/or new water supply projects within the Company's portfolio. The CFM Group shall provide development funding of up to United States (US) $6.9 million.

The development funding is non-interest bearing and is payable in five (5) equal annual installments. If the Company fails to pay any amount payable, interest shall accrue thereon from the due date to the date of actual payment at a rate of 10% per annum.

In 2023, the Company drew down US $5,793,482 or ₱318.8 million from the facility.

Local Creditor Banks
In 2023, the Company obtained additional loan amounting to ₱1.3 million for the acquisition of a transportation equipment (see Note 9). The loan principal is payable in 60 monthly installments and bears an annual interest of 9.18%.

As at December 31, 2024 and 2023, carrying amount of loan made for the acquisition of transportation equipment amounted to ₱1.9 million and ₱2.7 million, respectively. It is secured by a chattel mortgage on the transportation equipment with a carrying amount of ₱1.3 million and ₱1.8 million as at December 31, 2024 and 2023, respectively.

In 2023, the Company also obtained a short-term loan from local creditor banks aggregating to ₱100.0 million with annual interest ranging from 8% to 8.5% to finance its working capital requirements. The loan amount was fully paid as at December 31, 2023.

In 2024, the Company obtained a short-term loan amounting to ₱50.0 million with an annual interest of 8.00% from a local bank. The loan amount was fully paid as at December 31, 2024.

In 2024, the Company obtained a short-term loan amounting to ₱135.0 million with annual interest of 7.38% from a local bank to finance the procurement and pre-construction works for the Jaclupan Bulk Water Project. As at December 31, 2024, the loan was extended until June 2025.

Expected Principal Repayments
The expected principal repayments over the remaining term of the loans as at December 31, 2024 are as follows:

Within one (1) year	₱203,022,911
After one (1) year but not more than five (5) years	269,231,284
	₱472,254,195

"Day 1" Difference
In 2023, the Company recognized a "Day 1" gain on initial recognition of loans through the development fund facility amounting to ₱81.4 million arising from the difference between the fair value of loan and the amount received by the Company.

The movement of "Day 1" difference is as follows:

	2024	2023
Balance at beginning of year	**₱67,637,939**	₱–
Accretion	**(16,242,855)**	(13,749,695)
Addition	–	81,387,634
Balance at end of year	**₱51,395,084**	₱67,637,939

Debt Issue Cost
Debt issue costs pertain to documentary stamp taxes (DST) and other transaction costs incurred in connection with the loans.

Movements of unamortized debt issue costs are as follows:

	2024	2023
Balance at beginning of year	**₱28,297,751**	₱34,302
Accretion	**(5,479,228)**	(4,680,737)
Addition	**3,367,221**	32,944,186
Balance at end of year	**₱26,185,744**	₱28,297,751

Interest expense from bank financing and the amortization of "Day 1" difference on loans payable and debt issue cost aggregated ₱23.1 million and ₱22.5 million in 2024 and 2023, respectively.

Interest Expense and Capitalized Borrowing Costs
Interest expense charged to operations amounted to ₱23.8 million and ₱22.5 million in 2024 and 2023, respectively. The Company capitalized borrowing cost amounting to ₱6.2 million in 2024 (see Note 9).

Interest expense charged to operations consists of:

	Note	2024	2023
Loans payable		**₱23,021,065**	₱22,477,737
Lease liabilities	17	**808,587**	–
		₱23,829,652	₱22,477,737

Debt Covenants
The loan including interest and other charges is secured by a corporate suretyship of Quadwater and PWC and a joint and solidary signature (JSS) of the shareholders.

Disclosure of Changes in Liabilities Arising from Financing Activities
The changes in liabilities arising from financing activities as at December 31, 2024 and 2023 are as follows:

		2024							
				Noncash Changes					
	Note	Balance at Beginning of Year	Net Financing Cash Flows	Initial Recognition	Write-off of debt to a related party	Accretion of Interest & Amortization	Foreign Exchange Loss	Others	Balance at End of Year
Due to related parties	12	₱670,721,433	(₱128,572,314)	₱–	(₱15,000,000)	₱–	₱–	₱448,764	₱527,597,883
Loans payable		227,126,276	130,876,791	–	–	21,722,083	7,026,881	–	386,752,031
Lease liability	17	–	(4,545,875)	9,575,270	–	808,587	–	–	5,837,982
Interest payable		–	(8,840,367)	–	–	–	–	8,840,367	–
		₱897,847,709	(11,081,765)	₱9,575,270	(₱15,000,000)	₱22,530,670	₱7,026,881	₱9,289,131	₱920,187,896

		2023					
				Noncash Changes			
	Note	Balance at Beginning of Year	Net Financing Cash Flows	Reclassification	Acquisition of Property and Equipment through Loans	Others	Balance at End of Year
Due to related parties	12	₱598,925,196	₱75,842,659	₱–	₱–	(₱4,046,422)	₱670,721,433
Loans payable		1,792,527	285,468,210	–	1,279,200	(61,413,661)	227,126,276
Deposits for future stock subscription	12	129,145,472	–	(129,145,472)	–	–	–
Interest payable		–	(4,047,305)	–	–	4,047,305	–
		₱729,863,195	₱357,263,564	(₱129,145,472)	₱1,279,200	(₱61,412,778)	₱897,847,709

Other noncash movement pertains to unrealized foreign exchange loss, accretion of interest, amortization of debt issue cost and discount on loans and offsetting of intercompany balances.

12. Related Party Transactions

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

	Nature	Amount of Transactions 2024	Amount of Transactions 2023	Balance at End of Year 2024	Balance at End of Year 2023
Management Fees Receivables (see Note 5)					
Subsidiaries:					
TCC	Management fees	**₱22,000,000**	₱6,500,000	**₱31,140,000**	₱6,500,000
TTMC	Management fees	**8,179,200**	8,000,000	**17,920,000**	21,381,089
TNI	Management fees	**2,474,594**	1,259,604	**2,927,958**	1,221,817
TCI	Management fees	**392,293**	191,010	**138,835**	56,866
				52,126,793	29,159,772
Associate -					
CWCI	Management fees	**4,051,052**	3,750,046	**358,269**	335,223
		₱37,097,139	₱19,700,660	**₱52,485,062**	₱29,494,995
Due from Related Parties					
Entities under common control:					
Quadcore	Working capital advances	**₱168,640,608**	₱57,806,482	**₱372,199,403**	₱203,558,795
Quadhomes, Inc.	Working capital advances	**1,000,000**	–	**6,000,000**	5,000,000
PEHC	Working capital advances	**2,500,000**	–	**2,500,000**	–
TGV Builders, Inc.	Working capital advances	–	40,165,573	**900,000**	40,165,573
Repower Energy Development Corporation	Working capital advances	**15,000**	–	**15,000**	–
				381,614,403	248,724,368
Subsidiaries:					
BBWI	Working capital advances	**11,202,460**	75,259,295	**185,958,659**	174,756,199
	Deposit for future investment	–	–	**36,148,802**	36,148,802
TNI	Working capital advances	**19,953,278**	17,923,901	**56,361,061**	36,407,783
TCC	Working capital advances	–	39,157,940	**15,957,477**	39,157,940
TTMC	Working capital advances	**13,495,642**	–	**13,495,542**	–
TPGGI	Working capital advances	–	–	**1,011,345**	1,011,345
TCI	Working capital advances	–	–	**851,656**	1,505,787
ALV TMI	Working capital advances	**82,299**	–	**82,299**	–
TCAI	Working capital advances	–	–	–	2,852,826
				309,866,841	291,840,682
Associate -					
PUWSI	Working capital advances	–	–	**3,516,413**	3,516,413
		₱216,889,287	₱230,313,191	**₱694,997,657**	₱544,081,463
Due to Related Parties					
Ultimate Parent Company	Working capital advances	**₱–**	₱–	**₱186,152,788**	₱289,195,588
Entity under common control -					
Pure Water Corporation	Working capital advances	–	–	**60,750,000**	60,750,000
Subsidiaries:					
SJCWCI	Working capital advances	–	–	**134,538,719**	134,901,516
TEC	Working capital advances	–	125,653,578	**63,849,074**	71,106,080
	Assignment of property and equipment (see Note 9)	–	4,046,422	**4,046,422**	4,046,422
TTMC	Working capital advances	–	1,714,590	–	1,714,590
Stockholders	Working capital advances	–	71,793,309	**78,260,880**	109,007,237
		₱–	₱203,207,899	**₱527,597,883**	₱670,721,433

	Nature	Amount of Transactions		Balance at End of Year	
		2024	2023	**2024**	2023
Deposits for Future Stock Subscription					
Ultimate Parent Company	Deposit for future subscription	₱–	₱–	₱–	₱69,674,256
Entity under common control - PWC	Deposit for future subscription	–	–	–	59,471,216
		₱–	₱–	₱–	₱129,145,472
Loans Payable					
Stockholder	Loan availment	₱–	₱318,862,360	**₱249,884,629**	₱227,126,276

Management Fees Receivables

The Company provides services for program development and other administrative functions to related parties in accordance with the shareholders and stakeholders management services agreements.

The Company recognized revenue from management fees amounting to ₱37.1 million and ₱19.7 million in 2024 and 2023, respectively.

Due from Related Parties

Due from related parties consists of advances to related parties for working capital purposes and deposits for future investment. These are noninterest-bearing, unsecured and are due and demandable. No impairment loss was recognized in 2024 and 2023.

Due to Related Parties

Due to related parties are advances received from related parties for working capital purposes. These are noninterest-bearing, unsecured and are payable in cash and upon demand.

In 2023, the Company offset the consideration for the assigned property and equipment amounting to ₱4.0 million against the amounts due to TEC (see Note 9).

In 2024, the Company wrote-off of due to related parties resulting in a gain amounting to ₱13.2 million (see Note 15).

Deposits for Future Stock Subscription

In 2018, the Company converted its advances from Quadwater and PWC aggregating ₱129.1 million into deposits for future stock subscription.

On July 4, 2023, the Company's BOD and stockholders approved an increase in authorized capital stock from ₱50,000,000, divided into 50,000,000 shares at ₱1 par value per share, to ₱2,000,000,000, divided into 2,000,000,000 shares at ₱1 par value per share.

On the same year, the Company filed its application for the increase in authorized capital stock with the SEC. Accordingly, the Company classified the deposit for future stock subscription as part of "Equity" in the statements of financial position.

On June 20, 2024, the SEC approved the application to increase the Company's authorized capital stock. Accordingly, the Company applied deposit for future stock subscription (DFFS) amounting to ₱129.1 million against the issuance of new common shares (see Note 13).

Compensation of Key Management Personnel
Compensation amounting to ₱11.9 million and ₱9.5 million in 2024 and 2023, respectively, was paid to key management personnel for performing management services. These amounts are presented as "Cost of services" in the statements of comprehensive income.

13. Equity

Capital Stock
Details of capital stock are as follows:

	2024		2023	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized Capital Stock - ₱1 par value				
Balance at beginning of year	**50,000,000**	**₱50,000,000**	50,000,000	₱50,000,000
Additions	**1,950,000,000**	**1,950,000,000**	–	–
Balance at end of year	**2,000,000,000**	**₱2,000,000,000**	50,000,000	₱50,000,000
Issued Capital Stock				
Balance at beginning of year	**50,000,000**	**₱50,000,000**	50,000,000	₱50,000,000
Additions	**182,767,113**	**182,767,113**	–	–
Balance at end of year	**232,767,113**	**₱232,767,113**	50,000,000	₱50,000,000

On June 20, 2024, the SEC approved the application to increase the Company's authorized capital stock (see Note 12). The Company issued 182,767,113 shares amounting to ₱182.8 million through application of DFFS amounting to ₱129.1 million (see Note 12) and additional infusion for the shareholders amounting to ₱53.6 million. The issuance of shares resulted to an increase in additional paid-in capital amounting to ₱321.3 million.

14. Operating Expenses

This account consists of:

	Note	2024	2023
Salaries and wages		**₱18,505,625**	₱9,983,980
Depreciation and amortization	9	**6,461,435**	1,149,108
Taxes and licenses		**5,086,324**	2,022,462
Professional fees		**3,865,554**	1,742,859
Rental	17	**3,048,114**	2,806,597
Transportation		**2,602,601**	4,920,606
Representation and entertainment		**2,307,224**	5,280,744
Utilities		**2,068,434**	1,621,864
Insurance		**703,395**	959,720
Advertising		–	1,850,293
Others		**3,318,148**	2,681,295
		₱47,966,854	₱35,019,528

15. Other Income (Charges) - Net

This account consists of:

	Note	2024	2023
Gain on reversal of:			
Due to a related party	12	**₱13,200,000**	₱–
Probable loss		**6,948,477**	–
Trade and other payables		**638,724**	–
Unrealized foreign exchange loss		**(5,301,485)**	(1,551,357)
Write-off of property and equipment	9	–	(2,441,901)
Interest on subscription payable	7	–	(1,452,196)
Realized foreign exchange gain		–	(858,104)
Others		**3,294,464**	(1,313,858)
		₱18,780,180	(₱7,617,416)

Others mainly pertain to advances to employees written-off.

16. Income Tax

The Company's provision for current income tax amounting to ₱0.8 million in 2024 and ₱0.2 million in 2023 pertains to MCIT.

Under the Bayanihan to Recover as One Act (Republic Act No. 11494), the MCIT rate was temporarily reduced from 2% to 1% from July 1, 2020, until June 30, 2023. Accordingly, the MCIT rate used is 2% and 1.5% in 2024 and 2023, respectively.

Details of net deferred tax liabilities are as follows:

	2024	2023
Deferred tax asset -		
Lease liability	**₱1,459,496**	₱–
Deferred tax liabilities:		
"Day 1" difference on loans payable	**(4,060,714)**	16,909,485
ROU asset	**1,244,907**	–
Unamortized debt issue cost	**(528,002)**	7,074,438
	(3,343,809)	23,983,923
	(₱4,803,305)	₱23,983,923

The Company's unrecognized deferred tax assets are as follows:

	2024	2023
NOLCO	**₱20,738,268**	₱18,269,668
Unrealized foreign exchange loss	**1,325,371**	387,839
Excess MCIT over RCIT	**1,118,604**	272,244
	₱23,182,243	₱18,929,751

The Company did not recognize deferred tax assets as at December 31, 2024 and 2023 because the management has assessed that sufficient taxable will not be available against which the benefit of deferred tax assets can be utilized.

Details of NOLCO are as follows:

Inception Year	Amount	Incurred	Balance	Expiry Year
2024	₱–	₱9,874,402	₱9,874,402	2027
2023	60,398,097	–	60,398,097	2026
2022	12,680,574	–	12,680,574	2025
	₱73,078,671	₱9,874,402	₱82,953,073	

Details of MCIT over RCIT are as follows:

Inception Year	Amount	Incurred	Balance	Expiry Year
2024	₱–	₱846,360	₱846,360	2027
2023	152,747	–	152,747	2026
2022	119,497	–	119,497	2025
	₱272,244	₱846,360	₱1,118,604	

The reconciliation between the provision for income tax based on statutory income tax rate and effective income tax reported in the statements of comprehensive income is as follows:

	2024	2023
Income tax expense (benefit) computed at statutory tax rate of 25%	**(₱6,851,357)**	₱6,111,955
Change in unrecognized deferred tax assets	**4,252,492**	15,640,110
Add (deduct) tax effects of:		
Nontaxable income	**(1,737,119)**	–
Nondeductible expenses	**485,559**	1,882,545
Share in net loss (income) of associates	**(100,537)**	506,599
Interest income already subjected to final tax	**(5,983)**	(4,539)
	(₱3,956,945)	₱24,136,670

17. Significant Agreements

Lease Agreement

The Company has a lease agreement for its office space for a period two (2) years effective January 1, 2020 to December 31, 2021, renewable upon mutual consent of the parties.

In 2024 and 2023, the lease agreement was renewed for one (1) year.

In 2024, the Company has entered into a noncancellable lease agreement for the use of its office space. The lease agreement has a lease term of two (2) years with an escalation rate of 10% at the start of the second year. The lease contract is renewable within six (6) months prior to the expiration of the lease term.

The balances and movements in ROU assets are as follows:

	Note	2024
Cost		
Initial recognition		₱9,575,270
Accumulated Amortization		
Amortization	9	4,595,642
Carrying Amount		₱4,979,628

The balances and movements in lease liabilities are as follows:

	Note	2024
Initial recognition		₱9,575,270
Rental payments		(4,545,875)
Interest expense	11	808,587
Balance at end of year		5,837,982
Current portion		5,423,732
Noncurrent portion		₱414,250

Rental expense from short-term leases presented under operating expenses amounted to ₱3.0 million and ₱2.8 million in 2024 and 2023, respectively (see Note 14).

Memorandum for the Development of Water Supply of Trece Martires City, Cavite

In 2014, the Company entered into an agreement with the developers of Sunshine Ville to design, construct, operate and maintain the water system in Barangay Cabuco, Trece Martires, Cavite. This agreement gives the Company exclusive authority to provide adequate and potable water supply to all residential and commercial establishments in the Sunshine Ville housing area covering approximately 7,000 households.

In 2020, TTMC was incorporated to take over the operations of this project.

In 2022, RFN Construction & Development Corporation, a developer of housing projects in Trece Martires, granted the exclusive authority to the Company and TTMC to carry out the upgrade and modernization of RFN National Housing Authority water supply, treatment, and distribution facilities, including its operation and maintenance. TTMC and TPGI are granted authority to construct a waterworks system ("The Deepwell 3" located in Sunshine Ville 2, Phase 2) necessary to provide the residents of the Housing Project with adequate potable water with quality.

Certificate of Public Convenience

The Company applied for a water permit and Certificate of Public Convenience (CPC) in 2018 and was granted by the National Water Resources Board (NWRB) in 2019, valid until November 26, 2023.

In 2020, the Company assigned all its rights, title, and interest to the water permit and CPC in favor of the TTMC.

In 2021, the NWRB approved the transfer of the water permit and directed the TTMC to file a petition for the transfer of the CPC.

On November 24, 2023, TTMC submitted its CPC application under its name pursuant to the deed of assignment executed between the Company and TTMC, and in compliance with the NWRB's directive. TTMC is currently operating the water system under the provisions of the pending application filed before the expiration date. As at report date, the NWRB is in the process of reviewing the TTMC's application of the new CPC.

Memorandum for the Development of the Water Supply of Tiglawigan, Sicaba, Luna and Cadiz Viejo in Cadiz City, Negros Occidental

In September, 2017, the Company entered into a joint venture agreement with DLB Prime Products Inc. for the development of the following water supply systems in Cadiz, Negros Occidental:

1. St. Patrick Homes 1; Barangay Tiglawigan, Cadiz City, Negros Occidental
2. Len-Vil Homes, Barangay Sicaba, Cadiz City, Negros Occidental
3. Antonio Heights; Barangay Luna, Cadiz City, Negros Occidental
4. Lacson Villas, Barangay Cadiz Viejo, Cadiz City, Negros Occidental

In 2021, TCAI took over the operations of the Cadiz Projects.

Joint Venture Agreement (JVA) between the Company, Mactan Rock Industries Inc. (MRII) and TGV Builders Inc. (TGV)

The Company entered into a JVA with MRII and TGV to undertake the Bacolod Bulk Water Supply Project. The Company acts as the lead venturer of this JVA. Meanwhile, MRII is the exclusive supplier of the water treatment equipment and supplies, and TGV is the contractor for the pipe laying and construction.

BBWI is currently operating this project.

JVA with Nabua Water District (NAWAD)

In 2020, NAWAD engaged the Company in the development, improvement, upgrade and expansion of water supply and septage system of Nabua, Camarines Sur. NAWAD has agreed to grant TNI the exclusive right and authority to provide water supply and sanitation facilities in the service area of NAWAD.

TNI is currently operating this project.

JVA with Coron Rural Waterworks and Sanitation Association, Inc. (CRWSA)

In 2020, the Company entered into an agreement to construct, design and finance the proposed water and septage system improvement of CRWSA. CRWSA has agreed to grant the Company the right to construct, install, operate, expand and manage the water system and septage system of CRWSA in the municipality of Coron, Palawan.

TCI is currently operating this project.

JVA with San Jose City Water District (SJCWD)

In 2021, SJCWD engaged the Company, Manila Water Philippine Ventures, Inc. and Manila Water Company, Inc. to jointly engage in the development, improvement, upgrade and expansion of water supply and sanitation facilities, and to provide necessary services and incidental thereto in the whole city of San Jose, Nueva Ecija. SJCWD has agreed to grant SJCWCI the exclusive right and authority to provide water supply and sanitation facilities in the service area of San Jose City.

SJCWCI is currently operating this project.

JVA with Catbalogan Water District (CWD)
In 2022, the Company entered into an agreement with CWD for the design, construction, rehabilitation, maintenance, operation, financing, expansion, and management of the water supply and septage system of CWD in the City of Catbalogan, Province of Samar.

In 2023, TCC was incorporated for the operations of this project.

Echague Water Supply, Sewage and Septic Utility
In 2016, the Municipality of Echague passed a municipal resolution granting the Company to enter into a memorandum of agreement for the construction, operation, management and maintenance of water supply, sewage and septic utility in Echague, Isabela. The memorandum of agreement was executed on June 2019.

In 2023, TEC was incorporated for the operations of this project.

Franchise Agreements
In July 2017, the Office of the Sangguniang Bayan of Malasiqui granted the Company a franchise to the design, construct, develop, operate, maintain and manage of the Malasiqui Bulk Water Supply and Distribution System in the municipality of Malasiqui, Pangasinan.

JVA with Manila Water Company Inc. (Manila Water)
The Company and Manila Water had various JVAs to develop water projects in Cebu, Calbayog, Iloilo, and Malasiqui, among others. The Company also entered into various shareholders, subscription, technical and stakeholder management agreements related to these projects.

In 2020, the Company and Manila Water, or their designated joint venture company (the Grantee) was granted by Office of the Sangguniang Panlungsod of Iloilo City franchise for a period of 25 years to construct, establish, commission, operate, and maintain a water supply system to service the population of Iloilo City. The Company paid deposit amounting to ₱10.8 million for the future establishment of a joint venture corporation (see Note 6).

JVA with Watermatic International Ltd. (WMI)
In 2023, the Company entered into an agreement with WMI to provide financing for the entire project cost needed by WMI in the competitive bidding for the Bulk Water Supply Project in Brgy. Jaclupan, Talisay City, Cebu. Both parties agree to form a joint venture company. The Company paid deposit amounting to ₱11.0 million to WMI for its application for license to do business in the Philippines (see Note 6).

Memorandum for the Development of Water Supply of Borbon, Cebu
In 2021, the Company and SAVS Water Utilities Corporation, with the conformity of SAVS-Borbon Cebu Water Corporation, entered into memorandum of agreement for the development, upgrade, and operation of SAVS Borbon's water supply system, including distribution facilities, maintenance, and to improve and expand the water supply services within the Municipality of Borbon.

JVA with City of Mandaue
In March 2022, the local government of the City of Mandaue engaged the Company and ALV Water Solutions Corporation to design, construct, operate, maintain, and finance the Level III Water Supply and Treatment Facility. This facility utilizes the Desalination Treatment Process with Septage Management Program in the City of Mandaue.

In 2024, ALV TMI was incorporated for the operations of this project.

Pre-development and Initial Construction Agreement with Quadcore
In 2022, the Company entered into a pre-development and initial construction agreement with Quadcore to conduct a feasibility study, exploration, other pre-development and initial construction in the project areas to determine the viability of water sources. The project areas are CWD, Municipality of Borbon in Cebu, and Metropolitan Cebu Water District (MCWD).

18. Financial Risk Management Objectives and Policies and Fair Value Measurement

The Company's financial instruments comprise cash, trade and other receivables, due from related parties, refundable deposits, trade and other payables (excluding provision for probable losses, deferred output VAT, statutory payables and output VAT), due to related parties, subscriptions payable, loans payable and lease liabilities. The main purpose of these financial instruments is to finance the Company's operations.

The main risks arising from the Company's financial instruments are credit risk, foreign currency risk, and liquidity risk.

Credit Risk
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

The carrying amount of financial assets at amortized cost recorded in the financial statements represents the Company's maximum exposure to credit risk.

Cash in banks are deposited in reputable banks having good credit rating and low probability of insolvency. For due from related parties, the Company only enters to reputable related parties with low credit risk.

The tables below show the credit quality per class of financial assets as at December 31, 2024 and 2023.

	2024					
			Past Due But Not Impaired			
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total
Lifetime ECL -						
Management fees receivable	₱–	₱52,485,062	₱–	₱–	₱–	₱52,485,062
12-Month ECL:						
Cash in banks	65,652,634	–	–	–	–	65,652,634
Other receivables	–	2,852,853	–	–	–	2,852,853
Due from related parties	–	694,997,657	–	–	–	694,997,657
Refundable deposits	2,171,704	–	–	–	–	2,171,704
	₱67,824,338	₱750,335,572	₱–	₱–	₱–	₱818,159,910

	2023					
			Past Due But Not Impaired			
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total
Lifetime ECL -						
Management fees receivable	₱–	₱29,494,995	₱–	₱–	₱–	₱29,494,995
12-Month ECL:						
Cash in banks	1,747,019	–	–	–	–	1,747,019
Exploration and feasibility study fees receivable	–	22,400,000	–	–	–	22,400,000
Due from related parties	–	544,081,463	–	–	–	544,081,463
Refundable deposits	312,913	–	–	–	–	312,913
	₱2,059,932	₱595,976,458	₱–	₱–	₱–	₱598,036,390

The Company's financial assets are categorized based on the Company's collection experience with the counterparties as follows:

- High Grade - settlements are obtained from counterparty following the terms of the contracts without much collection effort.
- Standard Grade - other financial assets not belonging to high grade financial assets and are not past due are included in this category.
- Past Due But Not Impaired - items with history of frequent default.

Foreign Currency Risk

The Company is exposed to foreign currency risk on business transactions that are denominated in currencies other than the functional currency of the Company. Exposure to foreign currency risk is monitored on an on-going basis by the Company to ensure that the net exposure is kept at an acceptable level.

Exposure to Currency Risk. In 2023, the Company obtained a noninterest-bearing loan in United States (US) dollar amounting to $5,793,482 (see Note 11).

For purposes of restating the balances of the Company's foreign currency denominated loan payable, ₱57.85 and ₱55.37: $1 is used in 2024 and 2023, respectively.

Sensitivity Analysis. The following table demonstrates the sensitivity to a reasonable possible change in foreign exchange rates, with all other variables held constant, of the Company's income before income tax as at December 31, 2024 and 2023.

	2024		2023	
	Increase (decrease)	**Increase (decrease) to net income**	Increase (decrease)	Increase (decrease) to net income
USD	**2%**	**(₱6,720,439)**	1%	(₱3,649,894)
	(2%)	**6,141,091**	(2%)	5,387,938

Liquidity Risk Management
Liquidity risk is the risk that the Company may encounter difficulties in raising funds to meet commitments for financial instruments. Liquidity risk may result from counterparty's failure on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining contractual undiscounted cash flows as at December 31, 2024 and 2023:

	2024					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Trade and other payables*	₱–	₱22,248,789	₱–	₱–	₱–	₱22,248,789
Due to related parties	527,597,883	–	–	–	–	527,597,883
Subscriptions payable	201,219,472	–	–	–	–	201,219,472
Loans payable**	–	203,022,911	68,156,904	67,024,793	134,049,587	472,254,195
	₱728,817,355	₱225,271,700	₱68,156,904	₱67,024,793	₱134,049,587	₱1,223,320,339

**Excluding provision for probable losses, deferred output VAT, statutory payables and output VAT amounting to ₱5.1 million as at December 31, 2024.*
***Including future interest*

	2023					
	Due and Demandable	Less than 1 Year	1-2 Years	2-3 Years	Over 3 Years	Total
Trade and other payables*	₱–	₱22,684,161	₱–	₱–	₱–	₱22,684,161
Due to related parties	670,721,433	–	–	–	–	670,721,433
Subscriptions payable	200,290,222	–	–	–	–	200,290,222
Loans payable**	–	998,118	65,155,138	64,992,394	192,767,795	323,913,445
	₱871,011,655	₱23,682,279	₱65,155,138	₱64,992,394	₱192,767,795	₱1,217,609,261

**Excluding provision for probable losses, deferred output VAT and statutory payables amounting to ₱14.6 million as at December 31, 2023.*
***Including future interest*

The Company's objectives in managing its liquidity position are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

Fair Value of Financial Assets and Liabilities

Cash, Trade and Other Receivables, Due from Related Parties, Trade and Other Payables (excluding Provision for Probable Losses, Deferred Output VAT, Statutory Payables and Output VAT), Due to Related Parties, and Subscriptions Payable. Management has determined that the carrying values of these accounts approximate their fair values at year end because of their short-term maturities.

Refundable Deposit. The carrying of the refundable deposit approximates its fair value. The management assessed that any effect in discounting these instruments is deemed insignificant.

Loans Payable. The fair value of loans payable amounted to ₱434.9 million and ₱237.4 million as at December 31, 2024 and 2023, respectively.

The fair value was determined using the discounted cash flow analysis using applicable rates for similar type of loans (Level 2) averaging 6.14% as at December 31, 2024 and 2023. The expected cash flows used in determining the fair value were translated using the current exchange rate.

Fair Value Hierarchy
There were no transfers in fair value hierarchy during the year.

19. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations.

The Company considers its capital stock, additional paid-up capital and deposit for future stock subscription aggregating to ₱605.6 million and ₱230.6 million as at December 31, 2024 and 2023, respectively, as its capital employed. The Company maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term.

The Company is not subject to externally imposed capital requirement. No changes were made in the objective, policies, or processes in 2024 and 2023.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Tubig Pilipinas Group Inc.
3F JTKC Centre
2155 Don Chino Roces Avenue
Makati City

We have audited the accompanying financial statements of Tubig Pilipinas Group Inc. (the Company) as at and for the years ended December 31, 2024 and 2023, on which we have rendered our report dated August 4, 2025.

In compliance with the Revised Securities Regulation Code Rule No. 68, we are stating that the Company has three (3) stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner
CPA Certificate No. 134498
Tax Identification No. 404-428-828-000
BOA Accreditation No. 4782/P-026; Valid until June 6, 2026
BIR Accreditation No. 08-005144-024-2024
Valid until March 26, 2027
PTR No. 10467130
Issued January 2, 2025, Makati City

August 4, 2025
Makati City, Metro Manila

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Gmail Danilo Barchita <jr.accountant@tubigpilipinas.com>

Fwd: Your BIR AFS eSubmission uploads were received

1 message

Maria Luisa Sianghio <malou.sianghio@tubigpilipinas.com> Tue, Nov 25, 2025 at 11:19 AM
To: Danilo Barchita <jr.accountant@tubigpilipinas.com>

---------- Forwarded message ---------
From: <eafs@bir.gov.ph>
Date: Mon, Nov 24, 2025 at 2:59 PM
Subject: Your BIR AFS eSubmission uploads were received
To: <MALOU.SIANGHIO@tubigpilipinas.com>
Cc: <MALOU.SIANGHIO@tubigpilipinas.com>

Hi TUBIG PILIPINAS GROUP INC.,

Valid files

- EAFS008893422AFSTY122024.pdf
- EAFS008893422ITRTY122024.pdf
- EAFS008893422OTHTY122024.pdf
- EAFS008893422TCRTY122024-01.pdf
- EAFS008893422RPTTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-YR14NNZ0MY1MV2ZWQ23SNZRM06HDFKBJ7**
Submission Date/Time: **Nov 24, 2025 02:59 PM**
Company TIN: **008-893-422**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

COVER SHEET

C	S	2	0	1	4	2	1	0	2	5	

SEC Registration Number

T	U	B	I	G		P	I	L	I	P	I	N	A	S		G	R	O	U	P												

I	N	C	O	R	P	O	R	A	T	E	D																					

(Company's Full Name)

7	F		O	n	e		O	c	u	l	u	s		C	e	n	t	e	r		2	1	2	0		C	h	i	n	o		

R	o	c	e	s		A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y								

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

Ryan Yapkianwee

(Contact Person)

88003898

(Company Telephone Number)

1	2	3	1

Month *Day*
(Fiscal Year)

	1	7	-	A	

(Form Type)

1	0	2	2

Month *Day*
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

9

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

TUBIG PILIPINAS GROUP INCORPORATED

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF CORPORATION CODE OF THE PHILIPPINES

1. For the calendar period ended **December 31, 2024**

2. Commission identification number **CS 201421025**

3. BIR TIN **008-893-422-000**

4. Exact name of issuer as specified in its charter **TUBIG PILIPINAS GROUP INCORPORATED**

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

6. Industry Classification Code:(SEC Use Only)

7. Address of issuer's principal office **7th Floor One Oculus Center,, 2120 Don Chino Roces Ave., Makati City** Postal Code **1230**

8. Issuer's telephone number, including area code (**02) 8800-3898**

9. Former name, former address and former fiscal year, if changed since last report **N.A.**

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

Title of each Class	and	Number of shares of common stock outstanding amount of debt outstanding
Common		**632,352,943**

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

Yes [ ] No [X]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports) - The company is not listed with the Philippines stock exchange.

Yes [ ] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days. - The company is not listed with the Philippines stock exchange.

Yes [ ] No [ ]

13. State the aggregate market value of the voting shares held by non-affiliates of the Registrant

The company is not listed with the Philippines stock exchange.

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1: BUSINESS

(1) BUSINESS DEVELOPMENT

Business Development

Tubig Pilipinas Group Inc. (TPGI or the Parent Company)

Tubig Pilipinas Group Inc. (TPGI or the Parent Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 2014. TPGI primarily engages in operating, managing, maintaining, and rehabilitating waterworks, sewerage, and sanitation systems and services. TPGI functions as a bulk water supplier and direct water distributor.

Service Areas
TPGI, directly through subsidiaries and affiliates, is currently the contracted water supplier of multiple cities and municipalities around the Philippines including Bacolod, Negros Occidental; Sual, Pangasinan; Coron, Palawan; Nabua, Ca marines Sur; San Jose City, Nueva Ecija; Calbayog City, Sa mar; and Echague, lsabela, as well as the water systems in Trece Martires City, Cavite; Cadiz City, Negros Occidental; and Catbalogan City, Western Samar.

Business Consolidation

Subsidiaries and Its Projects

Bacolod Bulk Water Inc.

In March 10, 2016, the consortium of Tubig Pilipinas Group Inc. (93.00%), TGV Builders Inc. (5.00%), and Mactan Rock Industries Inc. (2.00%) has entered into two bulk water supply contracts with Bacolod City Water District ("BACIWA") for the supply and delivery of potable water with combined contracted volume of up to 150,000 cubic meters per day over a span of 25 years. This bulk water supply project is being operated through Bacolod Bulk Water Inc. which was incorporated in August 31, 2016

Tubig Trece Martires Corp.

The first project of Tubig Pilipinas is the Trece Martires Water Project. It is a water distribution project that supplies potable water delivered via polyethylene pipelines direct to a total of 6,000 homes to the NHA housing project in Trece Martires, Cavite. The operations started in October 2014 but was spun-off on October 8, 2020 with the incorporation of Tubig Trece Martires Corp. The restructuring was a necessary step to manage the aggressive expansion of TPGI over the recent years.

Tubig Coron Inc.

On March 26, 2019, Tubig Pilipinas Group Inc. signed a 25-year joint venture agreement with Coron Rural Waterworks and Sanitation Association, Inc. ("CRWSAI") for the development, expansion, operations, and maintenance of the water distribution, sewage and septage system of CRWSAI's service area in Coron, Palawan. On August 23, 2019, Tubig Coron Inc. was incorporated to implement the project.

Tubig Nabua Inc.

On May 9, 2019, Tubig Pilipinas Group Inc. entered into a 25-year contractual joint venture agreement with Nabua Water District ("NAWAD") for the design, construction, rehabilitation, maintenance, operation, financing, expansion, and management of the water supply and septage management system in the Municipality of Nabua, Camarines Sur. Tubig Nabua Inc. was incorporated on August 30, 2019 as the implementing company of the project.

Tubig Cadiz Inc.

On August 28, 2020, Tubig Pilipinas Group Inc. executed a Memorandum of Agreement (MOA) with the National Housing Authority ("NHA") granting Tubig Pilipinas Group Inc. authority to construct/install, operate, manage, and maintain a water system for the residents of the Yolanda Housing Project of the NHA in Cadiz, Negros Occidental. On March 17, 2021 the operations of the Cadiz Water Project was spun-off to Tubig Cadiz Inc., a company evenly owned by Tubig Pilipinas Group Inc. and DLB Bataan Water Corporation. Currently, Tubig Cadiz is being fully operated and maintained by DLB Bataan Water Corporation.

San Jose City (N.E.) Water Company Inc.

In July 2019, the consortium of Manila Water Philippine Ventures Inc. and Tubig Pilipinas Group Inc. signed 25-year joint venture agreement with San Jose City Water District ("SJCWD") for the development, expansion, operations, and maintenance of the water distribution, sewage and septage system in San Jose City, Nueva Ecija. SJCWCI was incorporated on July 21, 2021 as the implementing company of the project. SJCWCI is currently owned by Manila Water Philippine Ventures (1.50%) and Tubig Pilipinas Group Inc. (98.50%). The company is being fully operated and maintained by Tubig Pilipinas Group Inc.

Tubig Catbalogan Corp.

On December 28, 2022, Tubig Pilipinas Group Inc. signed a 25-year contractual joint venture agreement with Catbalogan Water District for the privatization of the development, expansion, operations, and maintenance of the water distribution, sewage and septage system in Catbalogan, Samar. On September 19, 2023, Tubig Catbalogan Corp. was incorporated as the implementing company of the project.

Tubig Echague Corp.

On December 5, 2016, Tubig Pilipinas Group Inc. was granted the franchise to construct, operate, manage, and maintain a water, sewage, and septage utility system within the Municipality of Echague, Isabela. On September 28, 2023, Tubig Echague Corp. was incorporated as the implementing company of the project. The company is expected to commence its commercial operations in the first quarter of 2026.

Calbayog City Water Company Inc.

On July 3, 2018, the consortium of Manila Water Philippine Ventures Inc. and Tubig Pilipinas Group Inc. entered into a contractual joint venture agreement with Calbayog City Water District ("CCWD") for the development, expansion, operations, and maintenance of the water distribution, sewage and septage system in Calbayog City, Samar. The cooperation period under the joint venture agreement is 25 years. Calbayog City Water Company Inc. ("CCWCI") was incorporated on April 26, 2019 as the implementing company of the project. CCWCI is currently owned by Manila Water Philippine Ventures Inc. (60.00%) and Tubig Pilipinas Group Inc. (40.00%). The company is being fully operated and maintained by MWVPI.

Princess Urduja Waterworks Systems Inc.

PUWSI was granted the franchise to construct, install, operate, and maintain the water supply systems in the Municipalities of Sual and Labrador, Pangasinan on April 29, 2010 and January 15, 2013 respectively. In 2015, Tubig Pilipinas Group Inc. acquired a 40% stake in PUWSI, initially a wholly-owned subsidiary of TGV Builders Inc.

Risks Related to the Company and its Subsidiary

Inability to Increase Customer Tariffs

The Company's financial performance may be adversely affected if its requests for increases in customer tariffs are not granted. Water tariff rate adjustments during concession periods are formula driven, and the mechanics for seeking these adjustments are set out in the agreements. For the BBWI project, adjustments

are subject to the consumer price index ("CPI") escalation and/or under extraordinary circumstances as provided by the Government Procurement Policy Board and/or the National Economic and Development Authority ("NEDA"). For all other projects, adjustments are subject to the approved LUWA or NWRB regulatory rate.

Service Obligations and Business Efficiency Targets under the Bulk Water Supply and Distribution Agreements

Pursuant to the two (2) Bulk Water Supply Contracts between BBWI and Bacolod City Water District ("BACIWA"), BBWI shall: (a) abstract, design, and construct structures and facilities; (b) process/treat the water using acceptable technology and non-hazardous chemicals to meet the requirements of BACIWA Water Quality Parameters; and (c) supply the required water volume. Should BBWI fail to meet the minimum volumes and flow rate requirement, have water contamination be unable to supply up to the maximum volume agreed upon and/or be unable to deliver within 18 months from the signed Notice to Proceed received date, BBWI will be subject to damages in favor of BACIWA equivalent to ₱9.35 per cubic meter of water undelivered.

Water Districts have the right to terminate their respective agreements with BBWI and Tubig Pilipinas under certain circumstances, which include BBWI's and Tubig Pilipinas' material failure to meet its service obligations. In the case of an event of termination caused by BBWI and Tubig Pilipinas, BBWI's and Tubig Pilipinas' rights must be assigned to a qualified replacement operator following an agreed procedure in their respective agreements. Although BBWI and Tubig Pilipinas are entitled to receive compensation from the qualified replacing operator using a formula provided under the agreements, the amounts may not fully cover the costs of investment in the concessions if the termination is due to the fault of BBWI and Tubig Pilipinas. Furthermore, if the agreements are terminated for any reason, BBWI and Tubig Pilipinas may be unable to continue its operations. The water treatment systems are subject to the risks of having the inability to supply water due to lack of water pressure, water contamination, collection inefficiency, water theft, missing and/or stolen meters, and other non-revenue water.

Expiration of Bulk Water Supply Contracts, Joint Venture and Concession Agreements

With the exception of the Nabua Contract, the contracts of Tubig Pilipinas' Subsidiaries are valid for 25 years and subject to an extension / renewal. While the agreements allow for extensions of the stated concession periods, subject to the mutual agreement of the parties, there is no assurance that any of the agreements will be renewed beyond its expiration date. If the agreements are not renewed, its total investments with the allowed guaranteed return will still be fully recovered but the subsidiaries will not be able to continue its operations within its service areas. Nevertheless, the subsidiaries will still retain ownership of the water rights, all the water treatment facilities, and pipelines.

Lack of Water in the River Wells and other Aquifers

Being in the business of bulk water supply and distribution are highly reliant on the volume and quality of water from its deep wells and rivers, which to a high extent may be affected by the El Niño phenomenon among other things. A lack of water volume in the river wells and other aquifers may translate to lower production volume. There can be no assurance of adequate supply of water, and the failure to secure adequate water supplies would have material adverse effects on the company's results of operations and financial condition.

To mitigate this risk, before starting any project, Tubig Pilipinas with the assistance of its industry experts and several World Bank consultants for water, conducts in depth analysis on all water sources, flow analysis for surface water sources, and geo-resistivity analysis on all groundwater sources. These specific reports all form part of the Feasibility Studies for a particular project. Further, TPGI's water permit applications are for several sources and always over and above the quantity required for its water projects.

Liability for Water Supply Contamination

Tubig Pilipinas' and its subsidiaries businesses, particularly the supply of water to end-users, is subject to water supply contamination that could result in disease, death if unchecked, or otherwise endanger the public's health.

As of this date, Tubig Pilipinas and its subsidiaries have not yet experienced any water contamination issues. If it should occur, the entire water system will be shut down. The water will then be tested at three (3) sources, namely at the source, at the station after the chlorine dosing, and at the off take location, in order to determine the source of the contamination. Should it be determined that the contamination occurred

in the transmission or pipeline, an in-pipe video drone will be deployed to determine the exact location and extent of the damage. The damaged portion will then be excavated and replaced. If the contamination is due to saline intrusion or heavy metal contamination in the source (well or river), the source will immediately be shut off and a greater amount of water will be drawn from the other operating well or river source until the problem is fixed.

If Tubig Pilipinas' and its subsidiaries' water supply becomes contaminated, it could be subject to civil, criminal, or regulatory enforcement actions, private lawsuits, and expensive cleanup obligations.

Although Tubig Pilipinas' and its subsidiaries' water quality currently surpasses the water quality standards of the Philippine National Standards for Drinking Water set by the Department of Health ("DOH"), there can be no assurance that its water supply will always meet these standards. Additionally, should the water source become contaminated, Tubig Pilipinas' and its subsidiaries' inability to substitute water supply from an uncontaminated water source or to treat the contaminated water source in a cost-effective manner may have a material adverse effect on its financial condition and results of operations.

Tubig Pilipinas and its subsidiaries prevent water contamination by protecting the water source, whether deep well or river, by building a structure on the area and posting 24/7 staff to guard the premises. Watershed protection educational programs are also conducted on a yearly basis to educate the residents and businesses located near or adjacent to the water source on the proper disposal of waste and protection of the water source.

Fortunately, there are no industrial factories or mines near any of Tubig Pilipinas' project areas. Tubig Pilipinas is in constant coordination and cooperate with the water districts, LGUs, and the Department of Environment and Natural Resources ("DENR") regional branches in its project areas to fight against the establishment of industrial factories and/or mines that might pollute the nearby rivers and aquifers.

Non-Revenue Water

One of the major challenges facing water supply and distribution companies is the high level of water loss in distribution networks. This affects meeting consumer demands since a large proportion of water supplied is lost. Since this water yields no revenue, heavy losses also make it harder to keep water tariffs at a reasonable and affordable level. Non-revenue water is defined as the difference between the amount of water put into the distribution system and the amount of water billed to consumers. This is mostly due to leakage, pilferage from illegal connections, and metering errors.

Tubig Pilipinas' inability to prevent or keep to a minimum the NRW may have material adverse effects on its financial condition and results of operations.

Tubig Pilipinas and its subsidiaries conduct routine checks on its pipelines and will be conducting more comprehensive in-pipe surveys to maintain low NRW. Furthermore, pilferage is kept at a minimum by immediately padlocking or caging the meters and other important assets to prevent them from being damaged or stolen or totally disconnecting non-paying customers.

Blackouts and Increased Power Costs

Power costs constitute about a portion of the expenses of Tubig Pilipinas and its subsidiaries as these are used to power the water pumps since the sites.

Increases in power rates could materially affect the net income levels of the Company's water supply and distribution businesses.

The operations of Tubig Pilipnas's subsidiaries and some of its associates are dependent on electricity, hence the areas are carefully chosen prior to bidding for certain concessions. The primary consideration for its entry is an above average cost of water charged to consumers. Additionally, Some of the projects will be using gravity feed system to lower the dependence on electricity. Furthermore, to mitigate the increases in power costs, Tubig Pilipinas and its subsidiaries and associates will request the NWRB to increase rates in line with CPI increases.

Unsuccessful Implementation of Growth Strategy

The Company's growth strategy may involve: (a) entering into strategic alliances and partnerships; and (b) investments in water supply and distribution projects. TPGI's success in implementing this strategy, as well as the growth strategies of its subsidiary and associates, will depend on, among other things, its own or its

subsidiary's and associates' ability to identify and assess potential partners, investments, acquisitions; successfully finance, close, and integrate such investments and acquisitions; and control costs and maintain sufficient operation and financial controls. This growth strategy will place significant demands on TPGI's management and resources. TPGI's future growth may be adversely affected if it is unable to make these investments or to pursue these acquisitions, or if these investments and acquisitions prove unsuccessful.

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

- The need to incur significant expenses for preliminary engineering, permits, and legal and other expenses before determining whether a project is feasible, economically attractive, or capable of being financed;
- The inability to negotiate acceptable tariffs and/or other service fees;
- The inability to secure adequate construction financing;
- Shortages and insufficient quality of equipment, materials, and labor and the breakdown or failure of equipment or processes;
- Social unrest and terrorism;
- Engineering and environmental problems;
- Construction and operational delays or unanticipated cost overruns;
- Failure by key contractors and vendors to timely and properly perform their obligations; and,
- Adverse environmental conditions including inclement weather conditions.

Any such delays, cost overruns, unsatisfactory construction or development, or total or partial loss of the TPGI's interests in its projects could have a material adverse effect on the company's business, financial condition, and results of operation.

TPGI has entered into EPC contracts that are price and date certain. These are contracts with AAA contractors with vast experience in water projects. TPGI only engages AAA contractors and world-renowned suppliers for its projects.

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

Tubig Pilipinas' and its subsidiaries capital expenditures were funded predominantly through equity capital. Any future capital expenditures for all new projects, if any, will be financed through a mix of debt and equity capital.

There can be no assurance that Tubig Pilipinas and its subsidiaries will be able to obtain sufficient funds at acceptable rates, if at all, to complete the capital expenditure program or satisfy its other liquidity and capital resources requirements. Failure to obtain the requisite funds could delay or prevent completion of Tubig Pilipinas' and its subsidiaries' capital expenditure program and other projects, which may have a material adverse effect on the operation and development of its businesses.

However, as of this date, Development Bank of the Philippines, and other local private banks are keen to offer funding to the Company's water supply and distribution projects.

Risks Related Philippine Laws and Regulations

Tubig Pilipinas and its subsidiaries are subject to laws and regulations relating to the protection of human health and the environment. The company's capital expenditures, water extraction, and the treatment of water, sewage, and septage are among the activities subject to regulation and supervision by governmental agencies, such as the NWRB, the DOH, and the DENR.

Tubig Pilipinas and its subsidiaries have incurred, and will continue to incur, expenditures to comply with these provisions. In addition, because the standard of environmental laws and their enforcement are being enhanced, Tubig Pilipinas' and its subsidiaries' level of expenses for environmental compliance may increase in the future. Because Tubig Pilipinas and its subsidiaries operate in a highly regulated environment, it is susceptible to regulatory violations and the resulting fines. To mitigate this, Tubig Pilipinas and its subsidiaries are stringently conforming to and following the guidelines set forth by the NWRB, DOH and DENR.

(2) BUSINESS OF TUBIG PILIPINAS

Services

Bulk Water Supply

Large-scale water delivery projects serving towns, cities, and industries are the main emphasis of the bulk water supply segment of the Philippine water industry. In order to guarantee the availability of clean, drinkable water, this sector covers the development of water sources, such as rivers, lakes, and reservoirs, as well as the building of water treatment facilities.

Water Supply and Distribution

The water distribution segment focuses on the efficient and equitable delivery of water to end users, including households, commercial establishments, and industrial facilities. It involves the operation and maintenance of distribution networks, metering systems, and customer service facilities.

Employees

The present manpower complement consists of 300 employees.

There is no collective bargaining agreement in effect between management and the employees.

Transaction with and/or Dependence of Related Parties

The term "Related Parties" covers the Corporation's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the Corporation. It also covers the Corporation's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

Environmental, Social, and Governance

In 2025, TPGI prioritized compliance with applicable environmental laws and regulations administered by the Department of Environment and Natural Resources (DENR). Across its operational sites, the Company achieved approximately 84% compliance with required environmental permits, with remaining permits actively monitored and under processing. Environmental and Social Impact Assessments (ESIAs), hydrogeological and hydrological studies, and regular environmental monitoring were conducted to manage risks related to water resource sustainability, waste management, and operational impacts.

The Company also implemented initiatives to improve operational efficiency, including non-revenue water (NRW) reduction measures and improvements in waste and sludge management, supporting long-term environmental stewardship.

Environmental

In 2025, TPGI prioritized compliance with applicable environmental laws and regulations administered by the Department of Environment and Natural Resources (DENR). Across its operational sites, the Company achieved approximately 73% compliance with required environmental permits including Environmental Compliance Certificates, Permits to Operate, Discharge Permits, and Hazardous Waste Generator registrations with remaining permits actively monitored and under processing.

Environmental monitoring and audit mechanisms were implemented across operational sites through regular Environmental and Social (E&S) audits and compliance tracking systems. These mechanisms support continuous improvement in environmental performance and risk mitigation, consistent with Good International Industry Practice (GIIP).

TPGI undertook Environmental and Social Impact Assessments (ESIAs) and hydrogeological/hydrological studies for its projects to assess potential impacts on water resources, ecosystems, and surrounding communities. These studies informed project design, operational controls, and mitigation measures to ensure sustainable abstraction and protection of water sources.

The Company also advanced initiatives to improve operational efficiency, including non-revenue water (NRW) reduction, improved waste and sludge management, and climate adaptation measures aligned with investor and international standards. These initiatives directly support SDG 6 (Clean Water and Sanitation) and SDG 13 (Climate Action).

Social

TPGI implements Community Development Programs (CDPs) aligned with its operational footprint and the UN Sustainable Development Goals. In 2025, CDPs focused on sanitation, health and hygiene, and livelihood skills training, including the installation of handwashing and footwashing facilities, hygiene promotion initiatives, and skills training such as soap-making and sewing in host communities.

Stakeholder engagement is conducted through consultations and information activities, supported by accessible grievance redress mechanisms for both workers and external stakeholders to ensure community concerns are addressed in a transparent and timely manner.

Governance

The Company's ESG framework is overseen by the Board of Directors and implemented by Management through defined roles and responsibilities. In 2025, TPGI strengthened its governance framework through the development and institutionalization of key corporate policies covering ESG, environmental and social management, health and safety, stakeholder engagement, ethics, and anti-corruption.

Training and capacity-building activities were conducted for employees and contractors to promote compliance, accountability, and ethical conduct across operations. ESG risks are monitored as part of overall operational and compliance management.

ITEM 3: Legal Proceedings

To the best of the Company's knowledge, there are no occurrences of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director or executive officer of the Company in the past five years and as of date:

- any bankruptcy petition filed by or against any business of which the incumbent's directors or senior management of the Company was a general partner or executive officer, either at the time of the bankruptcy or within five years prior to that time;

- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or senior management of the company;

- any order, judgment, or decree, not subsequent reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or senior management of the Company in any type of business, securities, commodities or banking activities; and

- any finding by documents or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization, that any of the incumbent Directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

ITEM 4: Submission of Matters to a Vote of Security Holders

There were no matters covered by this report that were submitted to a vote of security holders.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5: Market for Issuer's Common Equity and Related Stockholders Matters
Market Information

Holders of Common Equity

As of 19 August 2025, the Company had nine (9) stockholders as per its General Information Sheet, as follows:

	Name of Stockholders	No. of shares	Percentage
1	Pure Water Corporation	**268,749,998**	42.50%
2	Quadwater Corporation	**268,749,997**	42.50%
3	Dexter Y. Tiu	**1**	NIL
4	Ryan Wesley T. Yapkianwee	**1**	NIL
5	Eric Peter Y. Roxas	**1**	NIL
7	Howard Conrad T. Sy	**1**	NIL
8	Conrado Ma. Leandro Francisco G. Belisario	**1**	NIL
11	CEFD2 A09 B.V.	**94,852,9425**	15.00%
12	John Benedict B. Victorino	**1**	NIL
TOTAL		**632,352,943**	**100.00%**

As of 19 August 2025, 94,852,942 common shares are held by non-Filipinos, placing the foreign ownership level of the Corporation at 15%.

Dividends

The Company has not declared any kind of dividend to its shareholders since its incorporation.

Recent Issuance of Securities Constituting an Exempt Transaction

For the year ended December 31, 2024, the Company has not issued any securities constituting an exempt transaction.

ITEM 6: Management's Discussion and Analysis or Plan of Operation

Plan of Operation

The following tables present the summary financial Statements and Independent Auditor's Report for the ended December 31, 2024 and 2023.

TPGIs Summary Audited Consolidated Financial Information		
as at		
	2024	**2023**
	(One year)	**(One year)**
Amounts are in Php		
Consolidated Statement of Comprehensive Income		
Revenue	262,155,464	169,084,223

Cost of Services	-146,738,117	-118,284,259
Gross Profit	115,417,347	50,799,964
Operating Expenses	-109,500,251	-94,316,378
Income (Loss) From Operations	5,917,096	-43,516,414
Other Income	21,524,769	-14650,440
Interest Income	864,363	713,592
Interest Expense	-77,545,4102	-58,913,011
Income (loss) before income tax	-48,837,036	-37,005,034
Share in Net Income (Loss) of Associates	402,146	-2,026,395
"Day 1 Difference on Loans Payable"	0	81,387,634
Net Income (loss)	-48,035,184	-54,885,105
Consolidated Statement of Financial Position		
Assets		
Cash and cash equivalents	139,953,899	89,500,434
Trade and Other Receivables	48,895,187	70,055,638
Due from Related Parties	487,066,975	360,015,890
Creditable withholding taxes	7,774,336	6,505,953
Other Current Assets	12,039,855	5,786,623
Total Current Assets	**695,730,252**	**531,864,538**
Investment in Associates	99,649,142	99,246,996
Property, plant and equipment –net	739,951,965	542,022,304
Service Concession Asset	676,371,856	678,425,005
Goodwill	126,136,736	126,136,736
Right-of-use (ROU) Asset	24,951,748	15,932,462
Other Noncurrent Asset	93,101,050	37,115,742
Total Non-Current Assets	**1,760,162,497**	**1,498,879,245**
TOTAL ASSETS	**2,455 ,892,749**	**2,030,743,783**
Liabilities and Equity		

Trade and other payables	127,705,211	89,157,186
Due to Related Parties	341,959,031	494,204,065
Current portion of:		
Loans Payable	611,298,364	53,246,668
Lease Liabilities	6,397,594	861,968
Service Concession Liability	30,285,043	12,304,182
Total Current Liabilities	**1,117,645,243**	**649,774,069**
Noncurrent Portion:	-	-
Loans Payable	358,470,604	707,118,322
Lease Liabilities	26,070,229	20,145,153
Service Concession Liability	545,468,494	565,690,181
Deferred Tax Liability	13,085,532	19,720,239
Total Non-Current Liability	**943,094,859**	**1,312,673,895**
Capital Stock	232,767,113	50,000,000
Additional Paid in Capital	372,827,871	51,500,000
Deposit for Future Stock Subscription	-	129,145,472
Deficit	-225,517,782	-179,456,502
Other Equity Reserve	-13,270,403	-13,270,403
Stockholders' Equity	**395,152,647**	**68,295,819**
TOTAL LIABILITIES AND EQUITY	**2,455,892,749**	**2,030,743,783**

A. Comprehensive Income for the year ended December 31, 2023 vs. Comprehensive Income for the year ended December 31, 2024

Revenue

Revenue increased by P93.07 Million or 55%, to P262.16 Million as of December 31, 2024 from P169.08 Million as of December 31, 2023 was due mainly on the full-year operation of Tubig Catbalogan Corp. in 2024 whereas in 2023 only 1 quarter was included

Cost of Services

Cost of Services increased by P28.45 Million or 24%, to P146.74 Million as of December 31, 2024 from P118.28 Million as of December 31, 2023 was due mainly on the full-year operation of Tubig Catbalogan Corp., but improvements in non-revenue water help mitigate the increase

Operating Expenses

Operating Expenses increased by P15.18 Million or 16%, to P109.50 Million as of December 31, 2024 from P94.32 Million as of December 31, 2023 was due mainly on the full-year operation of Tubig Catbalogan Corp.

Interest Expense

Interest Expense increased by P18.63 Million or 32%, to P77.55 Million as of December 31, 2024 from P58.91 Million as of December 31, 2023 was due mainly on additional project finance drawdown from various banks.

Other Income

Other Income increased by P36.18 Million or 247%, to P21.52 Million as of December 31, 2024 from (P14.65) Million as of December 31, 2023 was due mainly on the gain on reversal of due to related parties and trade payables.

Net Income (Loss)

Net Income increased by P6.58 Million or 12%, to (P48.31) Million as of December 31, 2024 from (P54.89) Million as of December 31, 2023 was due mainly on the increase in revenue and improvements in NRW.

B. Consolidated Statement of Financial Position

December 31, 2024 vs. December 31, 2023

Cash and Cash Equivalent

Cash and cash equivalents increased by P50.45 Million or 56%, to P139.95 Million as of December 31, 2024, from P89.50 Million as of December 31, 2023. This was mainly due to the proceeds from the issuance of shares amounting to P375 Million and improved operating cash flows driven by the 55% increase in revenues.

Trade and Other Receivables

Trade and other receivables decreased by P21.16 Million or 30%, to P48.90 Million as of December 31, 2024, from P70.06 Million as of December 31, 2023. This decrease was primarily attributable to improved collection efficiency and the realization of receivables previously due from related parties.

Prepayments and Other Assets

Other Assets (Current and Noncurrent) increased by a total of P62.24 Million, ending at P105.14 Million combined. Specifically, Other Noncurrent Assets increased by P55.99 Million due to significant advances to contractors and suppliers for ongoing projects, while Other Current Assets increased by P6.25 Million in line with expanding operations.

Property, Plant and Equipment

Property, Plant and Equipment increased by P197.93 Million or 37%, to P739.95 Million as of December 31, 2024, from P542.02 Million as of December 31, 2023. The growth was mainly due to capital expenditures for Construction in Progress and the acquisition of water supply facilities and equipment to support service expansion.

Trade and Other Payables

Trade and Other Payables increased by P38.55 Million or 43%, to P127.71 Million as of December 31, 2024, from P89.16 Million as of December 31, 2023. This was mainly due to the increase in accrued expenses and the recognition of provisions for probable losses amounting to P20.1 Million.

Loan Payable

Total Loans Payable increased by P209.40 Million or 28%, to P969.77 Million as of December 31, 2024, from P760.36 Million as of December 31, 2023 as the company was able to obtain various loan from commercial banks for the ongoing construction of its projects.

Deficit

Deficit increased by P46.06 Million or 26%, to P225.52 Million as of December 31, 2024, from P179.46 Million as of December 31, 2023. This was driven primarily by significant interest expenses (P77.55 Million) and operating expenses (P109.50 Million).

The assets, liabilities, income and expense and operating and investing cash flows as at and for the year ended December 31, 2023 from the exploration for and evaluation of coal resources are as follows:

	2024	2023
Total assets	695,730,252	531,864,538
Total liabilities	1,117,645,243	649,774,069
Net Income	(48,305,184)	(54,885,105)
Expenses	256,238,368	212,600,637
Net cash used in operating activities	112,995,515	1,988,741
Net cash used in investing activities	(419,429,523)	(345,033,885)
Net cash provided by financing activities	355,162,077	364,636,203

ITEM 7: Financial Statements

Please refer to the attached audited consolidated financial statements of the Company as at and for the year ended December 31, 2024 and 2023, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes Tacandong & Co.

The Company was incorporated on October 27, 2014. Since the audit of Reyes Tacandong & Co., there has been no change in auditor and there has been no disagreement on accounting and financial disclosures.

ITEM 8: Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

Reyes Tacandong & Co. was appointed as external auditor for the year ended December 31, 2024.

There was no disagreement with the external auditor on any matter pertaining to accounting and financial disclosure.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9: Directors and Executive Officers

The Company's Board of Directors is responsible for the overall management of the business and assets of the Company. The Board of Directors is composed of five (5) members, each of whom serves for a term of one (one) year until his /her successor is duly elected and qualified.

Board of Directors

The following are the incumbent members of the Board of Directors of the Company:

Name	Position with the Company
Ryan Wesley T. Yapkianwee	Chairman and President

Dexter Y. Tiu	Director
Eric Y. Roxas	Corporate Secretary
Conrado Ma. Leandro Francisco Belisario	Treasurer and CEO
Howard Conrad T. Sy	Director
John Benedict B. Victorino	Director

Principal Officers

Name	Nationality	Present Position
Ryan Wesley T. Yapkianwee	Filipino	Chairman and President
Conrado Ma. Leandro Francisco G. Belisario	Filipino	Treasurer and Chief Executive Officer
Eric Peter Y. Roxas	Filipino	Corporate Secretary
Mark Eric C. Roxas	Filipino	COO

Family Relations

Eric Peter Y. Roxas is the father of Mark Eric C. Roxas.

Involvement in Legal Proceedings

To the best of the Company's knowledge, there has been no occurrence during the past five (5) years of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or controlling person of the Company:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;
- any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

ITEM 10: Executive Compensation

Compensation of Directors

Under the By-Laws, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and appropriated among the directors in such manner, as the Board may deem

proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

Standard Arrangements and other Arrangements

As of the date of this Annual Report, the Company has no existing arrangements with members of the Board of Directors, executive officers and employees.

Employment Contracts, Termination of Employment, Change in Control of Arrangements

There are no special employment contracts between the Company and its executive officers. Furthermore, there are no special retirement plans for executives.

There is also no arrangement for compensation to be received from the Company.

Warrants and Options Outstanding

There are no outstanding warrants or options held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

ITEM 11: Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of 19 August 2025:

Title of Class	Name and Citizenship	Amount and nature of beneficial ownership		Percent of Class
Common	Ryan Wesley T. Yapkianwee (Filipno)	1	Direct	0.00
Common	Dexter Y. Tiu (Filipino)	1	Direct	0.00
Common	Conrado Ma. Leandro Francisco G. Belisario (Filipino)	1	Direct	0.00
Common	Eric Y. Roxas (Filipino)	1	Direct	0.00
Common	Howard Conrad T. Sy (Filipino)	1	Direct	0.00
Common	John Benedict Victorino (Filipino)	1	Indirect	0.00
Common	All directors and executive officers as a group	6		0.00

Sustainability Report & Manual on Corporate Governance: A manual on corporate governance and sustainability report will be made available in due course.

TUBIG PILIPINAS GROUP, INC.

1. For the calendar period ended **December 31, 2024**

2. Commission identification number **CS 201421025**

3. BIR TIN **008-893-422-000**

4. Province, country or other jurisdiction of incorporation or organization **Philippines**

5. Address of company's office Postal Code
7th Floor One Oculus Center,, 2120 Don Chino Roces Ave., Makati City **1230**

6. Issuer's telephone number, including area code (**02) 8800-3898**

7. Former name, former address and former fiscal year, if changed since last report **N.A.**

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1: BUSINESS

(1) BUSINESS DEVELOPMENT

Business Development

Tubig Pilipinas Group Inc. (TPGI or the Parent Company)

Tubig Pilipinas Group Inc. (TPGI or the Parent Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 2014. TPGI primarily engages in operating, managing, maintaining, and rehabilitating waterworks, sewerage, and sanitation systems and services. TPGI functions as a bulk water supplier and direct water distributor.

Service Areas
TPGI, directly through subsidiaries and affiliates, is currently the contracted water supplier of multiple cities and municipalities around the Philippines including Bacolod, Negros Occidental; Sual, Pangasinan; Coron, Palawan; Nabua, Ca marines Sur; San Jose City, Nueva Ecija; Calbayog City, Sa mar; and Echague, lsabela, as well as the water systems in Trece Martires City, Cavite; Cadiz City, Negros Occidental; and Catbalogan City, Western Samar.

Business Consolidation

Subsidiaries and Its Projects

Bacolod Bulk Water Inc.

In March 10, 2016, the consortium of Tubig Pilipinas Group Inc. (93.00%), TGV Builders Inc. (5.00%), and Mactan Rock Industries Inc. (2.00%) has entered into two bulk water supply contracts with Bacolod City Water District ("BACIWA") for the supply and delivery of potable water with combined contracted volume of up to 150,000 cubic meters per day over a span of 25 years. This bulk water supply project is being operated through Bacolod Bulk Water Inc. which was incorporated in August 31, 2016

Tubig Trece Martires Corp.

The first project of Tubig Pilipinas is the Trece Martires Water Project. It is a water distribution project that supplies potable water delivered via polyethylene pipelines direct to a total of 6,000 homes to the NHA housing project in Trece Martires, Cavite. The operations started in October 2014 but was spun-off on October 8, 2020 with the incorporation of Tubig Trece Martires Corp. The restructuring was a necessary step to manage the aggressive expansion of TPGI over the recent years.

Tubig Coron Inc.

On March 26, 2019, Tubig Pilipinas Group Inc. signed a 25-year joint venture agreement with Coron Rural Waterworks and Sanitation Association, Inc. ("CRWSAI") for the development, expansion, operations, and maintenance of the water distribution, sewage and septage system of CRWSAI's service area in Coron, Palawan. On August 23, 2019, Tubig Coron Inc. was incorporated to implement the project.

Tubig Nabua Inc.

On May 9, 2019, Tubig Pilipinas Group Inc. entered into a 25-year contractual joint venture agreement with Nabua Water District ("NAWAD") for the design, construction, rehabilitation, maintenance, operation, financing, expansion, and management of the water supply and septage management system in the Municipality of Nabua, Camarines Sur. Tubig Nabua Inc. was incorporated on August 30, 2019 as the implementing company of the project.

Tubig Cadiz Inc.

On August 28, 2020, Tubig Pilipinas Group Inc. executed a Memorandum of Agreement (MOA) with the National Housing Authority ("NHA") granting Tubig Pilipinas Group Inc. authority to construct/install, operate, manage, and maintain a water system for the residents of the Yolanda Housing Project of the NHA in Cadiz, Negros Occidental. On March 17, 2021 the operations of the Cadiz Water Project was spun-off to Tubig Cadiz Inc., a company evenly owned by Tubig Pilipinas Group Inc. and DLB Bataan Water Corporation. Currently, Tubig Cadiz is being fully operated and maintained by DLB Bataan Water Corporation.

San Jose City (N.E.) Water Company Inc.

In July 2019, the consortium of Manila Water Philippine Ventures Inc. and Tubig Pilipinas Group Inc. signed 25-year joint venture agreement with San Jose City Water District ("SJCWD") for the development, expansion, operations, and maintenance of the water distribution, sewage and septage system in San Jose City, Nueva Ecija. SJCWCI was incorporated on July 21, 2021 as the implementing company of the project. SJCWCI is currently owned by Manila Water Philippine Ventures (1.50%) and Tubig Pilipinas Group Inc. (98.50%). The company is being fully operated and maintained by Tubig Pilipinas Group Inc.

Tubig Catbalogan Corp.

On December 28, 2022, Tubig Pilipinas Group Inc. signed a 25-year contractual joint venture agreement with Catbalogan Water District for the privatization of the development, expansion, operations, and maintenance of the water distribution, sewage and septage system in Catbalogan, Samar. On September 19, 2023, Tubig Catbalogan Corp. was incorporated as the implementing company of the project.

Tubig Echague Corp.

On December 5, 2016, Tubig Pilipinas Group Inc. was granted the franchise to construct, operate, manage, and maintain a water, sewage, and septage utility system within the Municipality of Echague, Isabela. On September 28, 2023, Tubig Echague Corp. was incorporated as the implementing company of the project. The company is expected to commence its commercial operations in the first quarter of 2026.

Calbayog City Water Company Inc.

On July 3, 2018, the consortium of Manila Water Philippine Ventures Inc. and Tubig Pilipinas Group Inc. entered into a contractual joint venture agreement with Calbayog City Water District ("CCWD") for the development, expansion, operations, and maintenance of the water distribution, sewage and septage system in Calbayog City, Samar. The cooperation period under the joint venture agreement is 25 years. Calbayog City Water Company Inc. ("CCWCI") was incorporated on April 26, 2019 as the implementing company of the project. CCWCI is currently owned by Manila Water Philippine Ventures Inc. (60.00%) and Tubig Pilipinas Group Inc. (40.00%). The company is being fully operated and maintained by MWVPI.

Princess Urduja Waterworks Systems Inc.

PUWSI was granted the franchise to construct, install, operate, and maintain the water supply systems in the Municipalities of Sual and Labrador, Pangasinan on April 29, 2010 and January 15, 2013 respectively. In 2015, Tubig Pilipinas Group Inc. acquired a 40% stake in PUWSI, initially a wholly-owned subsidiary of TGV Builders Inc.

Risks Related to the Company and its Subsidiary

Inability to Increase Customer Tariffs

The Company's financial performance may be adversely affected if its requests for increases in customer tariffs are not granted. Water tariff rate adjustments during concession periods are formula driven, and the mechanics for seeking these adjustments are set out in the agreements. For the BBWI project, adjustments are subject to the consumer price index ("CPI") escalation and/or under extraordinary circumstances as provided by the Government Procurement Policy Board and/or the National Economic and Development Authority ("NEDA"). For all other projects, adjustments are subject to the approved LUWA or NWRB regulatory rate.

Service Obligations and Business Efficiency Targets under the Bulk Water Supply and Distribution Agreements

Pursuant to the two (2) Bulk Water Supply Contracts between BBWI and Bacolod City Water District ("BACIWA"), BBWI shall: (a) abstract, design, and construct structures and facilities; (b) process/treat the water using acceptable technology and non-hazardous chemicals to meet the requirements of BACIWA Water Quality Parameters; and (c) supply the required water volume. Should BBWI fail to meet the minimum volumes and flow rate requirement, have water contamination be unable to supply up to the maximum volume agreed upon and/or be unable to deliver within 18 months from the signed Notice to Proceed received date, BBWI will be subject to damages in favor of BACIWA equivalent to ₱9.35 per cubic meter of water undelivered.

Water Districts have the right to terminate their respective agreements with BBWI and Tubig Pilipinas under certain circumstances, which include BBWI's and Tubig Pilipinas' material failure to meet its service obligations. In the case of an event of termination caused by BBWI and Tubig Pilipinas, BBWI's and Tubig Pilipinas' rights must be assigned to a qualified replacement operator following an agreed procedure in their respective agreements. Although BBWI and Tubig Pilipinas are entitled to receive compensation from the qualified replacing operator using a formula provided under the agreements, the amounts may not fully cover the costs of investment in the concessions if the termination is due to the fault of BBWI and Tubig Pilipinas. Furthermore, if the agreements are terminated for any reason, BBWI and Tubig Pilipinas may be unable to continue its operations. The water treatment systems are subject to the risks of having the inability to supply water due to lack of water pressure, water contamination, collection inefficiency, water theft, missing and/or stolen meters, and other non-revenue water.

Expiration of Bulk Water Supply Contracts, Joint Venture and Concession Agreements

With the exception of the Nabua Contract, the contracts of Tubig Pilipinas' Subsidiaries are valid for 25 years and subject to an extension / renewal. While the agreements allow for extensions of the stated concession periods, subject to the mutual agreement of the parties, there is no assurance that any of the agreements will be renewed beyond its expiration date. If the agreements are not renewed, its total investments with the allowed guaranteed return will still be fully recovered but the subsidiaries will not be able to continue its operations within its service areas. Nevertheless, the subsidiaries will still retain ownership of the water rights, all the water treatment facilities, and pipelines.

Lack of Water in the River Wells and other Aquifers

Being in the business of bulk water supply and distribution are highly reliant on the volume and quality of water from its deep wells and rivers, which to a high extent may be affected by the El Niño phenomenon among other things. A lack of water volume in the river wells and other aquifers may translate to lower production volume. There can be no assurance of adequate supply of water, and the failure to secure adequate water supplies would have material adverse effects on the company's results of operations and financial condition.

To mitigate this risk, before starting any project, Tubig Pilipinas with the assistance of its industry experts and several World Bank consultants for water, conducts in depth analysis on all water sources, flow analysis for surface water sources, and geo-resistivity analysis on all groundwater sources. These specific reports all form part of the Feasibility Studies for a particular project. Further, TPGI's water permit applications are for several sources and always over and above the quantity required for its water projects.

Liability for Water Supply Contamination

Tubig Pilipinas' and its subsidiaries businesses, particularly the supply of water to end-users, is subject to water supply contamination that could result in disease, death if unchecked, or otherwise endanger the public's health.

As of this date, Tubig Pilipinas and its subsidiaries have not yet experienced any water contamination issues. If it should occur, the entire water system will be shut down. The water will then be tested at three (3) sources, namely at the source, at the station after the chlorine dosing, and at the off take location, in order to determine the source of the contamination. Should it be determined that the contamination occurred in the transmission or pipeline, an in-pipe video drone will be deployed to determine the exact location and extent of the damage. The damaged portion will then be excavated and replaced. If the contamination is due to saline intrusion or heavy metal contamination in the source (well or river), the source will immediately be shut off and a greater amount of water will be drawn from the other operating well or river source until the problem is fixed.

If Tubig Pilipinas' and its subsidiaries' water supply becomes contaminated, it could be subject to civil, criminal, or regulatory enforcement actions, private lawsuits, and expensive cleanup obligations.

Although Tubig Pilipinas' and its subsidiaries' water quality currently surpasses the water quality standards of the Philippine National Standards for Drinking Water set by the Department of Health ("DOH"), there can be no assurance that its water supply will always meet these standards. Additionally, should the water source become contaminated, Tubig Pilipinas' and its subsidiaries' inability to substitute water supply from an uncontaminated water source or to treat the contaminated water source in a cost-effective manner may have a material adverse effect on its financial condition and results of operations.

Tubig Pilipinas and its subsidiaries prevent water contamination by protecting the water source, whether deep well or river, by building a structure on the area and posting 24/7 staff to guard the premises. Watershed protection educational programs are also conducted on a yearly basis to educate the residents and businesses located near or adjacent to the water source on the proper disposal of waste and protection of the water source.

Fortunately, there are no industrial factories or mines near any of Tubig Pilipinas' project areas. Tubig Pilipinas is in constant coordination and cooperate with the water districts, LGUs, and the Department of Environment and Natural Resources ("DENR") regional branches in its project areas to fight against the establishment of industrial factories and/or mines that might pollute the nearby rivers and aquifers.

Non-Revenue Water

One of the major challenges facing water supply and distribution companies is the high level of water loss in distribution networks. This affects meeting consumer demands since a large proportion of water supplied is lost. Since this water yields no revenue, heavy losses also make it harder to keep water tariffs at a reasonable and affordable level. Non-revenue water is defined as the difference between the amount of water put into the distribution system and the amount of water billed to consumers. This is mostly due to leakage, pilferage from illegal connections, and metering errors.

Tubig Pilipinas' inability to prevent or keep to a minimum the NRW may have material adverse effects on its financial condition and results of operations.

Tubig Pilipinas and its subsidiaries conduct routine checks on its pipelines and will be conducting more comprehensive in-pipe surveys to maintain low NRW. Furthermore, pilferage is kept at a minimum by immediately padlocking or caging the meters and other important assets to prevent them from being damaged or stolen or totally disconnecting non-paying customers.

Blackouts and Increased Power Costs

Power costs constitute about a portion of the expenses of Tubig Pilipinas and its subsidiaries as these are used to power the water pumps since the sites.

Increases in power rates could materially affect the net income levels of the Company's water supply and distribution businesses.

The operations of Tubig Pilipnas's subsidiaries and some of its associates are dependent on electricity, hence the areas are carefully chosen prior to bidding for certain concessions. The primary consideration for its entry is an above average cost of water charged to consumers. Additionally, Some of the projects will be using gravity feed system to lower the dependence on electricity. Furthermore, to mitigate the increases in power costs, Tubig Pilipinas and its subsidiaries and associates will request the NWRB to increase rates in line with CPI increases.

Unsuccessful Implementation of Growth Strategy

The Company's growth strategy may involve: (a) entering into strategic alliances and partnerships; and (b) investments in water supply and distribution projects. TPGI's success in implementing this strategy, as well as the growth strategies of its subsidiary and associates, will depend on, among other things, its own or its subsidiary's and associates' ability to identify and assess potential partners, investments, acquisitions; successfully finance, close, and integrate such investments and acquisitions; and control costs and maintain sufficient operation and financial controls. This growth strategy will place significant demands on TPGI's management and resources. TPGI's future growth may be adversely affected if it is unable to make these investments or to pursue these acquisitions, or if these investments and acquisitions prove unsuccessful.

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

- The need to incur significant expenses for preliminary engineering, permits, and legal and other expenses before determining whether a project is feasible, economically attractive, or capable of being financed;
- The inability to negotiate acceptable tariffs and/or other service fees;
- The inability to secure adequate construction financing;
- Shortages and insufficient quality of equipment, materials, and labor and the breakdown or failure of equipment or processes;
- Social unrest and terrorism;
- Engineering and environmental problems;
- Construction and operational delays or unanticipated cost overruns;
- Failure by key contractors and vendors to timely and properly perform their obligations; and,
- Adverse environmental conditions including inclement weather conditions.

Any such delays, cost overruns, unsatisfactory construction or development, or total or partial loss of the TPGI's interests in its projects could have a material adverse effect on the company's business, financial condition, and results of operation.

TPGI has entered into EPC contracts that are price and date certain. These are contracts with AAA contractors with vast experience in water projects. TPGI only engages AAA contractors and world-renowned suppliers for its projects.

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

Tubig Pilipinas' and its subsidiaries capital expenditures were funded predominantly through equity capital. Any future capital expenditures for all new projects, if any, will be financed through a mix of debt and equity capital.

There can be no assurance that Tubig Pilipinas and its subsidiaries will be able to obtain sufficient funds at acceptable rates, if at all, to complete the capital expenditure program or satisfy its other liquidity and capital resources requirements. Failure to obtain the requisite funds could delay or prevent completion of Tubig Pilipinas' and its subsidiaries' capital expenditure program and other projects, which may have a material adverse effect on the operation and development of its businesses.

However, as of this date, Development Bank of the Philippines, and other local private banks are keen to offer funding to the Company's water supply and distribution projects.

Risks Related Philippine Laws and Regulations

Tubig Pilipinas and its subsidiaries are subject to laws and regulations relating to the protection of human health and the environment. The company's capital expenditures, water extraction, and the treatment of water, sewage, and septage are among the activities subject to regulation and supervision by governmental agencies, such as the NWRB, the DOH, and the DENR.

Tubig Pilipinas and its subsidiaries have incurred, and will continue to incur, expenditures to comply with these provisions. In addition, because the standard of environmental laws and their enforcement are being enhanced, Tubig Pilipinas' and its subsidiaries' level of expenses for environmental compliance may increase in the future. Because Tubig Pilipinas and its subsidiaries operate in a highly regulated environment, it is susceptible to regulatory violations and the resulting fines. To mitigate this, Tubig Pilipinas and its subsidiaries are stringently conforming to and following the guidelines set forth by the NWRB, DOH and DENR.

(2) BUSINESS OF TUBIG PILIPINAS

Services

Bulk Water Supply

Large-scale water delivery projects serving towns, cities, and industries are the main emphasis of the bulk water supply segment of the Philippine water industry. In order to guarantee the availability of clean, drinkable water, this sector covers the development of water sources, such as rivers, lakes, and reservoirs, as well as the building of water treatment facilities.

Water Supply and Distribution

The water distribution segment focuses on the efficient and equitable delivery of water to end users, including households, commercial establishments, and industrial facilities. It involves the operation and maintenance of distribution networks, metering systems, and customer service facilities.

Employees

The present manpower complement consists of 300 employees.

There is no collective bargaining agreement in effect between management and the employees.

Transaction with and/or Dependence of Related Parties

The term "Related Parties" covers the Corporation's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the Corporation. It also covers the Corporation's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

Environmental, Social, and Governance

Tubig Pilipinas Group, Inc. (TPGI) integrates Environmental, Social, and Governance (ESG) principles into its operations to support regulatory compliance, risk management, and sustainable business growth. ESG implementation is embedded across project development, construction, and operations through the Company's Health, Safety, Social, and Environmental Management System (HSSE MS), which serves as TPGI's Environmental and Social Management System (ESMS).

Environmental

In 2025, TPGI prioritized compliance with applicable environmental laws and regulations administered by the Department of Environment and Natural Resources (DENR). Across its operational sites, the Company achieved approximately 73% compliance with required environmental permits including Environmental Compliance Certificates, Permits to Operate, Discharge Permits, and Hazardous Waste Generator registrations with remaining permits actively monitored and under processing.

Environmental monitoring and audit mechanisms were implemented across operational sites through regular Environmental and Social (E&S) audits and compliance tracking systems. These mechanisms support continuous improvement in environmental performance and risk mitigation, consistent with Good International Industry Practice (GIIP).

TPGI undertook Environmental and Social Impact Assessments (ESIAs) and hydrogeological/hydrological studies for its projects to assess potential impacts on water resources, ecosystems, and surrounding communities. These studies informed project design, operational controls, and mitigation measures to ensure sustainable abstraction and protection of water sources.

The Company also advanced initiatives to improve operational efficiency, including non-revenue water (NRW) reduction, improved waste and sludge management, and climate adaptation measures aligned with investor and international standards. These initiatives directly support SDG 6 (Clean Water and Sanitation) and SDG 13 (Climate Action).

Social

TPGI implements Community Development Programs (CDPs) aligned with its operational footprint and the UN Sustainable Development Goals. In 2025, CDPs focused on sanitation, health and hygiene, and livelihood skills training, including the installation of handwashing and footwashing facilities, hygiene promotion initiatives, and skills training such as soap-making and sewing in host communities.

Stakeholder engagement is conducted through consultations and information activities, supported by accessible grievance redress mechanisms for both workers and external stakeholders to ensure community concerns are addressed in a transparent and timely manner.

Governance

The Company's ESG framework is overseen by the Board of Directors and implemented by Management through defined roles and responsibilities. In 2025, TPGI strengthened its governance framework through the development and institutionalization of key corporate policies covering ESG, environmental and social management, health and safety, stakeholder engagement, ethics, and anti-corruption.

Training and capacity-building activities were conducted for employees and contractors to promote compliance, accountability, and ethical conduct across operations. ESG risks are monitored as part of overall operational and compliance management.

ITEM 3: Legal Proceedings

To the best of the Company's knowledge, there are no occurrences of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director or executive officer of the Company in the past five years and as of date:

- any bankruptcy petition filed by or against any business of which the incumbent's directors or senior management of the Company was a general partner or executive officer, either at the time of the bankruptcy or within five years prior to that time;

- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or senior management of the company;

- any order, judgment, or decree, not subsequent reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or senior management of the Company in any type of business, securities, commodities or banking activities; and

- any finding by documents or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization, that any of the incumbent Directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

ITEM 4: Submission of Matters to a Vote of Security Holders

There were no matters covered by this report that were submitted to a vote of security holders.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5: Market for Issuer's Common Equity and Related Stockholders Matters
Market Information

Holders of Common Equity

As of 19 August 2025, the Company had nine (9) stockholders as per its General Information Sheet, as follows:

	Name of Stockholders	No. of shares	Percentage
1	Pure Water Corporation	**268,749,998**	42.50%
2	Quadwater Corporation	**268,749,997**	42.50%
3	Dexter Y. Tiu	**1**	NIL
4	Ryan Wesley T. Yapkianwee	**1**	NIL
5	Eric Peter Y. Roxas	**1**	NIL
7	Howard Conrad T. Sy	**1**	NIL
8	Conrado Ma. Leandro Francisco G. Belisario	**1**	NIL
11	CEFD2 A09 B.V.	**94,852,9425**	15.00%
12	John Benedict B. Victorino	**1**	NIL
TOTAL		**632,352,943**	**100.00%**

As of 19 August 2025, 94,852,942 common shares are held by non-Filipinos, placing the foreign ownership level of the Corporation at 15%.

Dividends

The Company has not declared any kind of dividend to its shareholders since its incorporation.

Recent Issuance of Securities Constituting an Exempt Transaction

For the year ended December 31, 2024, the Company has not issued any securities constituting an exempt transaction.

ITEM 6: Management's Discussion and Analysis or Plan of Operation

Plan of Operation

The following tables present the summary financial Statements and Independent Auditor's Report for the ended December 31, 2024 and 2023.

TPGIs Summary Audited Consolidated Financial Information
as at

	2024	2023
	(One year)	(One year)
Amounts are in Php		
Consolidated Statement of Comprehensive Income		
Revenue	262,155,464	169,084,223
Cost of Services	-146,738,117	-118,284,259
Gross Profit	115,417,347	50,799,964
Operating Expenses	-109,500,251	-94,316,378
Income (Loss) From Operations	5,917,096	-43,516,414
Other Income	21,524,769	-14650,440
Interest Income	864,363	713,592
Interest Expense	-77,545,4102	-58,913,011
Income (loss) before income tax	-48,837,036	-37,005,034
Share in Net Income (Loss) of Associates	402,146	-2,026,395
"Day 1 Difference on Loans Payable"	0	81,387,634
Net Income (loss)	-48,035,184	-54,885,105
Consolidated Statement of Financial Position		
Assets		
Cash and cash equivalents	139,953,899	89,500,434
Trade and Other Receivables	48,895,187	70,055,638
Due from Related Parties	487,066,975	360,015,890
Creditable withholding taxes	7,774,336	6,505,953
Other Current Assets	12,039,855	5,786,623
Total Current Assets	**695,730,252**	**531,864,538**
Investment in Associates	99,649,142	99,246,996
Property, plant and equipment –net	739,951,965	542,022,304
Service Concession Asset	676,371,856	678,425,005
Goodwill	126,136,736	126,136,736

Right-of-use (ROU) Asset	24,951,748	15,932,462
Other Noncurrent Asset	93,101,050	37,115,742
Total Non-Current Assets	**1,760,162,497**	**1,498,879,245**
TOTAL ASSETS	**2,455 ,892,749**	**2,030,743,783**
Liabilities and Equity		
Trade and other payables	127,705,211	89,157,186
Due to Related Parties	341,959,031	494,204,065
Current portion of:		
Loans Payable	611,298,364	53,246,668
Lease Liabilities	6,397,594	861,968
Service Concession Liability	30,285,043	12,304,182
Total Current Liabilities	**1,117,645,243**	**649,774,069**
Noncurrent Portion:	-	-
Loans Payable	358,470,604	707,118,322
Lease Liabilities	26,070,229	20,145,153
Service Concession Liability	545,468,494	565,690,181
Deferred Tax Liability	13,085,532	19,720,239
Total Non-Current Liability	**943,094,859**	**1,312,673,895**
Capital Stock	232,767,113	50,000,000
Additional Paid in Capital	372,827,871	51,500,000
Deposit for Future Stock Subscription	-	129,145,472
Deficit	-225,517,782	-179,456,502
Other Equity Reserve	-13,270,403	-13,270,403
Stockholders' Equity	**395,152,647**	**68,295,819**
TOTAL LIABILITIES AND EQUITY	**2,455,892,749**	**2,030,743,783**

A. Comprehensive Income for the year ended December 31, 2023 vs. Comprehensive Income for the year ended December 31, 2024

Revenue

Revenue increased by P93.07 Million or 55%, to P262.16 Million as of December 31, 2024 from P169.08 Million as of December 31, 2023 was due mainly on the full-year operation of Tubig Catbalogan Corp. in 2024 whereas in 2023 only 1 quarter was included

Cost of Services

Cost of Services increased by P28.45 Million or 24%, to P146.74 Million as of December 31, 2024 from P118.28 Million as of December 31, 2023 was due mainly on the full-year operation of Tubig Catbalogan Corp., but improvements in non-revenue water help mitigate the increase

Operating Expenses

Operating Expenses increased by P15.18 Million or 16%, to P109.50 Million as of December 31, 2024 from P94.32 Million as of December 31, 2023 was due mainly on the full-year operation of Tubig Catbalogan Corp.

Interest Expense

Interest Expense increased by P18.63 Million or 32%, to P77.55 Million as of December 31, 2024 from P58.91 Million as of December 31, 2023 was due mainly on additional project finance drawdown from various banks.

Other Income

Other Income increased by P36.18 Million or 247%, to P21.52 Million as of December 31, 2024 from (P14.65) Million as of December 31, 2023 was due mainly on the gain on reversal of due to related parties and trade payables.

Net Income (Loss)

Net Income increased by P6.58 Million or 12%, to (P48.31) Million as of December 31, 2024 from (P54.89) Million as of December 31, 2023 was due mainly on the increase in revenue and improvements in NRW.

B. Consolidated Statement of Financial Position

December 31, 2024 vs. December 31, 2023

Cash and Cash Equivalent

Cash and cash equivalents increased by P50.45 Million or 56%, to P139.95 Million as of December 31, 2024, from P89.50 Million as of December 31, 2023. This was mainly due to the proceeds from the issuance of shares amounting to P375 Million and improved operating cash flows driven by the 55% increase in revenues.

Trade and Other Receivables

Trade and other receivables decreased by P21.16 Million or 30%, to P48.90 Million as of December 31, 2024, from P70.06 Million as of December 31, 2023. This decrease was primarily attributable to improved collection efficiency and the realization of receivables previously due from related parties.

Prepayments and Other Assets

Other Assets (Current and Noncurrent) increased by a total of P62.24 Million, ending at P105.14 Million combined. Specifically, Other Noncurrent Assets increased by P55.99 Million due to significant advances to contractors and suppliers for ongoing projects, while Other Current Assets increased by P6.25 Million in line with expanding operations.

Property, Plant and Equipment

Property, Plant and Equipment increased by P197.93 Million or 37%, to P739.95 Million as of December 31, 2024, from P542.02 Million as of December 31, 2023. The growth was mainly due to capital expenditures for Construction in Progress and the acquisition of water supply facilities and equipment to support service expansion.

Trade and Other Payables

Trade and Other Payables increased by P38.55 Million or 43%, to P127.71 Million as of December 31, 2024, from P89.16 Million as of December 31, 2023. This was mainly due to the increase in accrued expenses and the recognition of provisions for probable losses amounting to P20.1 Million.

Loan Payable

Total Loans Payable increased by P209.40 Million or 28%, to P969.77 Million as of December 31, 2024, from P760.36 Million as of December 31, 2023 as the company was able to obtain various loan from commercial banks for the ongoing construction of its projects.

Deficit

Deficit increased by P46.06 Million or 26%, to P225.52 Million as of December 31, 2024, from P179.46 Million as of December 31, 2023. This was driven primarily by significant interest expenses (P77.55 Million) and operating expenses (P109.50 Million).

The assets, liabilities, income and expense and operating and investing cash flows as at and for the year ended December 31, 2023 from the exploration for and evaluation of coal resources are as follows:

	2024	2023
Total assets	695,730,252	531,864,538
Total liabilities	1,117,645,243	649,774,069
Net Income	(48,305,184)	(54,885,105)
Expenses	256,238,368	212,600,637
Net cash used in operating activities	112,995,515	1,988,741
Net cash used in investing activities	(419,429,523)	(345,033,885)
Net cash provided by financing activities	355,162,077	364,636,203

ITEM 7: Financial Statements

Please refer to the attached audited consolidated financial statements of the Company as at and for the year ended December 31, 2024 and 2023, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes Tacandong & Co.

The Company was incorporated on October 27, 2014. Since the audit of Reyes Tacandong & Co., there has been no change in auditor and there has been no disagreement on accounting and financial disclosures.

ITEM 8: Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

Reyes Tacandong & Co. was appointed as external auditor for the year ended December 31, 2024.

There was no disagreement with the external auditor on any matter pertaining to accounting and financial disclosure.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9: Directors and Executive Officers

The Company's Board of Directors is responsible for the overall management of the business and assets of the Company. The Board of Directors is composed of five (5) members, each of whom serves for a term of one (one) year until his /her successor is duly elected and qualified.

Board of Directors

The following are the incumbent members of the Board of Directors of the Company:

Name	Position with the Company
Ryan Wesley T. Yapkianwee	Chairman and President
Dexter Y. Tiu	Director
Eric Y. Roxas	Corporate Secretary
Conrado Ma. Leandro Francisco Belisario	Treasurer and CEO
Howard Conrad T. Sy	Director
John Benedict B. Victorino	Director

Principal Officers

Name	Nationality	Present Position
Ryan Wesley T. Yapkianwee	Filipino	Chairman and President
Conrado Ma. Leandro Francisco G. Belisario	Filipino	Treasurer and Chief Executive Officer
Eric Peter Y. Roxas	Filipino	Corporate Secretary
Mark Eric C. Roxas	Filipino	COO

Family Relations

Eric Peter Y. Roxas is the father of Mark Eric C. Roxas.

Involvement in Legal Proceedings

To the best of the Company's knowledge, there has been no occurrence during the past five (5) years of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or controlling person of the Company:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;
- any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

ITEM 10: Executive Compensation

Compensation of Directors

Under the By-Laws, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and appropriated among the directors in such manner, as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

Standard Arrangements and other Arrangements

As of the date of this Annual Report, the Company has no existing arrangements with members of the Board of Directors, executive officers and employees.

Employment Contracts, Termination of Employment, Change in Control of Arrangements

There are no special employment contracts between the Company and its executive officers. Furthermore, there are no special retirement plans for executives.

There is also no arrangement for compensation to be received from the Company.

Warrants and Options Outstanding

There are no outstanding warrants or options held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

ITEM 11: Security Ownership of Certain Beneficial Owners and Management

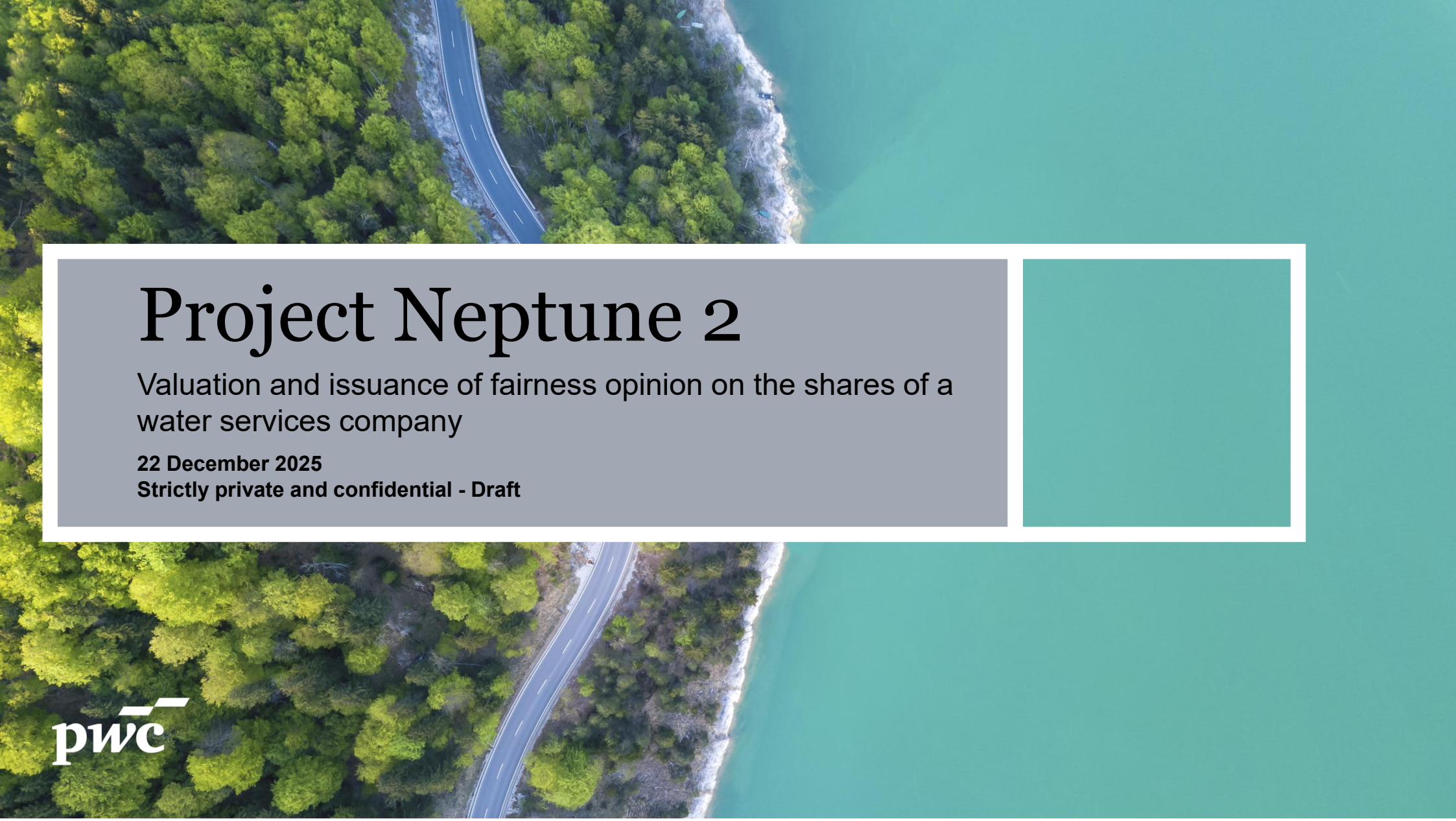
Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of 19 August 2025:

Title of Class	Name and Citizenship	Amount and nature of beneficial ownership		Percent of Class
Common	Ryan Wesley T. Yapkianwee (Filipno)	1	Direct	0.00
Common	Dexter Y. Tiu (Filipino)	1	Direct	0.00
Common	Conrado Ma. Leandro Francisco G. Belisario (Filipino)	1	Direct	0.00
Common	Eric Y. Roxas (Filipino)	1	Direct	0.00
Common	Howard Conrad T. Sy (Filipino)	1	Direct	0.00
Common	John Benedict Victorino (Filipino)	1	Indirect	0.00
Common	All directors and executive officers as a group	6		0.00

ITEM 11: Corporate Governance and Sustainability

Sustainability Report & Manual on Corporate Governance: A manual on corporate governance and sustainability report will be made available in due course.



Project Neptune 2

Valuation and issuance of fairness opinion on the shares of a water services company

22 December 2025
Strictly private and confidential - Draft

pwc

Ryan Wesley T. Yapkianwee
President
Tubig Pilipinas Group Inc.
3/F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City

Mary Jade T. Roxas-Divinagracia, CFA®, CVA
Managing Partner
Deals and Corporate Finance
M: +63 917 523 5913
jade.roxas@pwc.com
PRC License No.: 0090247
Validity Date: until 15 August 2028
PTR Number: 0024876
TIN: 162411673000

Darwin B. Saribay, CFA®
Partner
Deals and Corporate Finance
M: +63 917 510 8069
darwin.saribay@pwc.com
PRC License No.: 0137118
Validity Date: until 06 August 2026
PTR Number: 0049416
TIN: 30913206200000

Isla Lipana & Co.
29/F AIA Tower, 8767 Paseo de Roxas
1226 Makati City, Philippines
T: +63 (2) 8845 2728
F:+63 (2) 8845 2806
www.pwc.com/ph
PSE Accreditation CN - No. 2024-006
Validity Date: 17 Dec 2024 to 17 Dec 2027
SEC Accreditation No. 039
Validity Date: under SEC review
BOA/PRC Reg. No. 0142
Validity Date: 14 Nov 2028

22 December 2025

Dear Mr. Yapkianwee,

Subject: Project Neptune – Draft valuation of a water services company

This draft valuation report (the "Report") has been prepared by Isla Lipana & Co. ("PwC" or the "Firm"), a Philippine member firm of the PwC global network, solely for Tubig Pilipinas Group Inc. ("TPGI", the "Company" or the "Management"). We understand that this is for valuing the shares of TPGI as at 30 September 2025, (the "Valuation Date"), and issuing a fairness opinion on the fair value of TPGI as of the same Valuation Date for a planned potential tax-free exchange via share swap with Coal Asia Holdings, Inc. ("CAHI") (the "TFE" or the "Transaction").

As advised by Management and its legal and financial advisers, given their consultation with the SEC, we will not perform valuation and fairness opinion on the value of CAHI nor the swap ratio since CAHI intends to issue primary shares at par value. Hence, our valuation report and opinion will be limited to the fair value of TPGI shares.

This is a draft report and is based on information available as of the date of the Report. Any review of the key agreements entered into by the Management and/or the Parties subsequent to the valuation date is not included in the scope of this valuation exercise. Our definitive findings and conclusions will be those set out in the final report.

The use and distribution of the valuation report and fairness opinion shall be strictly limited to this tax-free exchange transaction involving TPGI and CAHI shares. This document is not intended for any other purpose, and no third party should rely on it for any other purpose. PwC shall not be liable for any loss, damage, or claim arising from any third-party reliance on this document for purposes other than those specified herein. This disclaimer is provided in accordance with applicable laws and regulations and should be interpreted accordingly.

Ryan Wesley T. Yapkianwee
President
Tubig Pilipinas Group Inc.
3/F JTKC Centre, 2155 Don Chino Roces Avenue, Makati City

Mary Jade T. Roxas-Divinagracia, CFA®, CVA
Managing Partner
Deals and Corporate Finance
M: +63 917 523 5913
jade.roxas@pwc.com
PRC License No.: 0090247
Validity Date: until 15 August 2028
PTR Number: 0024876
TIN: 162411673000

Darwin B. Saribay, CFA®
Partner
Deals and Corporate Finance
M: +63 917 510 8069
darwin.saribay@pwc.com
PRC License No.: 0137118
Validity Date: until 06 August 2026
PTR Number: 0049416
TIN: 30913206200000

Isla Lipana & Co.
29/F AIA Tower, 8767 Paseo de Roxas
1226 Makati City, Philippines
T: +63 (2) 8845 2728
F:+63 (2) 8845 2806
www.pwc.com/ph
PSE Accreditation CN - No. 2024-006
Validity Date: 17 Dec 2024 to 17 Dec 2027
SEC Accreditation No. 039
Validity Date: under SEC review
BOA/PRC Reg. No. 0142
Validity Date: 14 Nov 2028

This draft report has been prepared in accordance with our engagement letter dated 14 March 2025 and supplemental agreement dated 17 November 2025 and is solely for the purpose stated herein. This Report is strictly confidential and, save to the extent required by applicable law and/or regulation, must not be released to any third party without our expressed written consent.

We would like to reiterate that in order to issue a fairness opinion, we need to confirm our independence with the PSE. We will endeavor to obtain this confirmation and provide an update once available. However, if we are restricted from issuing a fairness opinion by the PSE due to issues related to our independence, immediate termination of this engagement may be necessary.

If you require any clarification or further information, we would be pleased to meet and discuss.

Sincerely yours,

Mary Jade T. Roxas-Divinagracia, CFA®, CVA
Deals and Corporate Finance

Scope and process (1 of 6)

Scope of work (1 of 2)

The Firm's scope of work includes the following:

- Estimate the equity value of TPGI as at 30 September 2025, Valuation Date;
- Issue a fairness opinion and valuation report on the fair value of TPGI to support the tax-free exchange.

As advised by Management and its advisers, given their consultation with the SEC, we will not perform valuation and fairness opinion on the value of CAHI nor the swap ratio since CAHI intends to issue primary shares at par value. Hence, our valuation report and opinion will be limited to the fair value of TPGI shares.

We also note that the recent Mandatory Tender Offer ("MTO") of CAHI resulted in a share price falling below par. Management and its legal advisers have clarified that this market price cannot be used as a basis for the transaction. The issuance of primary shares at par value is governed by regulatory guidance under the SEC as it is mandated by the Revised Corporation Code.

Further, since one of the contemplated structures of the Transaction will involve a share swap in the shares of a PSE-listed entity, the PSE requires that the fairness opinion prepared by an independent party, covering the valuation, must be supported by a valuation report.

The Valuation Date is 30 September 2025 with the Philippine Peso ("PHP") as the Valuation Currency. Fair Value is the basis of value used in this engagement. According to IVS, Fair Value is defined as the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

To the fullest extent permitted by law, we accept no duty of care to any third-party in connection with the provisions of this Report and/or any related information or explanation (together, the "Information"). Accordingly, regardless of the form of action, whether in contract, tort or otherwise, and to the extent permitted by applicable law, the Firm accepts no liability of any kind to any third-party and disclaims all responsibility for the consequences of any third-party acting or refraining to act in reliance on the Information.

Accordingly, you understand and accept that the Deals and Corporate Finance group of Isla Lipana and Co., a member Firm of PwC, has not been employed in the capacity of examining certified public accountants and therefore has not expressed any form of comfort or assurance on the achievability of forecasts or the reasonableness of underlying assumptions beyond what is generally accepted under the standards common to the business value measurement profession.

Scope and process (2 of 6)

Scope of work (2 of 2)

We performed our procedures with the assumption that all information obtained including financial models, demand models, and operating statistics of TPGI's projects including representations and warranties by Management, are true, accurate, and provided in good faith.

Moreover, the scope of our work does not include a compliance review of financial information to tax laws and financial reporting standards of the Philippines. Accordingly, this Report may not have identified all matters that might be of concern to you.

Forecasts relate to future events and are based on Management assumptions which may not remain valid for the whole of the relevant period. We express no assurance of any kind on such prospective or forecast information since there will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences in results may be material. Consequently, this Information cannot be relied upon to the same extent as that derived from audited accounts for completed accounting periods. Accordingly, we express no opinion as to how closely the actual results achieved will correspond to the forecasts, and we take no responsibility of any kind for the achievement of the forecast provided by the Management.

Procedures

In arriving at our valuation, we adopted the relevant provisions of the latest edition of the IVS for valuing the shares of TPGI. Particularly, we used the following relevant provisions in performing the valuation procedures:

1. IVS 101 Scope of Work
2. IVS 102 Bases of Value
3. IVS 103 Valuation Approaches
4. IVS 105 Valuation Models
5. IVS 106 Documentation and Reporting
6. IVS 200 Business and Business Interests

Scope and process (3 of 6)

Sources of information

(1 of 3)

The information used by the Firm in preparing this Report has been obtained from a variety of sources as indicated within. **Specifically, the information used by the Firm in preparing this Report is substantially based on information and responses provided by the Company.** These inputs include, but are not limited to:

- GIS as of September 2025 for TPGI, Catbalogan, Bacolod, San Jose, and Echague except for PUWSI, and Cadiz.
- Latest capitalization table for TPGI
- PW, QW, and CFM subscription agreements
- Shareholder agreements for QW and CFM
- Audited financial statement for 2019 of Bacolod, Coron, TPGI
- Audited financial statement for 2020 of Bacolod, Coron, Nabua, TPGI
- Audited financial statement for 2021-2023 of Bacolod, Coron, Nabua, San Jose, Trece Martires, TPGI
- Audited financial statement for 2023 of Catbalogan
- Audited financial statement for 2024 of TPGI standalone, TPGI consolidated, Trece, Sual and Labrador, Coron, Bacolod, Nabua, Calbayog, and San Jose
- Draft Audited Financial Statement for 2024 of Catbalogan
- Statement of cashflows as of 30 September 2025 of Trece, Nabua, Coron, and Catbalogan
- Unaudited trial balances as of December 2024 for the Projects, except Borbon
- Unaudited trial balances as of September 2025 for TPGI (standalone), Catbalogan, Bacolod, Nabua, San Jose, Trece, Cadiz, Sual and Labrador, Calbayog, and Coron
- Interim financial statement as of March 2025 for the Projects except Borbon
- Interim financial statement as of June 2025 for the Projects except Coron, Cadiz, and Borbon
- Interim financial statement as of September 2025 for Calbayog, Sual and Labrador, Bacolod, San Jose, Catbalogan, Coron, Nabua, Cadiz, and Trece
- Lease agreements for Bacolod in 2018 and 2019
- Board resolutions from the BACIWA (Bacolod City Water District) on the change in turbidity limit, and temporary reduction in water volume requirement
- Demand models and Proposals for the Projects
- Capacity of Bulk Water Projects

Scope and process (4 of 6)

Sources of information

(2 of 3)

- Non-revenue water (“NRW”) Reduction Program of the Projects, which contains Management's NRW assessment, data collection on losses, and short- and long-term plans to reduce NRW
- Management’s 2023 financial models and projections for the Projects
- Management’s March 2025 financial models for Trece, Catbalogan, PUWSI, Coron, Cadiz, Borbon, Iloilo, Malasiqui, Nabua, San Jose, Calbayog
- Updated 2024 financial models of Bacolod, Jaclupan
- Management’s updated financial models as of September 2025 for Mandaue, Bacolod, Jaclupan, and Echague
- Updated capital expenditures (”CAPEX”) spend of the Projects except Borbon as of 2024
- Updated CAPEX schedule of Jaclupan as of September 2025
- CAPEX spending as of September 2025 for Echague, San Jose, Trece, Nabua, Catbalogan, and Coron
- Contracts/Agreements of the Projects
- Major Borrowing terms and Amortization Schedule of Bacolod, San Jose and Echague
- List of Projects in the pipeline containing updated start date of projects still under construction/negotiation
- 2020-2024 operating statistics of the Projects except Borbon
- 1Q 2025 operating statistics of the Projects except Borbon
- 2Q 2025 operating statistics of the Projects except Sual and Labrador, and Borbon
- 3Q 2025 operating statistics of the Projects except Borbon
- Percentage of completion reports as of September 2025 for Jaclupan, Echague, and Bacolod (Sum-ag)
- Catch-up plans for Calbayog, Coron, Catbalogan, Cadiz, and Sual and Labrador
- Bureau of Investments' Notice of Approval for Bacolod's Income Tax Holiday
- Bacolod (Caliban) Intake Acceptance Letter and Testing and Commissioning Report
- Bacolod's Sum-Ag WTP and Caliban Intake Plantilla
- Iloilo and Malasiqui Project Status Report
- Trece Tariff Rate Hike Implementation Plan
- Updated summary of credit facilities as of September 2025
- Mandaue comparative analysis of bulk water suppliers
- Bacolod's R&M percentage against PPE
- Mandaue power cost rationale and timing schedule

Scope and process (5 of 6)

Sources of information

(3 of 3)

While the unaudited and audited trial balances, audited financial statements, operating statistics, and year-to-date ("YTD") capex spend were requested for Borbon, TPGI's counterparty was not able to provide these files. TPGI Management assessed that the lack of information does not represent a scope limitation to the valuation exercise as the impact of Borbon to the portfolio is expected to be minimal. Additionally, the following documents were not provided:

- Signed 2024 AFS of Cadiz;
- Bacolod CAPEX spend and target funding structure as of 30 September 2025;
- Catbalogan - status of provisional authority application for tariff rate hike; and
- Actual CAPEX spends or Statement of Cash Flows as of 30 September 2025, for Calbayog, PUWSI, and Cadiz.

Moreover, except where otherwise stated in the Report, we have not subjected the financial information in the Report to checking or verification procedures. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of TPGI. Our work cannot be relied upon to discover errors, irregularities, or illegal acts.

Some of the information contained in this report may have been taken from third-party sources such as data from the PSE Electronic Disclosure Generation Technology ("PSE Edge") portal, news and analytics from S&P Capital IQ, Mergermarket, other publicly available information. We have not independently verified whether such facts or Information are true and correct, other than to confirm that such information is relevant and current and based on latest available from the date of valuation. We expressly disclaim any and all liabilities which may be based and arise from any of the Information.

Scope and process (6 of 6)

Limitations

This Report is made subject to the following general contingent and limiting conditions:

- To avoid confusion, our scope and services do not include feasibility study of the Company, statutory audit, due diligence review of the information and accounts under this assignment, acquisition accounting advice or regulatory reporting, transaction structuring, finalization and implementation of the investment structure, and tax structuring, for the Transaction.
- We did not conduct financial, legal, or tax due diligence on the Company, nor a review on the feasibility of the demand models provided and estimated by the Company, nor the studies on non-revenue water improvement. Instead, we relied on the estimates and analyses provided by the management of the Company and/or the Projects.
- We assume no responsibility for the legal description or matters including legal or title considerations. Title to the subject assets, properties or business interests is assumed to be good and marketable unless otherwise stated.

Our Report is not intended to be the sole basis for investment decisions, and any action you take must ultimately remain a decision for you, taking into account matters outside the scope of our work of which you are aware of.

By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and we normally express our valuation as falling within expected ranges, which in our opinion is reasonable and defensible, and others might wish to argue for different values.

Our conclusions are based on the information available as at the date of the Report. We have not considered events subsequent to the date of the Report. Based on discussions with the Management, we are not aware of any events subsequent to the Valuation Date and up to the date hereof that may materially impact the forecasted financial performance and other key inputs used in the valuation, or any circumstances that may materially impact the conclusions drawn in the valuation report.

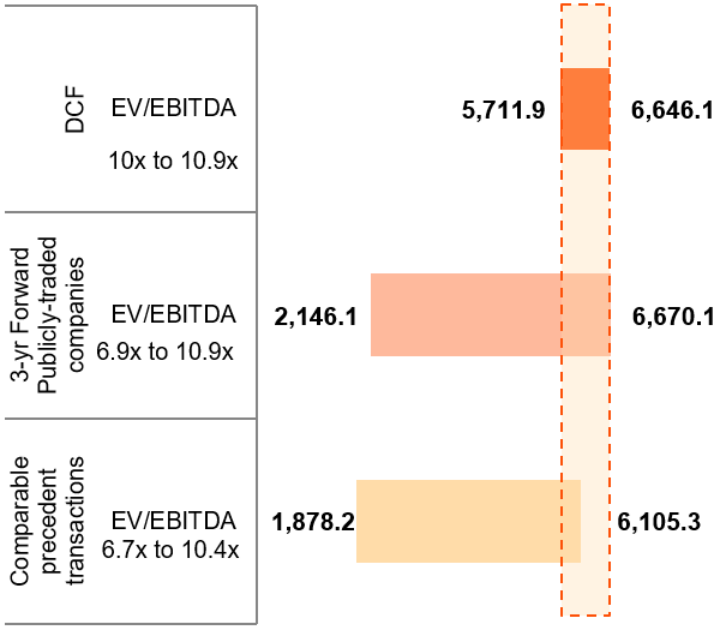
Economic conditions, market factors and changes in the performance of the business of the Company may result in our conclusions becoming quickly outdated and may require updating from time to time or before any major decisions are taken based on the Report. In any event, if you intend to make any decision based on the Report more than three months from the date of the Report, you must request our written confirmation as to the currency of our findings and conclusions.

The Report shall not be construed to cover and support any decisions and/or actions of the Company, and/or the shareholders that are outside the scope of the Transaction described herein.

Executive summary

Using the Discounted Cash Flow ("DCF") approach, the estimated equity values of TPGI is between PHP5.7bn to PHP6.6bn as of 30 September 2025. This range mostly aligns with the upper bound of the market approach, which can be attributable to more than 20 years of the remaining concession period, high growth expectations, strategic partnerships, and expected technological improvements of TPGI. Meanwhile, TPGI's estimated price per share ranges from PHP9.03 to PHP10.51. Given the parties' intention to conduct a share swap transaction at CAHI's par, the transaction will require issuance of 90.3 to 105.1 CAHI shares for every 1 TPGI share.

TPGI's indicative range of equity values, 30 September 2025
in PHP millions



Note: The market approach uses projected normalized 2028 EBITDA to capture the full-year impact of project ramp-up operations of all underlying Projects. This approach supports a forward-looking view of TPGI's operating performance relative to market comparables. Refer to page 12 for the details.

The ranges of fair values were independently estimated using a combination of the income and market approaches. The valuation analysis considered the following:

- Meetings and discussions with TPGI key management personnel to better understand TPGI's outlook, expansion plans, growth strategies, pricing policies, contractual commitments, and investment plans;
- Concession and franchise agreements; Memoranda of agreement and contracts with joint venture partners, water districts, local government units, and other partners;
- Key metrics related to revenues and costs such as tariffs, volume production, and consumption rate based on operational statistics of TPGI; Financial performance based on recently available unaudited trial balances.
- Supporting financial and capex spend schedules, demand models, Management plans per awarded project proposal, and analyses from the TPGI Management;
- Catchup plans to support assumptions on growth; and
- Benchmarking of TPGI's key financial ratios with local and regional peers.

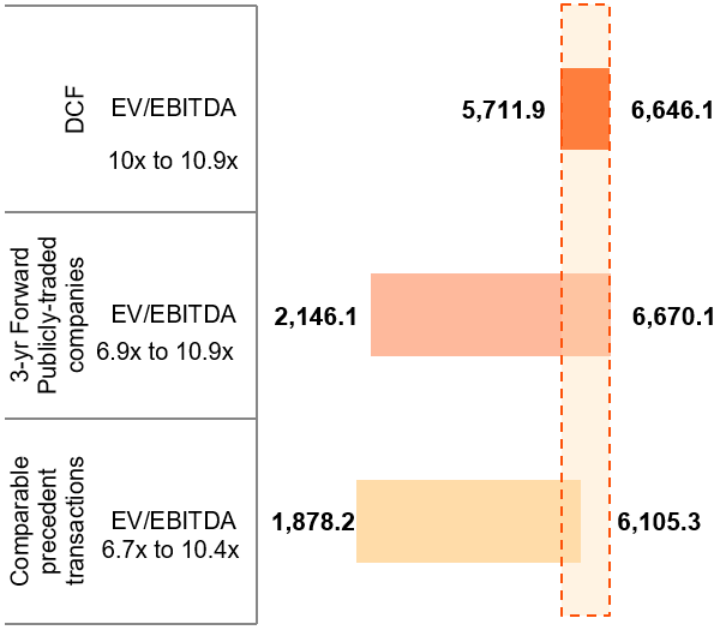
Range of share prices - primary approach	**Low**	**High**
Equity values, in PHP millions	5,711.9	6,646.1
No. of outstanding shares, in millions	632.35	632.35
Price per share	**9.03**	**10.51**
Share swap ratio (TPGI:CAHI)	**1:90.3**	**1:105.1**

Sources: Management information, PwC analysis

Executive summary

Using the Discounted Cash Flow ("DCF") approach, the estimated equity values of TPGI is between PHP5.7bn to PHP6.6bn as of 30 September 2025. This range mostly aligns with the upper bound of the market approach, which can be attributable to more than 20 years of the remaining concession period, high growth expectations, strategic partnerships, and expected technological improvements of TPGI. Meanwhile, TPGI's estimated price per share ranges from PHP9.03 to PHP10.51. Given the parties' intention to conduct a share swap transaction at CAHI's par, the transaction will require issuance of 90.3 to 105.1 CAHI shares for every 1 TPGI share.

TPGI's indicative range of equity values, 30 September 2025
in PHP millions



Note: The market approach uses projected normalized 2028 EBITDA to capture the full-year impact of project ramp-up operations of all underlying Projects. This approach supports a forward-looking view of TPGI's operating performance relative to market comparables. Refer to page 12 for the details.

The discounted cash flow ("DCF") analysis provides a forward-looking perspective based on TPGI's projected cash flows and underlying project fundamentals and was considered an important valuation reference in assessing intrinsic value. The DCF analysis reflects company-specific assumptions regarding operating performance, capital investment, and long-term cash-flow generation, including:

- alignment with contractual terms and concession agreements;
- committed investment programs and funding schedules;
- Management's strategic initiatives and execution plans;
- the growth pipeline and expected timing;
- future cash generation potential.

Relative valuation analyses were also performed and reflect observable market data for comparable companies and precedent transactions as of the valuation date. These analyses were considered as part of the overall assessment to provide market-based context.

In this case, the market approach presents certain limitations. Comparable companies and transactions exhibit differences in scale, market focus, asset maturity, capital structure, and growth profile relative to TPGI. Certain Philippine-listed comparable companies reflect more mature operating profiles, while other comparables are characterized by differing market penetration dynamics and demand conditions. As a result, the implied valuation indicators from the market approach span a broad range and were assessed qualitatively rather than relied upon as determinative indicators of value.

Market-based valuation indicators are inherently influenced by prevailing market prices and investor expectations as of the valuation date. Accordingly, the results of the relative valuation analyses were assessed qualitatively rather than relied upon as determinative indicators of value.

Sources: Management information, PwC analysis

Executive summary

Market Approach

Screening criteria:

Comparable companies

a. Publicly listed and currently operating
b. Operates in the pureplay water business (i.e. bulk water supply, water distribution, and water treatment)
c. Domiciled and operating in emerging Asia-Pacific

Precedent transactions

a. Targets operating in the pureplay water business (i.e. bulk water supply, water distribution, and water treatment)
b. Domiciled and operating in emerging Asia-Pacific
c. Lookback period of 10 years
d. Availability of EV/EBITDA multiples

Relative valuation:

- Applied the multiples to the normalized 2028 EBITDA of the Projects attributable to TPGI to capture the full-year operations of all underlying Projects.
- The multiples of the trading comparable companies were projected forward using their respective countries' GDP growth rate.
- Considered other assets and liabilities ("OAL") that were not considered in the financial base, net debt, and other adjustments that are **attributable to TPGI** to arrive at the estimated equity value.

Valuation using comparable companies (EV/EBITDA)

PHP in millions, except for multiples

Scenario	3yr Forward EV/ EBITDA	2028 EBITDA	Estimated enterprise value	Net debt[1]	OAL[2]	Other adjustments[3]	Estimated equity value
Low	6.9	1,143.7	7,915.4	(1,315.6)	(99.8)	(4,353.9)	2,146.1
Base	8.9	1,143.7	10,177.4	(1,315.6)	(99.8)	(4,353.9)	4,408.1
High	10.9	1,143.7	12,439.4	(1,315.6)	(99.8)	(4,353.9)	6,670.1

Sources: International Monetary Fund (IMF), Management information, S&P Capital IQ (CIQ), PwC analysis

Valuation using comparable transactions (EV/EBITDA)

PHP in millions, except for multiples

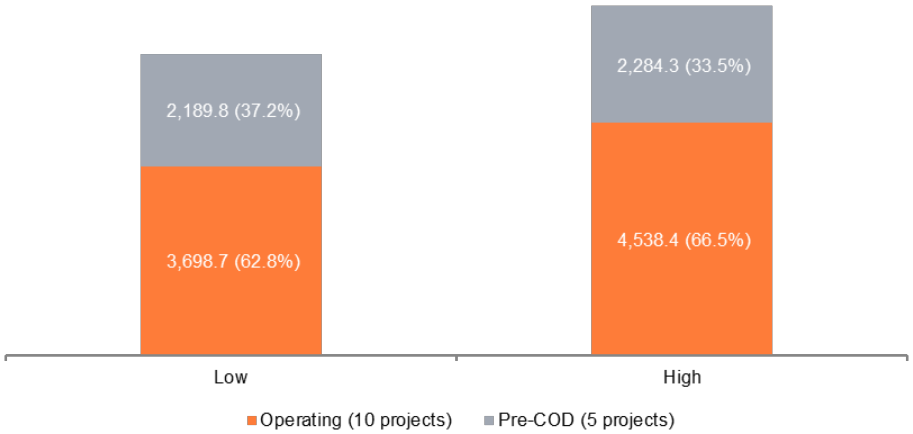
Scenario	Estimated EV/ EBITDA	2028 EBITDA	Estimated enterprise value	Net debt[1]	OAL[2]	Other adjustments[3]	Estimated equity value
Low	6.7	1,143.7	7,647.5	(1,315.6)	(99.8)	(4,353.9)	1,878.2
Base	8.5	1,143.7	9,761.0	(1,315.6)	(99.8)	(4,353.9)	3,991.8
High	10.4	1,143.7	11,874.6	(1,315.6)	(99.8)	(4,353.9)	6,105.3

Sources: IMF, Management information, CIQ, PwC analysis

Notes:
1. Net debt includes short-term borrowings, long-term debt, cash and cash equivalents, and dues to/from related parties.
2. Other assets and liabilities of TPGI (standalone) and of the Projects, which include security deposits, prepaid expenses, deferred input VAT and withholding taxes, among others. For TPGI (standalone), investment accounts are not included to avoid double counting with the Projects.
3. Other adjustments mainly pertain to the present value (PV) of the management fees to TPGI and the PV of the 2026, 2027, and 2028 CAPEX required to achieve the EBITDA by 2028.
4. Descriptions of the comparable companies are provided in Appendix A, while detailed descriptions of the target companies comparable to the Company are provided in Appendix B.
5. Numbers may not add up due to rounding differences.

Operating assets are estimated to contribute around 63%–66% of the portfolio's equity value, while pre-COD projects account for about 34%–37%.

Segmentation of project contributions to TPGI's equity value
30 September 2025
in PHP millions



Note that the above chart does not consider the OAL of TPGI.

The portfolio comprises ten (10) operating water assets and five (5) pre-COD projects. The operating assets contribute PHP3,698.7m (62.8%) for the low case and PHP4,538.4m (66.5%) for the high case. This mix shows equity value is anchored in cash-generating operations, and the higher contribution in the high case reflects expected operational uplift and de-risking as projects advance. Pre-COD assets provide upside, but is sensitive to COD timing, tariff outcomes, and CAPEX control.

Sources: Management information, PwC analysis

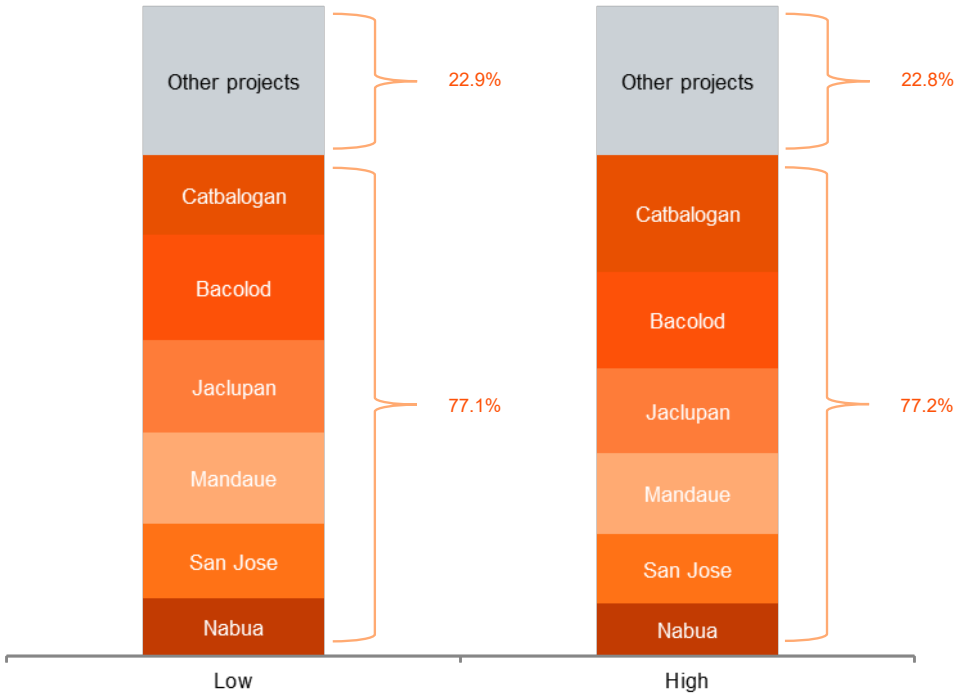
TPGI's portfolio

Project name	TPGI Ownership Stake	Service Provided	Project Status	Expected Start Date
Operating water distribution / bulk water projects				
Trece Martires	100%	Water distribution	New build	Operating
Coron	100%	Water distribution	Privatized	Operating
Nabua	100%	Water distribution, Water treatment	Privatized	Operating
Catbalogan	100%	Water distribution	Privatized	Operating
San Jose	97%	Water distribution, Water treatment	Privatized	Operating
Bacolod	93%	Bulk water	New build	Operating
Borbon	51%	Water distribution	Privatized	Operating
Cadiz	50%	Water distribution	New build	Operating
Sual and Labrador	40%	Water distribution	New build	Operating
Calbayog	40%	Water distribution, Water treatment	Privatized	Operating
Projects yet to operate				
Echague	70%	Water distribution, Water treatment	New build	2H2026
Jaclupan	60%	Bulk water	New build	4Q2026
Mandaue	60%	Bulk water, Water distribution, Water treatment	New build	2026 – Septage 2027 – Water distribution 2028 – Bulk water
Malasiqui	50%	Water distribution	New build	2H2027
Iloilo	40%	Water distribution	New build	2H2027

Note: Highlighted projects correspond to the six largest contributors (~80%) to TPGI's overall valuation.

Top six (6) projects comprise ~80% of equity value, with risks linked to assumptions on service connections, tariff changes, COD schedules, and power costs.

Top six projects' contribution to TPGI's equity value
in percentages



Sources: Management information, PwC analysis

The top six (6) projects account for around 80% of the equity value. Key risks associated with these projects, including assumptions on water service, tariff escalation, potential COD delays, and cost sensitivities, and how these were addressed in the valuation are described below.

Project name	Project-specific details
Operating water distribution / bulk water projects	
Nabua	Management's assumption for water service connections is higher than demand model. Reflected actual statistics for the base figures.
Catbalogan	Low service connections historically and Management's previous targets were not met (var. of ~11%). Reflected actual statistics for the base figures.
San Jose	Actual performance is better than Management's expectations, with upside reflected in the base figures. For the remaining forecast years, assumptions gradually align with Management's expectations.
Bacolod	COD delay (Sum-Ag and Caliban). Reflected in DCF sensitivities.
Projects yet to operate	
Jaclupan	COD delay by three quarters. Reflected in DCF sensitivities.
Mandaue	Permits obtained and construction targeted to start by early 2026. Reflected timing in DCF sensitivities. Bulk water service processes water from a seawater desalination plant, which involves higher CAPEX and tariff rates. Reassessed power costs based on these assumptions and applied a blended rate of PHP6.5-24.1/cu.m.

Summary of key assumptions (1 of 3)

Included below are the key assumptions underlying the valuation. A description of the procedures and general assumption used is provided, with certain entities highlighted to reflect project-specific considerations.

Key Assumptions	Management	Low	High	Notes
Discount rate	10%	10%-11%	10%-11%	In general, a discount rate of 10% is applied to operating entities. For Iloilo and Malasiqui, given that Management's technical studies are still ongoing, a 2% risk premium on cost of equity was added translating to a discount rate of 11% to account for potential execution risks.
Operation start date	Operating entities: actual start date Iloilo and Malasiqui: January 2027	Operating entities: actual start date Iloilo and Malasiqui: July 2027	Operating entities: actual start date Iloilo and Malasiqui: July 2027	Iloilo and Malasiqui are non-operational as of valuation date. Low and high ("L/H") assumptions are six months later than Management's assumption to account for potential delays in operational start date.
Tariff rates	Trece: ~68% hike Mandaue: 4% hike every year	Trece: ~46% hike Mandaue: 15% hike every 5 years	Trece: ~58% hike Mandaue: 15% hike every 5 years	L/H: Base figures reflect actual operating statistics. Trece: For the tariff hike, a provisional authority document was provided, with Management representing that the hike has been approved. L/H sensitivities were included based on the rate of change between the actual tariff statistics and the provisional tariff hike document. Mandaue: Tariff rates are benchmarked against similar desalination plants.
Non-revenue water (NRW)	Operating entities: ~17% to ~54%	Operating entities: ~28% to ~40% Cadiz: Management estimates	Operating entities: ~28% to ~40% Cadiz: Management estimates	L/H: Base figures reflect actual operating statistics to serve as foundation for the whole forecast until normalized level based on demand model provided by Management. Cadiz: Deferred to Management due to erratic year-to-date results, with the 3Q average already close to Management's assumptions.

Sources: Management information, PwC analysis

Summary of key assumptions (2 of 3)

Included below are the key assumptions underlying the valuation. A description of the procedures and general assumption used is provided, with certain entities highlighted to reflect project-specific considerations.

Key Assumptions	Management	Low	High	Notes
Water service connections (WSCs)	Operating entities: ~896 to ~26,951 connections	Operating entities: ~679 to ~15,569 connections	Operating entities: ~679 to ~15,569 connections	L/H: Base figures reflect actual operating statistics. WSC catch-up to Management was assumed based on the provided catch-up plans for entities with CAPEX allocations for NWSCs. Coron: Escalation was deferred to 2027 due to delays in CAPEX and is expected to catch up to Management once significant CAPEX has been incurred. Nabua: WSC escalation rate was adjusted to align with the demand model. Calbayog: A gradual increase in WSC was assumed, eventually deferring to Management's assumptions.
Plant efficiency	100%	Upon commencement: 90.6% Second year of operations: 100%	Upon commencement: 90.6% Second year of operations: 100%	L/H: Bacolod - Ngalan reached full capacity by LTM Sept 2025 (up from 90.6% in 2024). We assume 100% efficiency starting in year two, which differs from Management's expectation of immediate full efficiency upon commencement, and have applied this assumption consistently across other BW entities (i.e., Bacolod, Jaclupan, and Mandaue).
Power cost	Mandaue: PHP18/cu.m	Mandaue: PHP6.49/cu.m to PHP24.12/cu.m	Mandaue: PHP6.49/cu.m to PHP24.12/cu.m	For Mandaue, Management assumed power costs using a blended rate of Php18.00/kWh for all years, subject to inflation. The impact of timing on power rates has been reflected. The L/H cases consider actual power rates in Cebu.

Sources: Management information, PwC analysis

Summary of key assumptions (3 of 3)

Included below are the key assumptions underlying the valuation. A description of the procedures and general assumption used is provided, with certain entities highlighted to reflect project-specific considerations.

Key Assumptions	Management	Low	High	Notes
CAPEX	Management estimates	Iloilo and Malasiqui: delayed by six months from Management	Iloilo and Malasiqui: delayed by six months from Management	Updated models and Management's CAPEX forecasts were used to reflect revised timing. Where YTD actual spend was available, Q4 2025 CAPEX was calculated as the difference between Management's full-year estimate and the actual spend to date: • Nabua, Trece, Catbalogan – based on cash flow as of 30 September 2025 • Bacolod – from Construction in Progress balance as of 30 September 2025 • Echague – 2024 CAPEX partially delayed into 2025 • San Jose – 2025 CAPEX partially deferred to 2026 Known delays per Management: • Coron – CAPEX deferred to 2027; 2025 spend reflected • Calbayog – 2024 CAPEX delayed to Q4 2025; 2025 deferred to 2026 • Iloilo, Malasiqui – CAPEX deferred to 2026; scenarios add six-month deferrals Where no YTD data was provided, estimates remain unchanged.
Terminal Value (TV) growth rate	Not considered	2%	2%	Management represents potential renewal or extension beyond the concession period shows support to the going concern assumption.

Sources: Management information, PwC analysis

Appendices

Appendix A: Comparable companies

The screening for the comparable companies consider similarity in business models, and growth profile of TPGI.

Company name	Country	Description	3-year Forward EV/EBITDA multiple
Maynilad Water Services, Inc.	Philippines	Maynilad Water Services, Inc. engages in the distribution of potable water and the provision of wastewater and sewerage services in the Philippines. It operates under a long-term concession covering the West Zone of Metro Manila, serving residential, commercial, and industrial customers across 17 cities and municipalities. The company manages water treatment plants, pumping stations, reservoirs, and wastewater facilities, and is involved in infrastructure expansion to improve service coverage.	6.9x
Manila Water Company	Philippines	Manila Water Company, Inc. engages in the provision of water distribution and wastewater services in the Philippines. It operates the East Zone concession of Metro Manila under a long-term agreement with the Metropolitan Waterworks and Sewerage System (MWSS), serving residential, commercial, and industrial customers across 23 cities and municipalities. The company manages water treatment plants, pumping stations, reservoirs, and sewerage facilities, and is involved in infrastructure expansion to improve service coverage.	8.4x
China Everbright Water Limited	China	China Everbright Water Limited provides wastewater treatment, water supply, reusable water, sludge treatment, and river basin ecological restoration services. It operates under concession agreements with local governments and manages a portfolio of municipal water projects across multiple provinces.	8.6x
Qian Jiang Water Resources Development Co.,Ltd	China	Qian Jiang Water Resources Development Co.,Ltd, together with its subsidiaries, produces and supplies tap water in China. It is also involved in the operation of sewage treatment plants; and installation of municipal water pipelines.	10.9x

Note: Multiples were forwarded using country-specific GDP growth rates. The local comparable companies (Maynilad and Manila Water) are both on the low end and were included to better reflect the current Philippine economic landscape. Comparable companies on the high end have similar growth profiles with TPGI.

Sources: CIQ, IMF, PwC analysis

Appendix B: Comparable transactions

Company name	Transaction date	Country	Description	Implied EV/EBITDA multiple
Manila Water Company	25 May 2021	Philippines	Prime Metroline Transit Corporation made an offer to acquire a 54.16% stake in Manila Water Company, Inc. (PSE:MWC) from Ayala Corporation (PSE:AC). Manila Water Company, Inc., together with its subsidiaries, provides water treatment and distribution, sewerage, and sanitation services. Under the term, Prime Metroline Transit Corporation will acquire 1.12bn shares of Manila Water Company for PHP13.0 per share.	6.7x
Chennai Water Desalination Ltd	31 Dec 2016	India	Utico FZC, a UAE-based water treatment company, agreed to acquire Chennai Water Desalination Ltd. from IVRCL Infrastructures & Projects Ltd. and Befesa Agua SA for INR4.5bn (USD 86.9m). Chennai Water Desalination, which reported revenues of INR1.8bn (USD 30.9m) for FY2014, operates a major desalination project in Tamil Nadu..	9.7x
Bulakan Water Company Inc	22 October 2024	Philippines	Manila Water, through its subsidiary Filipinas Water Holdings Corp., sold its 90% stake in BWCI (along with Obando Water Company, Inc.) to Bulacan Water Services Corp., a subsidiary of San Miguel Corporation.	9.9x
Zhongshan Public Utilities Group Co Ltd	11 November 2014	China	Zhongshan Public Utilities Group is a holding company with interests in water supply and sewage treatment companies.	10.4x

Sources: CIQ, IMF, PwC analysis

Thank you.

At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're a tech-forward, people-empowered network with more than 364,000 people in 136 countries and 137 territories. Across audit and assurance, tax and legal, deals and consulting, we help clients build, accelerate, and sustain momentum. Find out more at www.pwc.com.

pwc.com

© 2025 PwC. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

CERTIFICATION WITH UNDERTAKING

I, JOHNSON A. SANHI, JR., Filipino, of legal age, in my capacity as President of COAL ASIA HOLDINGS INCORPORATED, a publicly listed company with *The Philippine Stock Exchange ("the Exchange")*, after having been duly sworn to according to law, hereby ***CERTIFY***, that:

1. The statements made by the Company in its Definitive Information Statement ("DIS") submitted to the Securities & Exchange Commission ("SEC") are true, accurate and correct for the purposes stated therein; that the valuations presented in regard to the proposed tax-free exchange through the issuance of additional shares of the capital stock of the Company to its stockholders in exchange for their shares in their affiliate, the Tubig Pilipinas Group, Inc. ("TPGI") are accurate based on a draft-executive summary of the valuation and fairness opinion on the shares of a water service company, dated 22 December 2025, prepared by the Isla Lipana & Co., a Philippine member-firm of the PwC Global network, and will be maintained and not changed for purposes of filing and disseminating the DIS and the transaction.

-and, relative hereto ***UNDERTAKE***-

2. To submit, on or before 3 February 2026, an amendment to the DIS, as may be required by the SEC, as well as the final valuation report upon obtainment by Isla Lipana of the pertinent Certification of Independence from *the Exchange.*

This Certification with Undertaking is being issued to the Securities & Exchange Commission for the foregoing purposes and for any and all legal intents it may serve.

Issued this 22 JAN 2026 day of January 2026 at Makati City, Philippines.

JOHNSON A. SANHI, JR.
President

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in Makati City, declarant Mr. Sanhi, Jr. presenting as competent evidence of his identity, TIN 105-618-140.

Doc. No. 185;
Page No. 38;
Book No. 6;
Series of 2026.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-118 until Dec. 31, 2026
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 566586 / 12-16-2025 / Pasig City
PTR No. 10764057 / 01-02-2026 / Makati City
MCLE Compliance No. VIII-0024929/April 14, 2028